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March 24, 2017

VIA ECF

The Honorable Barbara Moses
United States Magistrate Judge
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl Street, Room 920
New York, NY 10007-1312

Re: *Royal Park Investments SA/NV v. Deutsche Bank National Trust Company*,
Civil Action No. 1:14-cv-04394-AJN-BCM (S.D.N.Y.)

Dear Judge Moses:

I write on behalf of plaintiff Royal Park Investments SA/NV (“RPI”) to respectfully request an order requiring: (i) defendant Deutsche Bank National Trust Company (“Deutsche Bank” or the “Trustee”) to produce invoices for any and all fees and costs billed to the Covered Trusts related to this litigation; (ii) Deutsche Bank to reimburse, with interest, the Covered Trusts for costs that this Court ordered Deutsche Bank to bear in relation to the deposition of former RPI CEO Danny Frans in Brussels, but which Deutsche Bank billed to the Covered Trusts; and (iii) any other relief that the Court deems appropriate.

Deutsche Bank Has Been Unlawfully Billing the Covered Trusts for Its Defense of This Litigation

Deutsche Bank has recently confirmed that it has been billing, and continues to bill, all of the “fees and expenses” (including attorneys’ fees) of this litigation to the Covered Trusts at issue in this litigation. Ex. A at 1 (Garbutt March 13 Letter). According to Deutsche Bank, all of the Covered Trusts’ governing agreements (“GAs”) allow the Trustee to bill all of its legal expenses to the Covered Trusts. *Id.* Deutsche Bank is wrong.

First, the default rule in American litigation is that parties pay their own legal costs. *Oscar Gruss & Son, Inc. v. Hollander*, 337 F.3d 186, 199 (2d Cir. 2003). In litigation relating to a trust, a trustee may **not** use the trust corpus for actions not for the benefit of the trust or when the trustee is at fault. *In re Estate of Saxton*, 179 Misc. 2d 681, 692-93 (Sur. Ct. 1998) (“it is a generally accepted principle that . . . where a trustee is found to have been imprudent, the trustee is disallowed payment from the trust of the trustee’s attorneys’ fees incurred in defending the objections.”);¹ *Morrissey v. Segal*, 526 F.2d 121, 126-28 (2d Cir. 1975) (“[T]he trustee is not entitled to indemnity if the incurring of the expense became necessary because of his own fault.”);

¹ Citations are omitted and emphasis is added throughout unless otherwise indicated.

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In re Estate of Janes, 165 Misc. 2d 743, 758 (Sur. Ct. 1995), *modified, aff'd*, 223 A.D.2d 20 (4th Dep't 1996).

Second, the GAs do not permit Deutsche Bank's indemnification from the Covered Trusts for the legal expenses of this litigation or for any deviation from the default rule. All of the GAs explicitly exempt indemnification of expenses for acts of "willful misconduct," "bad faith," "negligence," "gross negligence," or "reckless disregard of obligations and duties" by the Trustee. *See, e.g.*, Ex. B (FFML 2006-FF9 §8.05) (exempting expenses "incurred because of willful misconduct, bad faith, or negligence in the performance of any of the Trustee's duties under this Agreement.")² Here, the Complaint alleges the Trustee acted with "gross negligence and willful misconduct," rendering any possible indemnification provisions from the Covered Trusts inapplicable. Dkt. No. 1, ¶199.

Third, even if the claims at issue here were not explicitly excluded from indemnification by the language of the GAs (which they are), the fact that the GAs are not **unequivocal** in their intent to allow the Trustee to be indemnified for claims brought for its own negligence and misconduct renders Deutsche Bank's interpretations of the GAs frivolous. By default, an indemnity agreement is supposed to cover liability to **non-parties** to that agreement. When an indemnitee and indemnitor are adversaries, however, an indemnification clause must refer "**exclusively or unequivocally**" to claims between the indemnitor and indemnitee, or the court "**must find the agreement to be lacking evidence of the required intent**" to cover such claims. *BNP Paribas Mortg. Corp. v. Bank of Am., N.A.*, 778 F. Supp. 2d 375, 415 (S.D.N.Y. 2011); *Bridgestone/Firestone, Inc. v. Recovery Credit Servs.*, 98 F.3d 13, 21 (2d Cir. 1996).

Here, the alleged indemnitee (Deutsche Bank) is seeking indemnification from the indemnitor (the Covered Trusts) and is thereby attempting to shift liability of this action from the indemnitee to the indemnitor. As there is absolutely no such provision in the GAs, let alone unequivocal language demonstrating the parties' intent, Deutsche Bank's billing of its legal expenses in this litigation to the Covered Trusts is unlawful.³ *BNP Paribas*, 778 F. Supp. 2d at 417

² In addition, one GA excludes breach of contract from indemnification. Ex. B (GSR 2007-AR2, MSTA §9.05). Two of the GAs specifically name parties **other than** the Covered Trusts as responsible for any indemnification. *See* Ex. B (SAST 2006-2 §8.5 (Saxon responsible)); Ex. B (NHEL 2006-4 §6.06 (servicing rights owner responsible)). Other GA provisions require the servicers or originators to indemnify trustees for issues caused by their breaches, not the Covered Trusts. *See, e.g.*, Ex. B (FFML 2006-FF9 §§2.03(h), 6.05; HASC 2007-WF1 §§2.03(h), 6.05; MSAC 2007-NC2 §6.05; MSAC 2007-NC3 §6.05; MSIX 2006-1 §§2.03(o), 6.05).

³ Deutsche Bank's reliance on the dicta in *Royal Park Investments SA/NV v. HSBC Bank USA National Association*, No. 1:14-cv-08175-LGS-SN, Order (Dkt. No. 254) at 8 (S.D.N.Y. Jan. 26, 2017), does not support the unfettered billing of costs to the Covered Trusts. Judge Netburn did not find that billing trusts for litigation was proper; she merely noted

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(“Finally, [the indemnitee] contend[s] that the reference to ‘all losses’ in the indemnification provision means that it must cover first-party losses. *This argument ignores the rule requiring that the intention to cover first-party losses must be ‘unmistakably clear,’ even in a provision that states that it covers ‘all losses.’*”).

Fourth, even if Deutsche Bank is entitled to some form of indemnification from the Covered Trusts, which it is not, it may only be reimbursed for “reasonable” expenses. *HSBC Bank USA, Nat’l Ass’n v. Calpine Corp.*, No. 07 Civ. 3088 (GBD), 2010 WL 3835200, at *9 (S.D.N.Y. Sept. 15, 2010) (after considering the debtor’s claim that indemnification would encourage meritless litigation, the court rejected a portion of fees incurred after a court’s order because the trustee did not “provide any substantial justification for its claim”); *Brewery Workers Pension Fund v. N.Y. State Teamsters Conference Pension & Ret. Fund*, 76 A.D.2d 876, 877 (2d Dep’t 1980) (“[parties seeking indemnification] have the burden of establishing the reasonableness of the expenses for which indemnification is sought”). In addition, all but one of the Covered Trusts expressly limit any indemnification to “reasonable” expenses.

Here, the fees incurred by Deutsche Bank in defending this action have not been reasonable, as RPI respectfully submits this Court has suggested on several occasions. *See* Dkt. No. 206 at 8 (“In this case, *Deutsche Bank’s muscular over-litigation* of a relatively narrow privilege question – which did not present any novel questions of fact or law – provides the ‘other circumstances’ that would make it unjust to issue such an award.”); 11/17/16 Hr’g Tr. at 12:7-11 (“Mr. Garbutt, one of the reasons that I wanted to do this by telephone conference and not have to write on it *is because if I had to write on it I would have assessed costs against you.*”); 8/12/16 Hr’g Tr. at 4:14-5:7 (“[W]hen a motion is fully briefed, please don’t send me additional unauthorized letter briefs. . . . ECF No. 252 is stricken.”).

Deutsche Bank Should Be Ordered to Produce Invoices of Costs Unlawfully Billed to the Covered Trusts

Deutsche Bank has refused to provide Royal Park with copies of the invoices for the expenses that it has billed the Covered Trusts for this litigation. Without these invoices, it is impossible to know for what expenses, or even how much money, Deutsche Bank has billed each of the Covered Trusts. Regardless of this standard to be applied, these invoices are relevant to determine costs Deutsche Bank must repay to the Covered Trusts, either because all such costs or disallowed or because many of such costs are likely unreasonable.

there are indemnification provisions and that HSBC “sought” fees from a trust. *Id.* Nor was the litigation at issue breach of contract litigation against a trustee.

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Deutsche Bank Should Be Ordered to Reimburse the Covered Trusts for Costs This Court Ordered Deutsche Bank to Bear

On July 18, 2016, RPI filed a letter motion requesting a protective order quashing the second Notice of Deposition Pursuant to Fed. R. Civ. P. 30(b)(6) served by Deutsche Bank. Dkt. No. 226. RPI contended that the additional deposition was redundant, burdensome and otherwise improper because Royal Park had already been deposed on the same topics by Deutsche Bank or its counsel. *Id.* On August 12, 2016, the Court granted RPI's letter motion in part, limiting Deutsche Bank to two hours of testimony and ordering that Deutsche Bank pay the expenses associated with the deposition. Dkt. No. 253 at 4; 8/12/16 Hr'g Tr. at 82:18-83:1 (holding that "Deutsche Bank" was responsible for travel expenses: "so you're paying the bills for these additional two hours").

The deposition took place on September 7, 2016 in Brussels, Belgium. Deutsche Bank's counsel mailed RPI's counsel a check for the ordered costs. However, unbeknownst to RPI and contrary to this Court's order, Deutsche Bank did not pay the costs associated with the deposition. Rather, Deutsche Bank secretly charged the Covered Trusts for the costs that this Court ordered Deutsche Bank itself to bear. Deutsche Bank never sought this Court's guidance as to whether billing the Covered Trusts for the costs the Court ordered Deutsche Bank to pay was appropriate, almost certainly because it did not want to alert the Court that it was improperly billing the Covered Trusts for its defense costs.

Under any standard Deutsche Bank's undisclosed conduct was improper, and the Court should order Deutsche Bank to repay the Covered Trusts for these costs. *First*, as set forth above, Deutsche Bank is not entitled to indemnification from the Covered Trusts at all. *Second*, even if it were entitled to some level of indemnification from some of the Covered Trusts, which it is not, it is only entitled to indemnification for "reasonable" expenses. *See supra*. It is not reasonable for the Covered Trusts to bear costs that this Court ordered Deutsche Bank itself to pay as a result of its deleterious discovery conduct. *See* Dkt. No. 226 at 3 (discussing the fact that Deutsche Bank's request for another Rule 30(b)(6) deposition was duplicative, overbroad and unduly burdensome).

RPI therefore requests an order requiring Deutsche Bank to (i) produce invoices for any and all fees and costs billed to the Covered Trusts related to this litigation; and (ii) immediately repay the Covered Trusts for the costs the Court ordered Deutsche Bank to pay in its August 12, 2017, Order, with interest.

Robbins Geller
Rudman & Dowd LLP

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Very truly yours,



LUCAS F. OLTS



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CERTIFICATE OF SERVICE

I hereby certify that on March 24, 2017, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I caused to be mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on March 24, 2017.

s/ LUCAS F. OLTS

LUCAS F. OLTS

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Manual Notice List

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

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EXHIBIT A

Morgan Lewis

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March 13, 2017

VIA EMAIL

Lucas F. Olts, Esq.
Robbins Geller Rudman & Dowd LLP
655 West Broadway, Suite 1900
San Diego, CA 92101

Re: Royal Park Investments SA/NV v. Deutsche Bank Nat'l Trust Co., No. 14-cv-4394

Dear Luke:

As you know we represent Deutsche Bank National Trust Company, “as trustee” (as reflected in the caption of Plaintiff’s complaint) in the above-referenced case (the “Trustee”). We write in response to your February 23, 2017, 2:50 p.m. email.

Pursuant to and consistent with the provisions of the governing agreements (the “Governing Agreements” or “GAs”) for the trusts at issue in the above-referenced case, the Trustee has been, and continues to be, indemnified for all of the fees and expenses that it incurs in connection with this litigation. This includes discovery related expenses, such as the reimbursement of the travel and lodging costs of Robbins Geller Rudman & Dowd (“Robbins Geller”) pursuant to the Court’s discovery order.

For multiple reasons, we cannot take seriously the implication in your e-mail that the Trustee’s right to indemnification for such fees and expenses only recently came to the attention of both Robbins Geller and Plaintiff Royal Park Investments SA/NV (“Plaintiff” or “RPI”).

First, the GAs that allegedly form the basis of Plaintiff’s claims provide that the Trustee is not required to risk or expend its own funds in the performance of any of its duties, and also provide that the Trustee is indemnified for all of its fees and expenses. For example, the GA for the Harborview Mortgage Loan Trust 2006-8 provides that the Securities Administrator may transfer funds from the “Distribution Account” to the Trustee in order to “reimburse the Trustee ... for expenses, costs and liabilities incurred by or reimbursable

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to it from funds of the Trust Fund” for certain specified purposes (HVMLT 2006-8 PSA § 4.03(a)(xi)), including for purposes of: (a) indemnifying the Trustee for any loss, liability, or expense, “including reasonable legal fees and disbursements of counsel,” incurred by the Trustee in connection with, arising out of, or relating to “this Agreement, the Certificates or the Servicing Agreements or the transactions contemplated hereby or thereby” (HVMLT 2006-8 PSA § 3.31(c)); and (b) paying to the Trustee “all reasonable out-of-pocket expenses, disbursements and advances and the expenses of the Trustee” in connection with “any breach of this Agreement or any claim or legal action” incurred by the Trustee in the performance of its duties or the administration of the trusts. HVMLT 2006-8 PSA § 8.05.

Second, more than two years ago, in the “Memorandum of Law in Support the Motion to Dismiss of Defendant Deutsche Bank National Trust Company, as Trustee,” dated September 29, 2014, Dkt.# 31, the Trustee made clear that the Trustee is properly indemnified for all such fees and expenses.¹ Indeed, in demonstrating why an RMBS trustee is not obligated to investigate potential breaches absent direction and indemnification, the Trustee stated that “investigations can be expensive, and the only funds available to finance such an investigation are trust assets in which the Indenture Trustee has no beneficial interest.” Dkt.# 31, p. 9; see also Dkt.# 55, p. 9. The Trustee further demonstrated that “[t]he requirement that Certificateholders offer the Indenture Trustee indemnity as a prerequisite to directing any investigation is critical to the economics of the transaction and protects the Indenture Trustee, which is not required to spend its own funds.” Dkt.# 31, pp. 9-10; see also Dkt.# 55, p. 9. In support of that point, the Trustee stated that “[t]he PSAs provide that ‘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.’ GarbEx. A [FFML 2006-FF9 PSA § 8.02(f)].” Dkt.# 31, p. 10 n. 10; see also Dkt.# 55, p. 9 n. 9. The Trustee further explained specifically the Trustee’s indemnification in connection with lawsuits by Certificateholders: “[If not for the PSAs’ No-Action Clauses,] a lawsuit by a minority Certificateholder (potentially consuming millions of dollars of trust assets) ... could result in Warrantors and Servicers being joined as third-party defendants because of the indenture trustee’s indemnification rights under the PSAs.” Dkt.# 31, p. 35; see also Dkt.# 55, p. 37.

Third, almost one year ago, on May 24, 2016, DBNTC served its objections and responses to Plaintiff’s Interrogatory No. 13, which drew attention to the specific GA provisions that expressly authorize the Trustee to be indemnified for its fees and expenses: “The Governing Agreements also contemplate that the Trustees are entitled to indemnification for certain losses, liabilities, and expenses and reimbursement for expenses, disbursements, and advances that it incurs, which DBNTC does not construe as ‘income’ for purposes of this Interrogatory. See, e.g., HVMLT 2006-8 PSA §§ 4.03(a), 8.05.”

¹ The Trustee made the same point in its subsequent “Memorandum of Law in Support the Motion to Dismiss of Defendant Deutsche Bank National Trust Company, as Trustee,” dated March 2, 2015, Dkt.# 55.

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Fourth, large institutional investors, including members of your putative class, have publicly acknowledged the right of RMBS trustees to indemnification for fees and expenses incurred in connection with litigation like this one. For example, in the global settlement among Citigroup Inc. and certain institutional investors, the approval of which settlement was sought in In re U.S. Bank National Association, No. 653902/14 (N.Y. Sup. Ct. N.Y. Cty.), counsel for PIMCO, BlackRock, and other large institutional investors asked the court to bar investors from suing the trustees concerning their evaluation, acceptance, and implementation of a settlement agreement because, if sued, the trustees' fees and expenses incurred in defending the action would be indemnified from trust assets, which would be detrimental to investors:

On this record, the Court has abundant evidence from which it can find that the trustees have acted reasonably and in good faith in connection with their evaluation and acceptance of the settlement. Once that finding of good faith exists, they are protected from liability. If they are then sued in some other jurisdiction, ostensibly on account of this settlement, when certificateholders had the opportunity to appear here, that is injurious not just to the trustees, but to the trusts and their investors who then will have to indemnify the trustees for the costs of defending actions that the Court has found to be reasonable and in good faith and not subjecting them to liability. . . . Assuming the Court finds in favor of the trustees, it is in the interest of all certificateholders to ensure that there is no further litigation about the settlement.

See Transcript of Proceedings, dated November 6, 2015, In re U.S. Bank National Association, No. 653902/14, (N.Y. Sup. Ct. N.Y. Cty.), Dkt.# 150, pp. 30-31.

Fifth, courts have already indicated that they see nothing wrong with such indemnification and reimbursement as provided for in the relevant trust agreement. For example, in RPI's case against defendant HSBC, as trustee, in resolving a motion that was made by RPI and other plaintiffs, Magistrate Judge Netburn noted: "the fact that HSBC sought reimbursement for its legal fees from the trusts, . . . does not favor applying the fiduciary exception given that the governing agreements vest in HSBC a right of indemnification for legal fees. See, e.g., DBALT 2006-AR5 PSA § 9.2 ('No provision of this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder . . .')." Order, dated January 16, 2017, Royal Park Investments SA/NV v. HSBC Bank USA National Association, No. 14-cv-8175-LGS-SN (S.D.N.Y.), Dkt.# 254, p. 8 (emphasis added).

And, in another litigation that an RMBS investor filed against RMBS trustees, the plaintiff-investor made a motion for an order: (i) requiring one of the defendant RMBS trustees "to reimburse funds it withdrew from a trust for the purposes of covering legal expenses it has incurred in this action"; and (ii) enjoining the trustee "from making any similar withdrawals in the future." See Opinion, VNB Realty, Inc. v. U.S. Bank National

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Association, No. 13-cv-4743, 2016 WL 3912028, *1 (D.N.J. July 19, 2016) (characterizing motion). The court denied that motion. Id., *3. To the extent that Plaintiff is contemplating a similar tactic, be advised that there is no contractual or case law support for it.

If, notwithstanding the foregoing, both Robbins Geller and Plaintiff truly were unaware of these contractual provisions and/or the events described above, that would seriously call into question the ability of Robbins Geller to adequately represent the putative class and the ability of Plaintiff to adequately protect the interests of the putative class.

Very truly yours,


Bernard J. Garbutt III

cc: Arthur C. Leahy
Christopher M. Wood
Darryl J. Alvarado
Rollin B. Chippey, II
Grant R. MacQueen

EXHIBIT B

HSI ASSET SECURITIZATION CORPORATION,
Depositor

NATIONAL CITY HOME LOAN SERVICES, INC.,
Servicer

FIRST FRANKLIN FINANCIAL CORPORATION,
Mortgage Loan Seller,

WELLS FARGO BANK, N.A.,
Master Servicer, Securities Administrator and Custodian

and

DEUTSCHE BANK NATIONAL TRUST COMPANY,
Trustee

POOLING AND SERVICING AGREEMENT

Dated as of June 1, 2006

FIRST FRANKLIN MORTGAGE LOAN TRUST 2006-FF9

MORTGAGE PASS-THROUGH CERTIFICATES,
SERIES 2006-FF9

such party in order to enable the Trustee to comply with Applicable Law.

Section 8.03 Trustee Not Liable for Certificates or Mortgage Loans . The recitals contained herein and in the Certificates shall be taken as the statements of the Depositor and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Agreement, the Cap Agreement, the Swap Agreement, or of the Certificates or of any Mortgage Loan or related document. The Trustee shall not be accountable for the use or application by the Depositor, the Master Servicer, the Servicer, the Securities Administrator or the Derivative Counterparty of any funds paid to the Depositor, the Master Servicer, the Servicer, the Securities Administrator or the Derivative Counterparty in respect of the Mortgage Loans or deposited in or withdrawn from the Collection Account, the Distribution Account or any other fund or account with respect to the Certificates by the Depositor, the Master Servicer, the Servicer, the Securities Administrator or the Derivative Counterparty.

The Trustee shall have no responsibility for filing or recording any financing or continuation statement in any public office at any time or to otherwise perfect or maintain the perfection of any security interest or lien granted to it hereunder.

Section 8.04 Trustee May Own Certificates . The Trustee in its individual or any other capacity may become the owner or pledgee of Certificates with the same rights as it would have if it were not the Trustee.

Section 8.05 Trustee's Fees Indemnification and Expenses . (a) As compensation for its activities under this Agreement, the Trustee shall be paid its fee by the Master Servicer from the Master Servicer's own funds pursuant to a separate agreement. The Trustee shall have no lien on the Trust Fund for the payment of such fees.

(b) The Trustee shall be entitled to be reimbursed, from funds on deposit in the Distribution Account, amounts sufficient to indemnify and hold harmless the Trustee and any director, officer, employee, or agent of the Trustee against any loss, liability, or expense (including reasonable attorneys' fees) incurred in connection with any claim or legal action relating to:

- (i) this Agreement,
- (ii) the Certificates, or
- (iii) the performance of any of the Trustee's duties under this Agreement,

other than any loss, liability, or expense (i) resulting from any breach of the Servicer's obligations in connection with this Agreement for which the Servicer has performed its obligation to indemnify the Trustee pursuant to Section 6.05, (ii) resulting from any breach of the Mortgage Loan Seller's obligations in connection with this Agreement for which the Mortgage Loan Seller has performed its obligation to indemnify the Trustee pursuant to Section 2.03(h), (iii) resulting from any breach of the Master Servicer's obligation hereunder for which the Master Servicer has performed its obligation to indemnify the Trustee pursuant to this Agreement or (iv) incurred because of willful misconduct, bad faith, or negligence in the performance of any of the Trustee's duties under this Agreement. Without limiting the foregoing, except as otherwise agreed upon in writing by the Depositor and the Trustee, and except for any expense, disbursement, or advance arising from the Trustee's negligence, bad faith, or willful misconduct, the Trust Fund shall pay or reimburse the Trustee for all reasonable expenses, disbursements, and advances incurred or made by the Trustee in accordance with this Agreement with respect to:

(A) the reasonable compensation, expenses, and disbursements of its counsel not associated with the closing of the issuance of the Certificates, and

(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 them to perform services under this Agreement.

The Trustee's right to indemnity and reimbursement under this Section 8.05(b) shall survive the

termination of this Agreement and the resignation or removal of the Trustee under this Agreement.

Except as otherwise provided in this Agreement or a separate letter agreement between the Trustee and the Depositor, 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 under this Agreement or for any other routine expenses incurred by the Trustee; provided, further, that no expense shall be reimbursed hereunder if it would not constitute an “unanticipated expense incurred by the REMIC” within the meaning of the REMIC Provisions.

Section 8.06 Eligibility Requirements for the 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 any of the Rating Agencies to reduce their respective then current ratings of the Certificates (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 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, the Master Servicer, the Securities Administrator or the Servicer and its affiliates; provided, however, that such entity cannot be an affiliate of the Depositor or the Servicer other than the Trustee in its role as successor to the Master Servicer.

Section 8.07 Resignation and Removal of the 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, the Securities Administrator 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.

If at any time the Trustee shall cease to be eligible in accordance with Section 8.06 and shall fail to resign after written request thereto by the Depositor, or if at any time 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, or 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, then the Depositor or the Servicer may remove the Trustee and, subject to the approval of the Rating Agencies, appoint a successor trustee by written instrument, in triplicate, one copy of which shall be delivered to the Trustee, one copy to the Servicer and one copy to the successor trustee.

The Holders of Certificates entitled to at least a majority of the Voting Rights may at any time remove the Trustee and, subject to the approval of the Rating Agencies, 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 shall be delivered by the successor Trustee to the Servicer, one complete set to the Trustee so removed and one complete set to the successor so appointed. The successor trustee shall notify each Rating Agency of any removal of the Trustee.

Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to this Section 8.07 shall become effective upon acceptance of appointment by the successor trustee as provided in Section 8.08.

**STANDARD TERMS
TO
MASTER SERVICING
AND
TRUST AGREEMENT**

**GS Mortgage Securities Corp.
Depositor**

**GSR Mortgage Loan Trust 2007-AR2
Mortgage Pass-Through Certificates, Series 2007-AR2**

May 2007 Edition

(b) All rights of action under the Trust Agreement or under any of the Certificates, enforceable by the Trustee may be enforced by it without the possession of any of the Certificates, or the production thereof at the trial or other proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Holders of such Certificates, subject to the provisions of the Trust Agreement. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders in respect of which such judgment has been recovered.

Section 9.03 Trustee Not Liable for Certificates or Mortgage Loans .

The recitals contained in the Trust Agreement and in the Certificates (other than the signature of the Trustee, the acknowledgments by the Trustee in Section 2.02 hereof and the representations and warranties made in Section 9.13 hereof) shall be taken as the statements of the Depositor, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations or warranties as to the validity or sufficiency of the Trust Agreement, any Supplemental Trust Agreement or of the Certificates (other than the signature of the Trustee on the Certificates) or of any Mortgage Loan or related document. The Trustee shall not be accountable for the use or application by the Depositor of any of the Certificates or of the proceeds of such Certificates, or for the use or application of any funds paid to the Depositor in respect of the Mortgage Loans or deposited in or withdrawn from any Collection Account, the Master Servicer Account or the Certificate Account or Collection Account other than any funds, if any, held by the Trustee in accordance with Sections 3.01 and 3.02 or as owner of the Regular Interests of any REMIC.

Section 9.04 Trustee May Own Certificates .

The Trustee in its individual capacity or any other capacity may become the owner or pledgee of Certificates with the same rights it would have if it were not Trustee.

Section 9.05 Trustee's Fees and Expenses and Indemnification .

Pursuant to the Trust Agreement, the Trustee shall be paid by the Securities Administrator. The Trustee shall be entitled to reimbursement for all reasonable expenses and disbursements incurred or made by the Trustee in accordance with any of the provisions of the Trust Agreement (including but not limited to the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, bad faith, willful misconduct or breach of contract by the Trustee. The Trustee and any director, officer, employee or agent of the Trustee shall be indemnified and held harmless by the Trust against any loss, liability or expense thereof, including reasonable attorney's fees and expenses, incurred, arising out of or in connection with the Trust Agreement, any Custodial Agreement, any Supplemental Trust Agreement or the Certificates, including, but not limited to, any such loss, liability, or expense including counsel fees and expenses, incurred in connection with any legal action against the Trust or the Trustee or any director, officer, employee or agent thereof, or the performance of any of the Trustee's duties under the Trust Agreement other than any loss, liability or expense incurred by reason of willful misfeasance, bad faith, negligence, willful misconduct or breach of contract in the performance of duties under the Trust Agreement or by reason of reckless disregard of obligations and duties under the Trust Agreement or that do not constitute "unanticipated expenses" within the meaning of Treasury Regulation Section 1.860G-1(b)(3)(ii). The provisions of this Section 9.05 shall survive the resignation or removal of the Trustee and the termination of this Agreement.

SAXON ASSET SECURITIES COMPANY,

Depositor

SAXON MORTGAGE, INC.,

Master Servicer

SAXON MORTGAGE SERVICES, INC.,

Servicer

and

DEUTSCHE BANK NATIONAL TRUST COMPANY

Trustee

POOLING AND SERVICING AGREEMENT

Dated as of May 1, 2006

SAXON ASSET SECURITIES TRUST 2006-2

MORTGAGE LOAN ASSET BACKED CERTIFICATES, SERIES 2006-2

- (iv) the Trustee shall not be required to expend or risk 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 if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not assured to it, and none of the provisions contained in this Agreement shall in any event require the Trustee to perform, or be responsible for the manner of performance of, any of the obligations of the Master Servicer under this Agreement except during such time, if any, as the Trustee shall be the successor to, and be vested with the rights, duties, powers and privileges of, the Master Servicer; and
- (v) without limiting the generality of this Section 8.1, the Trustee shall have no duty (A) to see to any recording, filing, or depositing of this Agreement or any agreement referred to herein or any financing statement or continuation statement evidencing a security interest, or to see to the maintenance of any such recording or filing or deposit or to any rerecording, refiling or redepositing of any thereof, (B) to see to any insurance, (C) to see to the payment or discharge of any tax, assessment, or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the Trust Fund other than from funds available in the Distribution Account (D) to confirm or verify the contents of any reports or certificates of the Servicer delivered to the Trustee pursuant to this Agreement believed by the Trustee to be genuine and to have been signed or presented by the proper party or parties.

Section 8.2 Certain Matters Affecting the Trustee.

Except as otherwise provided in Section 8.1:

- (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 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; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not assured to the Trustee by the security afforded to it by the terms of this Agreement, the Trustee may require indemnity satisfactory to the Trustee against such cost, expense or liability as a condition to taking any such action.
- (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 and the Trustee shall not be responsible for any misconduct or negligence on the part of such agent, accountant or attorney appointed by the Trustee with due care;
- (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 or its Affiliates shall be permitted to receive additional compensation that could be deemed to be in the 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 Eligible Investments, (ii) using Affiliates to effect transactions in certain Eligible Investments and (iii) effecting transactions in certain Eligible Investments.
- (ix) 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 in the absence of such notice, the Trustee may conclusively assume that there is no Event of Default;
- (x) 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;
- (xi) the right of the Trustee to perform any discretionary act enumerated in this Agreement shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct in the performance of such act; and
- (xii) the Trustee shall not be required to give any bond or surety in respect of the execution of the Trust Fund created hereby or the powers granted hereunder.

Section 8.3 Trustee Not Liable for Certificates or Mortgage Loans.

The recitals contained herein and in the Certificates shall be taken as the statements of the Depositor, the Depositor or Master Servicer, 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, the Swap Agreement, any Bulk PMI Policies or of the Certificates or of any Mortgage Loan or related document 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 Collection Account by the Depositor or the Master Servicer.

Section 8.4 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 8.5 Trustee's Fees and Expenses.

The Trustee, as compensation for its activities prior to making the distributions pursuant to Section 4.1 hereunder, shall be entitled to deduct from the Master Servicing Fee on each Distribution Date an amount equal to the Trustee Fee and reasonable expenses for such Distribution Date. SMS shall indemnify and hold harmless the Trustee, the Paying Agent or the Custodian and any director, officer, employee or agent thereof against any loss, liability or expense, including reasonable attorney's fees, incurred in connection with or arising out of or in connection with this Agreement, the Swap Agreement, the Cap Agreement, any custodial agreement or the Certificates, including, but not limited to, any such loss, liability or expense incurred in connection with any legal action against the Trust or the Trustee, the Paying Agent or the Custodian or any director, officer, employee or agent thereof, or the performance of any of the duties of the Trustee or the Paying Agent under this Agreement, the Swap Agreement or the Cap Agreement, or the duties of the Custodian under any custodial agreement (including, but not limited to, the execution and delivery of documents in connection with a foreclosure sale, trustee's sale, or deed in lieu of foreclosure of a Mortgage Loan, including, but not, limited to, any deed of reconveyance, any substitution of trustee documents or any other documents to release, satisfy, cancel or discharge any Mortgage Loan) other than any loss, liability or expense incurred by reason of the willful misfeasance, bad faith or negligence in the performance of the duties under this Agreement, the Swap Agreement or the Cap Agreement or by reason of the willful misfeasance, bad faith or gross negligence of the Custodian under any custodial agreement (including specifically any loss, liability or expense incurred by the Custodian by reason of simple negligence under any custodial agreement). The provisions of this Section 8.5 shall survive the resignation or removal of the Trustee or the Paying Agent and the termination of this Agreement and the resignation or removal of the Custodian under any custodial agreement. The Trustee may receive an additional indemnity from a party acceptable to the Trustee.

Section 8.6 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 super-vision or examination by federal or state authority and with a credit rating which would not cause either of the Rating Agencies to reduce their respective then current ratings of the Certificates (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 8.6 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

NOVASTAR MORTGAGE FUNDING CORPORATION,
as Depositor

NOVASTAR MORTGAGE, INC.,
as Servicer and as Sponsor

U.S. BANK NATIONAL ASSOCIATION
as Custodian

and

DEUTSCHE BANK NATIONAL TRUST COMPANY
as Trustee

POOLING AND SERVICING AGREEMENT

Dated as of August 1, 2006

NovaStar Mortgage Funding Trust, Series 2006-4

NovaStar Home Equity Loan Asset-Backed Certificates, Series 2006-4

Section 6.04 Servicer Not to Resign.

Subject to the provisions of Section 6.02, the Servicer shall not resign from the obligations and duties hereby imposed on it except (i) upon determination that the performance of its obligations or duties hereunder are no longer permissible under applicable law or (ii) upon satisfaction of the following conditions: (a) subject to the rights of a Servicing Rights Pledgee pursuant to Section 3.28, the Servicer has proposed a successor servicer to the Trustee in writing and such proposed successor servicer is reasonably acceptable to the Trustee; and (b) each Rating Agency shall have delivered a letter to the Trustee prior to the appointment of the successor servicer stating that the proposed appointment of such successor servicer as Servicer hereunder will not result in the reduction or withdrawal of then current rating of the Certificates; provided, however, that no such resignation by the Servicer shall become effective until such successor servicer or, in the case of (i) above, the Trustee or its designee as successor Servicer shall have assumed the Servicer's responsibilities and obligations hereunder or shall have designated a successor servicer in accordance with Section 7.02. Any such resignation shall not relieve the Servicer of responsibility for any of the obligations specified in Sections 7.01 and 7.02 as obligations that survive the resignation or termination of the Servicer. The Servicer shall have no claim (whether by subrogation or otherwise) or other action against any Certificateholder for any amounts paid by the Servicer pursuant to any provision of this Pooling and Agreement. Any such determination permitting the resignation of the Servicer under clause (i) above shall be evidenced by an Opinion of Counsel to such effect delivered to the Trustee.

Section 6.05 Delegation of Duties.

In the ordinary course of business, the Servicer at any time may delegate any of its duties hereunder to any Person, including any of its Affiliates, who agrees to conduct such duties in accordance with the same standards with which the Servicer complies pursuant to Section 3.01. Such delegation shall not relieve the Servicer of its liabilities and responsibilities with respect to such duties and shall not constitute a resignation within the meaning of Section 6.04.

Section 6.06 Servicing Rights Owner to Pay Trustee's Fees and Expenses: Indemnification.

(a) The Servicing Rights Owner covenants and agrees to pay to the Trustee and any co-trustee of the Trustee from time to time, and the Trustee and any such co-trustee shall be entitled to, reasonable compensation, including all indemnification payments (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) for all services rendered by each of them in the execution of the trusts created hereunder and in the exercise and performance of any of the powers and duties and the Servicing Rights Owner will pay or reimburse the Trustee and any co-trustee upon request for all reasonable expenses, disbursements and advances incurred or made by the Trustee or any co-trustee of the Trustee in accordance with any of the provisions of this Agreement except any such expense, disbursement or advance as may arise from its negligence or bad faith.

(b) The Servicing Rights Owner agrees to indemnify the Trustee for, and to defend and hold, the Trustee harmless against, any claim, tax, penalty, loss, liability or expense of any kind whatsoever, incurred without gross negligence or willful misconduct on the part of the Trustee as such and/or in its individual capacity, arising out of, or in connection with, the performance of the Trustee's duties under this Agreement or the other Basic Documents, including the reasonable costs and expenses (including reasonable legal fees and expenses) of defending itself against any claim in connection with the exercise or performance of any of its powers or duties hereunder, provided that:

(i) with respect to any such claim, the Trustee shall have given the Servicing Rights Owner written notice thereof promptly after the Trustee shall have actual knowledge thereof, provided that failure to promptly notify shall not relieve the Servicing Rights Owner of its liability to indemnify hereunder except to the extent it has been materially prejudiced thereby;

(ii) while maintaining control over its own defense, the Trustee shall cooperate and consult fully with the Servicing Rights Owner in preparing such defense; and

(iii) notwithstanding anything in this Agreement to the contrary, the Servicing Rights Owner shall not be liable for settlement of any claim by the Trustee entered into without the prior consent of the Servicing Rights Owner, which consent shall not be unreasonably withheld.

No termination of this Agreement and resignation and removal of the Trustee shall affect the obligations created by this Section 6.06 of the Servicing Rights Owner to indemnify the Trustee under the conditions and to the extent set forth herein. This section shall survive the termination of this Agreement and resignation and removal of the Trustee. Any amounts to be paid by the Servicing Rights Owner pursuant to this Subsection may not be paid from the Trust Fund except as provided in Section 6.03.

Notwithstanding the foregoing, the indemnification provided by the Servicing Rights Owner in this Section 6.06 shall not pertain to any loss, liability or expense of the Trustee including the costs and expenses of defending itself against any claim, incurred in connection with any actions taken by the Trustee at the direction of the Certificateholders, as the case may be, pursuant to the terms of this Agreement.

(c) The Servicer agrees to indemnify the Trust Fund in an amount equal to the amount of any claim made under a MI Policy for which coverage is denied by the MI Insurer because (and if the MI Insurer's denial of coverage is contested by the Servicing Rights Owner or the Servicer, a court or arbitrator finally determines that coverage is not available under the MI Policy because) of the Servicer's failure to abide by the terms of the MI Policy or the MI Insurance Agreement or the Servicer's failure to abide by the NFI Underwriting Guidelines or the NFI Servicing Guidelines, as attached to the MI Insurance Agreement.

(d) In the event the Trustee becomes the Servicer pursuant to Section 7.02 hereof, the Trustee shall not be obligated, in its individual capacity, to pay any obligation of the Servicer under clause (c) above or clause (e) below.

(e) To the extent any amounts set forth in clause (a) or (b) above are not paid by the Servicing Rights Owner for any reason, such amounts shall be paid by the Servicer, except that, if the successor servicer is the Trustee, then any such amounts shall be paid by NovaStar Mortgage, Inc.

ARTICLE VII

DEFAULT

Section 7.01 Servicing Default.

(a) If any one of the following events (a “Servicing Default”) shall occur and be continuing:

(i) Any failure by the Servicer to deposit in the Collection Account or Distribution Account (A) any Advances and Compensating Interest or (B) any other Deposit required to be made under the terms of this Agreement, which, in the case of this clause (B), continues unremedied for a period of three Business Days after the date upon which written notice of such failure shall have been given to the Servicer by the Trustee or to the Servicer and the Trustee by the Holders of Certificates evidencing at least 25% of the Voting Rights; or

(ii) Failure on the part of the Servicer duly to observe or perform in any material respect any other covenants or agreements of the Servicer set forth in this Agreement, which failure, in each case, materially and adversely affects the interests of Certificateholders or the breach of any representation or warranty of the Servicer in this Agreement which materially and adversely affects the interests of the Certificateholders, and which in either case continues unremedied for a period of 30 days after the date on which written notice of such failure or breach, requiring the same to be remedied, and stating that such notice is a “Notice of Default” hereunder, shall have been given to the Servicer by the Trustee or to the Servicer and the Trustee by the Holders of Certificates evidencing at least 25% of the Voting Rights; or

(iii) The entry against the Servicer of a decree or order by a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a trustee, conservator, receiver or liquidator in any insolvency, conservatorship, receivership, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(iv) The Servicer shall voluntarily go into liquidation, consent to the appointment of a conservator, receiver, liquidator or similar person in any

HSI ASSET SECURITIZATION CORPORATION,
Depositor

NATIONAL CITY HOME LOAN SERVICES, INC.,
Servicer

FIRST FRANKLIN FINANCIAL CORPORATION,
Mortgage Loan Seller,

WELLS FARGO BANK, N.A.,
Master Servicer, Securities Administrator and Custodian

and

DEUTSCHE BANK NATIONAL TRUST COMPANY,
Trustee

POOLING AND SERVICING AGREEMENT

Dated as of June 1, 2006

FIRST FRANKLIN MORTGAGE LOAN TRUST 2006-FF9

MORTGAGE PASS-THROUGH CERTIFICATES,
SERIES 2006-FF9

Section 2.02 Acceptance by the Custodian of the Mortgage Loans. The Custodian shall acknowledge, on the Closing Date, receipt by the Custodian of the documents identified in the Initial Certification in the form annexed hereto as Exhibit E (“Initial Certification”), and declares that it holds and will hold such documents and the other documents delivered to it pursuant to Section 2.01, 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 Custodian shall maintain possession of the related Mortgage Notes in the States of Minnesota, California, and Utah unless otherwise permitted by the Rating Agencies.

In connection with the Closing Date, the Custodian shall be required to deliver via facsimile (with original to follow the next Business Day) to the Depositor and the Trustee an Initial Certification prior to the Closing Date, or, as the Depositor agrees on the Closing Date, certifying receipt of a Mortgage Note and Assignment of Mortgage for each Mortgage Loan. The Custodian shall not be responsible to verify the validity, sufficiency or genuineness of any document in any Custodian File.

Within 90 days after the Closing Date, the Custodian shall ascertain that all documents identified in the Document Certification and Exception Report in the form attached hereto as Exhibit F are in its possession, and shall deliver to the Depositor, the Trustee, the Mortgage Loan Seller and the Servicer a Document Certification and Exception Report, in the form annexed hereto as Exhibit F, to the effect that, as to each Mortgage Loan listed in the Mortgage Loan Schedule (other than any Mortgage Loan paid in full or any Mortgage Loan specifically identified in such certification as an exception and not covered by such certification): (i) all documents identified in the Document Certification and Exception Report and required to be reviewed by it are in its possession; (ii) such documents have been reviewed by it and appear regular on their face and relate to such Mortgage Loan; (iii) based on its examination and only as to the foregoing documents, the information set forth in items (1), (2), (3), (15), (18) and (22) of the Data Tape Information respecting such Mortgage Loan is correct; and (iv) each Mortgage Note has been endorsed as provided in Section 2.01 of this Agreement. Neither the Trustee nor the Custodian shall be responsible to verify the validity, sufficiency or genuineness of any document in any Custodial File.

The Custodian shall retain possession and custody of each Custodial File in accordance with and subject to the terms and conditions set forth herein. The Servicer shall promptly deliver to the Custodian, upon the execution or receipt thereof, the originals of such other documents or instruments constituting the Custodial File as come into the possession of the Servicer from time to time.

The Mortgage Loan Seller shall deliver to the Servicer copies of all trailing documents required to be included in the Custodial File at the same time the original or certified copies thereof are delivered to the Custodian, including but not limited to such documents as the title insurance policy and any other Mortgage Loan documents upon return from the public recording office. The documents shall be delivered by the Mortgage Loan Seller at the Mortgage Loan Seller’s expense to the Servicer.

Section 2.03 Representations, Warranties and Covenants of the Mortgage Loan Seller and the Servicer; Remedies for Breaches of Representations and Warranties with Respect to the Mortgage Loans. (a) NCHLS, in its capacity as Servicer makes the representations and warranties set forth in Schedule II hereto, to the Depositor, the Master Servicer, the Securities Administrator and the Trustee as of the Closing Date.

(b) FFFC, in its capacity as Mortgage Loan Seller, makes the representations and warranties set forth in Schedule III and Schedule IV hereto, to the Depositor, the Master Servicer, the Securities Administrator and the Trustee as of the date specified therein.

(c) It is understood and agreed by the Servicer and the Mortgage Loan Seller that the representations and warranties set forth in this Section 2.03 shall survive the transfer of the Mortgage Loans by the Depositor to the Trustee on the Closing Date, and shall inure to the benefit of the Depositor, the Trustee and the Trust Fund notwithstanding any restrictive or qualified endorsement on any Mortgage Note or Assignment of Mortgage or the examination or failure to examine any Mortgage File. Upon discovery by the Mortgage Loan Seller, the Depositor, the Securities Administrator, the Trustee, the Master Servicer or the Servicer of a breach of any of the foregoing

representations and warranties, the party discovering such breach shall give prompt written notice to the others.

(d) Within 30 days of the earlier of either discovery by or notice to the Mortgage Loan Seller that any Mortgage Loan does not conform to the requirements as determined in the Custodian's review of the related Custodial File or within 60 days of the earlier of either discovery by or notice to the Mortgage Loan Seller of any breach of a representation or warranty referred to in Section 2.03(b) that materially and adversely affects the value of any Mortgage Loan or the interest of the Trustee or the Certificateholders therein, the Mortgage Loan Seller shall use its best efforts to cause to be remedied a material defect in a document constituting part of a Mortgage File or promptly to cure such breach in all material respects and, if such defect or breach cannot be remedied, the Mortgage Loan Seller shall, at the Depositor's option as specified in writing and provided to the Mortgage Loan Seller and the Trustee, (i) if such 30- or 60-day period, as applicable, 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 2.03; or (ii) repurchase such Mortgage Loan at the Repurchase Price; provided, however, that any such substitution pursuant to clause (i) above shall not be effected prior to the delivery to the Custodian of a Request for Release substantially in the form of Exhibit J, and the delivery of the Mortgage File to the Custodian for any such Substitute Mortgage Loan. Notwithstanding the foregoing, a breach (i) which causes a Mortgage Loan not to constitute a "qualified mortgage" within the meaning of Section 860G(a)(3) of the Code (ii) of any of the representations and warranties set forth in items number (6), (45), (53), (55), (56), (57), (58), (59), (60), (61), (62), (63), (64), (65), (66), (69), (70) and (77) of Schedule IV with respect to any Group I Mortgage Loan will be deemed automatically to materially and adversely affect the value of such Mortgage Loan and the interests of the Trustee and Certificateholders in such Mortgage Loan, thus requiring the repurchase or substitution of such Mortgage Loan by the Mortgage Loan Seller. In the event that the Trustee receives notice of a breach by the Mortgage Loan Seller of any of the representations and warranties described in the immediately preceding sentence, the Trustee shall give notice of such breach to the Mortgage Loan Seller and request the Mortgage Loan Seller to substitute such Mortgage Loan or to repurchase such Mortgage Loan at the Repurchase Price within sixty (60) days of the receipt of such notice. The Mortgage Loan Seller shall repurchase each such Mortgage Loan within 60 days of the earlier of discovery or receipt of notice with respect to each such Mortgage Loan.

(e) With respect to any Substitute Mortgage Loan or Loans, the Mortgage Loan Seller shall deliver to the Custodian 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 with respect to any Distribution Date after the end of the related Prepayment Period. Scheduled Payments due with respect to Substitute Mortgage Loans in the Due Period of substitution shall not be part of the Trust Fund and will be retained by the Mortgage Loan Seller on the next succeeding Distribution Date. For the Due Period of substitution, distributions to Certificateholders will include the Scheduled Payment due on any Deleted Mortgage Loan for such Due Period and thereafter the Mortgage Loan Seller shall be entitled to retain all amounts received in respect of such Deleted Mortgage Loan.

(f) The 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 Servicer shall deliver the amended Mortgage Loan Schedule to the Trustee and the Custodian. Upon such substitution, the Substitute Mortgage Loan or Loans shall be subject to the terms of this Agreement in all respects, and the Mortgage Loan 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(b) with respect to such Mortgage Loan. Upon any such substitution and the deposit to the Collection Account of the amount required to be deposited therein in connection with such substitution as described in the following paragraph, the Custodian shall release the Mortgage File held for the benefit of the Certificateholders relating to such Deleted Mortgage Loan to the Mortgage Loan Seller and the Trustee, upon receipt of a Request for Release certifying that all amounts required to be deposited in accordance with this Section 2.03(f) have been deposited in the Collection Account, shall execute and deliver at the Mortgage Loan Seller's direction such instruments of transfer or assignment prepared by the Mortgage Loan Seller in each case without recourse, as shall be necessary to vest title in the Mortgage Loan Seller of the

Trustee's interest in any Deleted Mortgage Loan substituted for pursuant to this Section 2.03.

(g) For any month in which the Mortgage Loan Seller substitutes one or more Substitute Mortgage Loans for one or more Deleted Mortgage Loans, the Servicer will determine the amount (if any) by which the aggregate unpaid principal balance of all such Substitute Mortgage Loans as of the date of substitution is less than the aggregate unpaid principal balance of all such Deleted Mortgage Loans. The amount of such shortage plus an amount equal to the aggregate of any unreimbursed Advances with respect to such Deleted Mortgage Loans (collectively, the “Substitution Adjustment Amount”) shall be remitted by the Mortgage Loan Seller to the Servicer for deposit into the Collection Account 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.

(h) In addition to the repurchase or substitution obligations referred to in Section 2.03(d) above and Section 2.03 (k) below, the Mortgage Loan Seller or the Sponsor, as applicable, shall indemnify the Depositor, any of its Affiliates, the Master Servicer, the Servicer, the Securities Administrator, the Trustee and the Trust and hold such parties harmless against any losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments and other costs and expenses (including, without limitation, any taxes payable by the Trust) resulting from any third party claim, demand, defense or assertion based on or grounded upon, or resulting from, a breach by the Mortgage Loan Seller or the Sponsor, as applicable, of any of its representations and warranties or obligations contained in this Agreement.

(i) The Servicer shall amend the Mortgage Loan Schedule for the benefit of the Certificateholders to reflect the removal of such Deleted Mortgage Loan and the Servicer shall deliver the amended Mortgage Loan Schedule to the Trustee, the Custodian, the Master Servicer and the Securities Administrator.

(j) In the event that a Mortgage Loan shall have been repurchased pursuant to this Agreement or the Purchase Agreement, the proceeds from such repurchase shall be deposited by the Servicer in the Collection Account pursuant to Section 3.10 on or before the Remittance Date for the Distribution Date in the month following the month during which the Mortgage Loan Seller or Sponsor became obligated to repurchase or replace such Mortgage Loan and upon such deposit of the Repurchase Price, and receipt of a Request for Release in the form of Exhibit J hereto, the Custodian shall release the related Custodial File held for the benefit of the Certificateholders to the Mortgage Loan Seller or the Sponsor, as applicable, as directed by the Servicer, 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. In accordance with Section 12.05(a), the Securities Administrator shall promptly notify each Rating Agency of a purchase of a Mortgage Loan pursuant to this Section 2.03.

It is understood and agreed that the obligation of the Mortgage Loan Seller under this Agreement to cure, repurchase or substitute any Mortgage Loan as to which a breach of a representation and warranty has occurred and is continuing, together with any related indemnification obligations of the Mortgage Loan Seller set forth in Section 2.03(h), shall constitute the sole remedies against such Person respecting such breach available to Certificateholders, the Depositor and any of its Affiliates, or the Trustee on their behalf.

(k) The Trustee acknowledges that, except as provided in Section 5 of the Purchase Agreement, the Sponsor shall not have any obligation or liability with respect to any breach of a representation or warranty made by it with respect to a Mortgage Loan sold by it, provided that such representation or warranty was also made by the Mortgage Loan Seller with respect to the related Mortgage Loan. It is understood and agreed that the representations and warranties of the Sponsor set forth in Section 4 of the Purchase Agreement and assigned to the Trustee by the Depositor hereunder shall survive the transfer of the Mortgage Loans by the Depositor to the Trustee on the Closing Date, and shall inure to the benefit of the Trustee and the Certificateholders notwithstanding any restrictive or qualified endorsement on any Mortgage Note or Assignment of Mortgage and shall continue throughout the term of this Agreement. Upon the discovery by any of the Sponsor, the Depositor, the Securities Administrator, the Trustee, the Master Servicer or the Servicer of a breach of any of the Sponsor's representations and warranties set forth in Section 4

of the Purchase Agreement, the party discovering the breach shall give prompt written notice to the others. Within 30 days of the earlier of either discovery by or notice to the Sponsor of any breach of any of the foregoing representations or warranties that materially and adversely affects the value of any Mortgage Loan or the interest of the Trustee or the Certificateholders therein, the Sponsor shall use its best efforts to cure such breach in all material respects and, if such defect or breach cannot be remedied, the Sponsor shall, at the Depositor's instructions as specified in writing and provided to the Sponsor and the Trustee, (i) if such 30-day period expires prior to the second anniversary of the Closing Date, remove such Mortgage Loan from the Trust Fund and substitute in its place a Substitute Mortgage Loan, in the same manner and subject to the same conditions set forth in this Section 2.03 that apply to repurchases or substitutions of Mortgage Loans by the Mortgage Loan Seller or (ii) repurchase such Mortgage Loan at the Repurchase Price; provided, however, that any such substitution pursuant to clause (i) above shall not be effected prior to the delivery to the Custodian of a Request for Release substantially in the form of Exhibit J, and the delivery of the Mortgage File to the Custodian for any such Substitute Mortgage Loan. In the event of any such repurchase or substitution of a Mortgage Loan by the Sponsor, the procedures set forth in Sections 2.03(e), (f), (g), (h), (i) and (j) shall apply to the Sponsor in the same manner and to the same extent that they are applicable to the Mortgage Loan Seller. It is understood and agreed that the obligations of the Sponsor under this Agreement to cure, repurchase or substitute any Mortgage Loan as to which a breach of a representation and warranty has occurred and is continuing, together with any related indemnification obligations of the Sponsor set forth in Section 2.03(h), shall constitute the sole remedies against the Sponsor available to the Certificateholders, the Depositor and any of its affiliates, or the Trustee on their behalf.

The provisions of this Section 2.03 shall survive delivery of the respective Custodial Files to the Custodian for the benefit of the Certificateholders.

Section 2.04 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, the Securities Administrator 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.

Section 2.05 REMIC Matters. The Preliminary Statement sets forth the designations 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 "latest possible maturity date" is the Distribution Date occurring in April 2041, which is the Distribution Date in the month following the month in which the latest Mortgage Loan maturity date occurs.

Section 2.06 Representations and Warranties of the Depositor. The Depositor hereby represents, warrants and covenants to the other parties to this agreement that as of the date of this Agreement or as of such date specifically provided herein:

(a) The Depositor is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware;

(b) The Depositor has the power and authority to convey the Mortgage Loans and to execute, deliver and perform, and to enter into and consummate transactions contemplated by, this Agreement;

(c) This Agreement has been duly and validly authorized, executed and delivered by the Depositor, all requisite company action having been taken, and, assuming the due authorization, execution and delivery hereof by the other parties hereto, constitutes or will constitute the legal, valid and binding agreement of the Depositor, enforceable against the Depositor in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors generally, and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law);

(d) No consent, approval, authorization or order of, or registration or filing with, or notice to, any governmental authority or court is required for the execution, delivery and performance of or compliance by the

upon the determination that its duties hereunder are no longer permissible under applicable law and such incapacity cannot be cured by the Servicer. Any such resignation shall not relieve the Servicer of responsibility for any of the obligations specified in Sections 7.01 and 7.02 as obligations that survive the resignation or termination of the Servicer. Any such determination permitting the resignation of the Servicer shall be evidenced by an Opinion of Counsel to such effect delivered to the Depositor, the Securities Administrator and the Master Servicer which Opinion of Counsel shall be in form and substance acceptable to the Depositor, the Securities Administrator and the Master Servicer. No such resignation shall become effective until a successor shall have assumed the Servicer's responsibilities and obligations hereunder.

Section 6.05 Additional Indemnification by the Servicer; Third Party Claims . Notwithstanding the limitations set forth in Section 6.03, the Servicer shall indemnify the Depositor, the Master Servicer, the Securities Administrator, the Trustee, the Trust Fund and any Affiliate, director, officer, employee or agent of the Depositor and hold each of them harmless against any and all claims, losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and any other costs, fees and expenses that any of them may sustain in any way related to any breach by the Servicer, of (i) any of its representations and warranties referred to in Section 2.03(a), (ii) any error in any tax or information return prepared by the Servicer, (iii) the failure of the Servicer to perform its duties and service the Mortgage Loans in compliance with the terms of this Agreement or (iv) any failure by the Servicer, any Subservicer or any Subcontractor to deliver any information, report, certification, accountants' letter or other material when and as required under this Agreement, including any report under Sections 3.22, 3.23, 3.24 and 3.30 or any failure by the Servicer to identify pursuant to Section 3.02(c) any Subcontractor that is a Servicing Function Participant. The Servicer immediately shall notify the Depositor, the Master Servicer, the Securities Administrator and the Trustee if a claim is made by a third party with respect to this Agreement or the Mortgage Loans, assume (with the prior written consent of the Depositor and the Securities Administrator) the defense of any such claim and pay all expenses in connection therewith, including counsel fees, and promptly pay, discharge and satisfy any judgment or decree which may be entered against it or the Depositor, the Securities Administrator or the Trustee in respect of such claim. In the case of any failure of performance described in clause (iv) of this Section 6.05, the Servicer shall promptly reimburse the Trustee, the Master Servicer, the Securities Administrator or the Depositor, as applicable, and each Person responsible for the preparation, execution or filing of any report required to be filed with the Commission with respect to the transaction relating to this Agreement, or for execution of a certification pursuant to Rule 13a-14(d) or Rule 15d-14(d) under the Exchange Act with respect to this transaction, for all costs reasonably incurred by each such party in order to obtain the information, report, certification, accountants' letter or other material not delivered as required by the Servicer, any Subservicer or any Subcontractor. This indemnity shall survive the termination of this Agreement and the earlier resignation or removal of the Servicer and the parties indemnified by the Servicer under this paragraph.

Section 6.06 Compliance with Regulation AB; Cooperation of Parties . Notwithstanding any other provision of this Agreement, the Servicer acknowledges and agrees that the purpose of Sections 3.02, 3.22, 3.23, 3.24, 3.30, 6.05 and 7.01(i) and Exhibit S of this Agreement is to facilitate compliance by the Securities Administrator, the Master Servicer and the Depositor with the provisions of Regulation AB. Therefore, the Servicer agrees that (a) the obligations of the Servicer hereunder shall be interpreted in such a manner as to accomplish that purpose, (b) such obligations may change over time due to interpretive advice or guidance of the Commission, convention or consensus among active participants in the asset-backed securities markets, advice of counsel, or otherwise in respect of the requirements of Regulation AB, (c) the Servicer shall agree to enter into such amendments to this Agreement as may be necessary, in the judgment of the Servicer, the Depositor, the Master Servicer and the Securities Administrator and their respective counsel, to comply with such interpretive advice or guidance, convention, consensus, advice of counsel, or otherwise, (d) the Servicer shall otherwise comply with requests made by the Trustee, the Securities Administrator, the Master Servicer or the Depositor, and mutually agreed upon by the Servicer, for delivery of additional or different information reasonably available to the Servicer as such parties may determine in good faith is necessary to comply with the provisions of Regulation AB and (e) the Servicer shall (i) agree to such modifications and enter into such amendments to this Agreement as may be necessary, in the judgment of the Depositor, the Master Servicer and the Securities Administrator and their respective counsel and mutually agreed upon by the Servicer, to comply with any such clarification, interpretive guidance, convention or consensus and (ii) promptly upon request provide to the Depositor or the Securities Administrator for inclusion in any periodic report required to be filed under the Securities

HSI ASSET SECURITIZATION CORPORATION,
Depositor,

WELLS FARGO BANK, N.A.,
Originator, Servicer, Master Servicer, Securities Administrator and Custodian,

DEUTSCHE BANK NATIONAL TRUST COMPANY,
Trustee

and

OFFICETIGER GLOBAL REAL ESTATE SERVICES INC.,
Credit Risk Manager

POOLING AND SERVICING AGREEMENT

Dated as of June 1, 2007

HSI ASSET SECURITIZATION CORPORATION TRUST 2007-WF1

MORTGAGE PASS-THROUGH CERTIFICATES,
SERIES 2007-WF1

Section 2.03 Representations, Warranties and Covenants of the Originator and the Servicer; Remedies for Breaches of Representations and Warranties with Respect to the Mortgage Loans. (a) Wells Fargo, in its capacity as Servicer, makes the representations and warranties set forth in Section 3.01 of the Seller's Warranties and Servicing Agreement attached as Exhibit Q hereto, to the Depositor, the Master Servicer, the Securities Administrator and the Trustee as of the Closing Date.

(b) Wells Fargo, in its capacity as Originator, makes the representations and warranties set forth in (1) Section 3.01 of the Seller's Warranties and Servicing Agreement attached as Exhibit Q hereto as of the Closing Date and (2) Section 3.02 of the Seller's Warranties and Servicing Agreement attached as Exhibit Q hereto as of the Initial Sale Date, to the Depositor, the Master Servicer, the Securities Administrator and the Trustee as of the date specified therein.

(c) It is understood and agreed by the Servicer and the Originator that the representations and warranties set forth in this Section 2.03 shall survive the transfer of the Mortgage Loans by the Depositor to the Trustee on the Closing Date, and shall inure to the benefit of the Depositor, the Trustee and the Trust Fund notwithstanding any restrictive or qualified endorsement on any Mortgage Note or Assignment of Mortgage or the examination or failure to examine any Mortgage File. Upon discovery by the Originator, the Depositor, the Securities Administrator, the Trustee, the Master Servicer or the Servicer of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice to the others.

(d) Within 30 days of the earlier of either discovery by or notice to the Originator that any Mortgage Loan does not conform to the requirements as determined in the Custodian's review of the related Custodial File or within 60 days of the earlier of either discovery by or notice to the Originator of any breach of a representation or warranty referred to in Section 2.03(b) that materially and adversely affects the value of any Mortgage Loan or the interest of the Trustee or the Certificateholders therein, the Originator shall use its best efforts to cause to be remedied a material defect in a document constituting part of a Mortgage File or promptly to cure such breach in all material respects and, if such defect or breach cannot be remedied, the Originator shall, at the Depositor's option as specified in writing and provided to the Originator and the Trustee, (i) if such 30- or 60-day period, as applicable, 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 2.03; or (ii) repurchase such Mortgage Loan at the Repurchase Price; provided, however, that any such substitution pursuant to clause (i) above shall not be effected prior to the delivery to the Custodian of a Request for Release substantially in the form of Exhibit J, and the delivery of the Mortgage File to the Custodian for any such Substitute Mortgage Loan. Notwithstanding the foregoing, a breach (i) that causes a Mortgage Loan not to constitute a "qualified mortgage" within the meaning of Section 860G(a)(3) of the Code or (ii) of any of the representations and warranties set forth in items (i), (oo), (qq), (ss), (vv) and (yy) of Section 3.02 of the Seller's Warranties and Servicing Agreement attached as Exhibit Q hereto with respect to any Mortgage Loan will be deemed automatically to materially and adversely affect the value of such Mortgage Loan and the interests of the Trustee and Certificateholders in such Mortgage Loan, thus requiring the repurchase or substitution of such Mortgage Loan by the Originator. In the event that a Responsible Officer of the Trustee receives notice of a breach by the Originator of any of the representations and warranties described in the immediately preceding sentence, the Trustee shall give notice of such breach to the Originator and request the Originator to substitute such Mortgage Loan or to repurchase such Mortgage Loan at the Repurchase Price within sixty (60) days of the receipt of such notice. The Originator shall repurchase each such Mortgage Loan within 60 days of the earlier of discovery or receipt of notice with respect to each such Mortgage Loan.

(e) With respect to any Substitute Mortgage Loan or Loans, the Originator shall deliver to the Custodian 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 with respect to any Distribution Date after the end of the related Prepayment Period. Scheduled Payments due with respect to Substitute Mortgage Loans in the Due Period of substitution shall not be part of the Trust Fund and will be retained by the Originator on the next succeeding Distribution Date. For the Due Period of substitution, distributions to Certificateholders will include the Scheduled Payment due on any Deleted Mortgage Loan for such Due Period and thereafter the Originator shall be entitled to retain all amounts received in respect of such Deleted Mortgage Loan.

(f) Upon removal of such Deleted Mortgage Loan and the substitution of the Substitute Mortgage Loan or Loans, the Substitute Mortgage Loan or Loans shall be subject to the terms of this Agreement in all respects, and the Originator 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(b) with respect to such Mortgage Loan. Upon any such substitution and the deposit to the Collection Account of the amount required to be deposited therein in connection with such substitution as described in the following paragraph, the Custodian shall release the Mortgage File held for the benefit of the Certificateholders relating to such Deleted Mortgage Loan to the Originator and the Trustee, upon receipt of a Request for Release certifying that all amounts required to be deposited in accordance with this Section 2.03(f) have been deposited in the Collection Account, shall execute and deliver at the Originator's direction such instruments of transfer or assignment prepared by the Originator in each case without recourse, as shall be necessary to vest title in the Originator of the Trustee's interest in any Deleted Mortgage Loan substituted for pursuant to this Section 2.03.

(g) For any month in which the Originator substitutes one or more Substitute Mortgage Loans for one or more Deleted Mortgage Loans, the Servicer will determine the amount (if any) by which the aggregate unpaid principal balance of all such Substitute Mortgage Loans as of the date of substitution is less than the aggregate unpaid principal balance of all such Deleted Mortgage Loans. The amount of such shortage plus an amount equal to the aggregate of any unreimbursed Advances with respect to such Deleted Mortgage Loans (collectively, the "Substitution Adjustment Amount") shall be remitted by the Originator to the Servicer for deposit into the Collection Account on or before the Remittance 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.

(h) In addition to the repurchase or substitution obligations referred to in Section 2.03(d) above and Section 2.03 (k) below, the Originator or the Sponsor, as applicable, shall indemnify the Depositor, any of its Affiliates, the Master Servicer, the Servicer, the Securities Administrator, the Trustee and the Trust and hold such parties harmless against any losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments and other costs and expenses (including, without limitation, any taxes payable by the Trust) resulting from any third party claim, demand, defense or assertion based on or grounded upon, or resulting from, a breach by the Originator or the Sponsor, as applicable, of any of its representations and warranties or obligations contained in this Agreement.

(i) The 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 Servicer shall deliver the amended Mortgage Loan Schedule to the Trustee, the Custodian, the Master Servicer and the Securities Administrator.

(j) In the event that a Mortgage Loan shall have been repurchased pursuant to this Agreement or the Purchase Agreement, the proceeds from such repurchase shall be deposited by the Servicer in the Collection Account pursuant to Section 3.10 on or before the Remittance Date for the Distribution Date in the month following the month during which the Originator or Sponsor became obligated to repurchase or replace such Mortgage Loan and upon such deposit of the Repurchase Price, and receipt of a Request for Release in the form of Exhibit J hereto, the Custodian shall release the related Custodial File held for the benefit of the Certificateholders to the Originator or the Sponsor, as applicable, as directed by the Servicer, 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. In accordance with Section 12.05(a), if a Responsible Officer of the Securities Administrator has actual knowledge of a purchase of a Mortgage Loan pursuant to this Section 2.03, the Securities Administrator shall promptly notify each Rating Agency of a purchase of a Mortgage Loan pursuant to this Section 2.03.

It is understood and agreed that the obligation of the Originator under this Agreement to cure, repurchase or substitute any Mortgage Loan as to which a breach of a representation and warranty has occurred and is continuing, together with any related indemnification obligations of the Originator set forth in Section 2.03(h), shall constitute the sole remedies against such Person respecting such breach available to Certificateholders, the Depositor and any of its Affiliates, or the Trustee on their behalf.

(k) The Trustee acknowledges that, except as provided in Section 5 of the Purchase Agreement, the Sponsor shall not have any obligation or liability with respect to any breach of a representation or warranty made by it with respect to a Mortgage Loan sold by it, provided that such representation or warranty was also made by the Originator with respect to the related Mortgage Loan. It is understood and agreed that the representations and warranties of the Sponsor set forth in Section 4 of the Purchase Agreement and assigned to the Trustee by the Depositor hereunder shall survive the transfer of the Mortgage Loans by the Depositor to the Trustee on the Closing Date, and shall inure to the benefit of the Trustee and the Certificateholders notwithstanding any restrictive or qualified endorsement on any Mortgage Note or Assignment of Mortgage and shall continue throughout the term of this Agreement. Upon the discovery by any of the Sponsor, the Depositor, the Securities Administrator, the Trustee, the Master Servicer or the Servicer of a breach of any of the Sponsor's representations and warranties set forth in Section 4 of the Purchase Agreement, the party discovering the breach shall give prompt written notice to the others. Within 30 days of the earlier of either discovery by or notice to the Sponsor of any breach of any of the foregoing representations or warranties that materially and adversely affects the value of any Mortgage Loan or the interest of the Trustee or the Certificateholders therein, the Sponsor shall use its best efforts to cure such breach in all material respects and, if such defect or breach cannot be remedied, the Sponsor shall, at the Depositor's instructions as specified in writing and provided to the Sponsor and the Trustee, (i) if such 30-day period expires prior to the second anniversary of the Closing Date, remove such Mortgage Loan from the Trust Fund and substitute in its place a Substitute Mortgage Loan, in the same manner and subject to the same conditions set forth in this Section 2.03 that apply to repurchases or substitutions of Mortgage Loans by the Originator or (ii) repurchase such Mortgage Loan at the Repurchase Price; provided, however, that any such substitution pursuant to clause (i) above shall not be effected prior to the delivery to the Custodian of a Request for Release substantially in the form of Exhibit J, and the delivery of the Mortgage File to the Custodian for any such Substitute Mortgage Loan. In the event of any such repurchase or substitution of a Mortgage Loan by the Sponsor, the procedures set forth in Sections 2.03(e), (f), (g), (h), (i) and (j) shall apply to the Sponsor in the same manner and to the same extent that they are applicable to the Originator. It is understood and agreed that the obligations of the Sponsor under this Agreement to cure, repurchase or substitute any Mortgage Loan as to which a breach of a representation and warranty has occurred and is continuing, together with any related indemnification obligations of the Sponsor set forth in Section 2.03(h), shall constitute the sole remedies against the Sponsor available to the Certificateholders, the Depositor and any of its affiliates, or the Trustee on their behalf.

The provisions of this Section 2.03 shall survive delivery of the respective Custodial Files to the Custodian for the benefit of the Certificateholders.

Section 2.04 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, the Securities Administrator 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.

Section 2.05 REMIC Matters. The Preliminary Statement sets forth the designations 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 "latest possible maturity date," is the Distribution Date occurring three years after the month in which the latest Mortgage Loan maturity date (of the Mortgage Loans held in the Trust on the Closing Date) occurs.

Section 6.04 Limitation on Resignation of the Servicer. Subject to Section 7.01, the Servicer shall not assign this Agreement or resign from the obligations and duties hereby imposed on it except by mutual consent of the Servicer, the Depositor, the Master Servicer and the Securities Administrator with prior written notice to the Trustee or upon the determination that its duties hereunder are no longer permissible under applicable law and such incapacity cannot be cured by the Servicer. Any such resignation shall not relieve the Servicer of responsibility for any of the obligations specified in Sections 7.01 and 7.02 as obligations that survive the resignation or termination of the Servicer. Any such determination permitting the resignation of the Servicer shall be evidenced by an Opinion of Counsel to such effect delivered to the Depositor, the Securities Administrator, the Trustee and the Master Servicer which Opinion of Counsel shall be in form and substance acceptable to the Depositor, the Securities Administrator and the Master Servicer. No such resignation shall become effective until a successor shall have assumed the Servicer's responsibilities and obligations hereunder.

Section 6.05 Additional Indemnification by the Servicer; Third Party Claims. Notwithstanding the limitations set forth in Section 6.03, the Servicer shall indemnify the Depositor, the Master Servicer, the Securities Administrator, the Trustee, the Trust Fund and any Affiliate, director, officer, employee or agent of the Depositor and hold each of them harmless against any and all claims, losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and any other costs, fees and expenses that any of them may sustain in any way related to any breach by the Servicer, of (i) any of its representations and warranties referred to in Section 2.03(a), (ii) any error in any tax or information return prepared by the Servicer, (iii) the failure of the Servicer to perform its duties and service the Mortgage Loans in compliance with the terms of this Agreement or (iv) any failure by the Servicer, any Subservicer or any Subcontractor to deliver any information, report, certification, accountants' letter or other material when and as required under this Agreement, including any report under Sections 3.22, 3.23, 3.24 and 3.29 or any failure by the Servicer to identify pursuant to Section 3.02(c) any Subcontractor that is a Servicing Function Participant. The Servicer immediately shall notify the Depositor, the Master Servicer, the Securities Administrator and the Trustee if a claim is made by a third party with respect to this Agreement or the Mortgage Loans, assume (solely with the prior written consent of the indemnified party in the event of an indemnified claim) the defense of any such claim and pay all expenses in connection therewith, including counsel fees, and promptly pay, discharge and satisfy any judgment or decree which may be entered against it or the Depositor, the Master Servicer, the Securities Administrator or the Trustee in respect of such claim. In the case of any failure of performance described in clause (iv) of this Section 6.05, the Servicer shall promptly reimburse the Trustee, the Master Servicer, the Securities Administrator or the Depositor, as applicable, and each Person responsible for the preparation, execution or filing of any report required to be filed with the Commission with respect to the transaction relating to this Agreement, or for execution of a certification pursuant to Rule 13a-14(d) or Rule 15d-14(d) under the Exchange Act with respect to this transaction, for all costs reasonably incurred by each such party in order to obtain the information, report, certification, accountants' letter or other material not delivered as required by the Servicer, any Subservicer or any Subcontractor. This indemnity shall survive the termination of this Agreement and the earlier resignation or removal of the Servicer and the parties indemnified by the Servicer under this paragraph.

MORGAN STANLEY ABS CAPITAL I INC.,
Depositor,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
Master Servicer and Securities Administrator,

SAXON MORTGAGE SERVICES, INC.,
Servicer,

COUNTRYWIDE HOME LOANS SERVICING LP,
Servicer,

and

DEUTSCHE BANK NATIONAL TRUST COMPANY,
Trustee

POOLING AND SERVICING AGREEMENT

Dated as of April 1, 2007

MORGAN STANLEY ABS CAPITAL I INC. TRUST 2007-NC2

**MORTGAGE PASS-THROUGH CERTIFICATES,
SERIES 2007-NC2**

discretion has consented, which consent shall not be unreasonably withheld, (ii) the Rating Agencies' ratings of the Certificates in effect immediately prior to such action will not be qualified, reduced or withdrawn as a result thereof (as evidenced by a letter to such effect from the Rating Agencies) and (iii) such Servicer shall be liable for all costs and expenses associated with the transfer of servicing, provided, further, that such Servicer shall indemnify and hold each of the Trust Fund, the Master Servicer, the Securities Administrator, the Trustee, the Depositor, the other Servicers hereunder, any sub-servicer, the successor Servicer and each Certificateholder harmless against any and all claims, losses, penalties, fines, forfeitures, reasonable legal fees and related costs, judgments, and any other costs, fees and expenses that such party may sustain in any way related to such assignment except with respect to a successor Servicer's failure to comply with the terms of this Agreement. No assignment by such Servicer shall become effective until a successor Servicer acceptable to the Depositor and the Master Servicer shall have assumed in writing such Servicer's responsibilities, duties, liabilities (other than those liabilities arising prior to the appointment of such successor) and obligations under this Agreement. Any such assignment shall not relieve the applicable Servicer of responsibility for any of the obligations specified herein except to the extent that such responsibilities have been expressly assumed by the successor Servicer.

Section 6.05 Additional Indemnification by the Servicers; Third-Party Claims. (a) Each Servicer, severally and not jointly, shall indemnify the Depositor, the Master Servicer, the Securities Administrator, the Sponsor, the Trustee and any director, officer, employee or agent of the Depositor, the Master Servicer, the Securities Administrator, the Sponsor or the Trustee and hold them harmless against any and all claims, losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and any other costs, fees and expenses that any of them may sustain in any way related to (i) any breach by such Servicer of any of its representations and warranties referred to in Section 2.03(a), (ii) any error in any tax or information return prepared by such Servicer or (iii) the failure of such Servicer to perform its duties and service the Mortgage Loans in compliance with the terms of this Agreement (including, without limitation, the failure to deliver accurate and complete information on a timely basis pursuant to Section

4.03(e). The applicable Servicer immediately shall notify the Master Servicer, the Securities Administrator, the Depositor and the Trustee if such claim is made by a third-party with respect to this Agreement or the Mortgage Loans, assume (with the prior written consent of the Depositor, the Master Servicer, and the Securities Administrator and the Trustee) the defense of any such claim and pay all expenses in connection therewith, including reasonable counsel fees, and promptly pay, discharge and satisfy any judgment or decree which may be entered against it or the Depositor, the Master Servicer, the Securities Administrator, the Sponsor or the Trustee in respect of such claim.

(b) Notwithstanding anything to the contrary contained in this Agreement, each Servicer shall indemnify the Depositor, the Master Servicer, the Securities Administrator, the Sponsor, the Trustee and any director, officer, employee or agent of the Depositor, the Master Servicer, the Securities Administrator, the Sponsor or the Trustee and hold them harmless against any and all claims, losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and any other costs, fees and expenses that any of them may sustain in any way related to any failure by such Servicer or any Subservicer engaged by such Servicer or any Subcontractor utilized by such Servicer to deliver any information, report, certification or accountants' letter when and as required under Sections 3.22, 3.23, 6.02 or 8.12, including without limitation any failure by such Servicer to identify pursuant to Section 3.02(e) any Subcontractor "participating in the servicing function" within the meaning of Item 1122 of Regulation AB.

(c) If the indemnification provided for in this Section 6.05 is unavailable or insufficient to hold harmless any Person entitled to indemnification thereunder, then such Servicer shall contribute to the amount paid or payable to the Person entitled to indemnification as a result of the losses, claims, damages or liabilities of such Person in such proportion as is appropriate to reflect the relative fault of such Person on the one hand and such Servicer, on the other, in connection with such Servicer's obligations pursuant to this Section 6.05. This Section 6.05 shall survive the termination of this Agreement or the earlier resignation or removal of each Servicer.

ARTICLE VII

DEFAULT

Section 7.01 Events of Default. "Event of Default", wherever used herein, means, with respect to each Servicer individually, any one of the following events:

(a) any failure by a Servicer to remit to the Master Servicer any payment required to be made under the terms of this Agreement which continues unremedied for a period of one Business Day after the date upon which written notice of such failure, requiring the same to be remedied, shall have been given to such Servicer by the Depositor, the Securities Administrator, the Master Servicer or to such Servicer, the Depositor, the Securities Administrator, the Master Servicer and the Trustee by Certificateholders entitled to at least 25% of the Voting Rights in the Certificates; or

(b) any failure on the part of a Servicer duly to observe or perform in any material respect any other of the covenants or agreements on the part of such Servicer set forth in this Agreement which continues unremedied for a period of sixty (60) days (except that (x) such number of days shall be fifteen

(15) in the case of a failure to pay any premium for any insurance policy required to be maintained under this Agreement and (y) such number of days shall be ten (10) in the case of a failure of Countrywide Servicing to observe or perform any of its obligations under the provisions of the Countrywide Amendment Regulation AB incorporated by reference into this Agreement pursuant to Section 3.01(f) which are equivalent to a Servicer's obligations under Sections 3.02, 3.22 and 3.23 of this Agreement, zero (0) with respect to Saxon, in the case of a failure to observe or perform any of the obligations set forth in Sections 3.02, 3.22, 3.23, 6.02 or 8.12 and such number of days shall be after the earlier of (i) the date on which written notice of such failure, requiring the same to be remedied, shall have been given to such Servicer by the Depositor, the Securities Administrator or the Master Servicer, or to such Servicer, the Securities Administrator, the Master Servicer, the Depositor, and the

MORGAN STANLEY ABS CAPITAL I INC.,
Depositor,

WELLS FARGO BANK, NATIONAL ASSOCIATION,
Master Servicer and Securities Administrator,

SAXON MORTGAGE SERVICES, INC.,
Servicer,

COUNTRYWIDE HOME LOANS SERVICING LP,
Servicer,

and

DEUTSCHE BANK NATIONAL TRUST COMPANY,
Trustee

POOLING AND SERVICING AGREEMENT

Dated as of May 1, 2007

MORGAN STANLEY ABS CAPITAL I INC. TRUST 2007-NC3

**MORTGAGE PASS-THROUGH CERTIFICATES,
SERIES 2007-NC3**

appointment of such successor) and obligations under this Agreement. Any such assignment shall not relieve the applicable Servicer of responsibility for any of the obligations specified herein except to the extent that such responsibilities have been expressly assumed by the successor Servicer.

Section 6.05 Additional Indemnification by the Servicers; Third-Party Claims. (a) Each Servicer, severally and not jointly, shall indemnify the Depositor, the Master Servicer, the Securities Administrator, the Sponsor, the Trustee and any director, officer, employee or agent of the Depositor, the Master Servicer, the Securities Administrator, the Sponsor or the Trustee and hold them harmless against any and all claims, losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and any other costs, fees and expenses that any of them may sustain in any way related to (i) any breach by such Servicer of any of its representations and warranties referred to in Section 2.03(a), (ii) any error in any tax or information return prepared by such Servicer or (iii) the failure of such Servicer to perform its duties and service the Mortgage Loans in compliance with the terms of this Agreement (including, without limitation, the failure to deliver accurate and complete information on a timely basis pursuant to Section 4.03(e)). The applicable Servicer immediately shall notify the Master Servicer, the Securities Administrator, the Depositor and the Trustee if such claim is made by a third-party with respect to this Agreement or the Mortgage Loans, assume (with the prior written consent of the Depositor, the Master Servicer, and the Securities Administrator and the Trustee) the defense of any such claim and pay all expenses in connection therewith, including reasonable counsel fees, and promptly pay, discharge and satisfy any judgment or decree which may be entered against it or the Depositor, the Master Servicer, the Securities Administrator, the Sponsor or the Trustee in respect of such claim.

(b) Notwithstanding anything to the contrary contained in this Agreement, each Servicer shall indemnify the Depositor, the Master Servicer, the Securities Administrator, the Sponsor, the Trustee and any director, officer, employee or agent of the Depositor, the Master Servicer, the Securities Administrator, the Sponsor or the Trustee and hold them harmless against any and all claims, losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and any other costs, fees and expenses that any of them may sustain in any way related to any failure by such Servicer or any Subservicer engaged by such Servicer or any Subcontractor utilized by such Servicer to deliver any information, report, certification or accountants' letter when and as required under Sections 3.22, 3.23, 6.02 or 8.12, including without limitation any failure by such Servicer to identify pursuant to Section 3.02(e) any Subcontractor "participating in the servicing function" within the meaning of Item 1122 of Regulation AB.

(c) If the indemnification provided for in this Section 6.05 is unavailable or insufficient to hold harmless any Person entitled to indemnification thereunder, then such Servicer shall contribute to the amount paid or payable to the Person entitled to indemnification as a result of the losses, claims, damages or liabilities of such Person in such proportion as is appropriate to reflect the relative fault of such Person on the one hand and such Servicer, on the other, in connection with such Servicer's obligations pursuant to this Section 6.05. This Section 6.05 shall survive the termination of this Agreement or the earlier resignation or removal of each Servicer.

ARTICLE VII

DEFAULT

Section 7.01 Events of Default. "Event of Default", wherever used herein, means, with respect to each Servicer individually, any one of the following events:

- (a) any failure by a Servicer to remit to the Master Servicer any payment required to be made under the terms of this Agreement which continues unremedied for a period of one Business Day after the date upon which written notice of such failure, requiring the same to be remedied, shall have been given to such Servicer by the Depositor, the Securities Administrator, the Master Servicer or to such Servicer, the Depositor, the Securities Administrator, the Master Servicer and the Trustee by Certificateholders entitled to at least 25% of the Voting Rights in the Certificates; or
- (b) any failure on the part of a Servicer duly to observe or perform in any material respect any other of the covenants or agreements on the part of such Servicer set forth in this Agreement which continues unremedied for a period of sixty (60) days (except that (x) such number of days shall be fifteen (15) in the case of a failure to pay any premium for any insurance policy required to be maintained under this Agreement and (y) such number of days shall be ten (10) in the case of a failure of Countrywide Servicing to observe or perform any of its obligations under the provisions of the Countrywide Amendment Regulation AB incorporated by reference into this Agreement pursuant to Section 3.01(f) which are equivalent to a Servicer's obligations under Sections 3.02, 3.22 and 3.23 of this Agreement, zero (0) with respect to Saxon, in the case of a failure to observe or perform any of the obligations set forth in Sections 3.02, 3.22, 3.23, 6.02 or 8.12 and such number of days shall be after the earlier of (i) the date on which written notice of such failure, requiring the same to be remedied, shall have been given to such Servicer by the Depositor, the Securities Administrator or the Master Servicer, or to such Servicer, the Securities Administrator, the Master Servicer, the Depositor, and the Trustee by Certificateholders entitled to at least 25% of the Voting Rights in the Certificates and (ii) actual knowledge of such failure by a Servicing Officer of such Servicer; or
- (c) a decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, 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 a Servicer and such decree or order shall have remained in force undischarged or unstayed for a period of sixty days; or
- (d) a Servicer shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, readjustment of debt,

MORGAN STANLEY ABS CAPITAL I INC.,
Depositor,

WELLS FARGO BANK, NATIONAL ASSOCIATION,

Master Servicer, Securities Administrator and Servicer,

SAXON MORTGAGE SERVICES, INC.,
Servicer,

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
Servicer,

HOMEQ SERVICING CORPORATION,
Servicer,

FIRST NLC FINANCIAL SERVICES, LLC,
Responsible Party,

DECISION ONE MORTGAGE COMPANY, LLC,
Responsible Party,

WMC MORTGAGE CORP.,
Responsible Party,

DEUTSCHE BANK NATIONAL TRUST COMPANY,
Trustee

and

IXIS REAL ESTATE CAPITAL INC.,
a Sponsor

POOLING AND SERVICING AGREEMENT

Dated as of June 1, 2006

MORGAN STANLEY IXIS REAL ESTATE CAPITAL TRUST 2006-1

**MORTGAGE PASS THROUGH CERTIFICATES,
SERIES 2006-1**

Section 2.03 Representations and Warranties, Remedies for Breaches of Representations and Warranties with Respect to the Mortgage Loans.

(a) HomEq hereby makes the representations and warranties set forth in Schedule II hereto to the Depositor, the Master Servicer, the Securities Administrator, IXIS and the Trustee as of the dates set forth in such Schedule, JPMorgan hereby makes the representations and warranties set forth in Schedule VIII hereto to the Depositor, the Master Servicer, the Securities Administrator, IXIS and the Trustee as of the dates set forth in such Schedule, Wells Fargo hereby makes the representations and warranties set forth in Schedule IX hereto to the Depositor, the Master Servicer, the Securities Administrator, IXIS and the Trustee, as of the dates set forth in such Schedule. Saxon hereby makes the representations and warranties set forth in Schedule X and Schedule X-A hereto to the Depositor, the Master Servicer, the Securities Administrator, IXIS and the Trustee as of the dates set forth in such Schedule. Upon discovery by any of the parties hereto of a breach of any of the foregoing representations and warranties, the party discovering such breach shall give prompt written notice to the other.

(b) The Depositor hereby makes the representations and warranties set forth in Schedule III hereto to the Master Servicer, Securities Administrator, IXIS and the Trustee as of the dates set forth in such Schedule. IXIS hereby makes the representations and warranties set forth in Schedule XI hereto as of the Closing Date.

(c) First NLC hereby makes the representations and warranties set forth in Schedule IV hereto to the Depositor, the Servicers, the Master Servicer, the Securities Administrator, IXIS and the Trustee as of the dates set forth in such Schedule with respect to the First NLC-MSMC Mortgage Loans. WMC hereby makes the representations and warranties, set forth in Schedule V and Schedule VI hereto to the Depositor, the Servicer, the Master Servicer, the Securities Administrator, IXIS and the Trustee as of the dates set forth in such Schedule. Decision One hereby makes the representations and warranties, set forth in Schedule VII hereto to the Depositor, the Master Servicer, the Securities Administrator, IXIS and the Trustee as of the dates set forth in such Schedule.

(d) It is understood and agreed by the parties hereto that the representations and warranties set forth in this Section 2.03 shall survive the transfer of the Mortgage Loans by the Depositor to the Trustee, and shall inure to the benefit of the parties to whom the representations and warranties were made notwithstanding any restrictive or qualified endorsement on any Mortgage Note or Assignment of Mortgage or the examination or failure to examine any Mortgage File.

(e) Upon discovery by any of the parties hereto of a breach of a representation or warranty made by the Depositor or any Responsible Party, as applicable, under this Agreement that materially and adversely affects the value of any Mortgage Loan or the interests of the Trustee or the Certificateholders therein, the party discovering such breach shall give prompt written notice thereof to the other parties. Upon receiving written notice of a breach of a representation and warranty or written notice that a Mortgage Loan does not constitute a "qualified mortgage" within the meaning of Section 860G(a)(3) of the Code, the Trustee shall in turn notify the applicable Responsible Party or the Depositor, as applicable, in writing to correct or cure, in accordance with the this Agreement, any such breach of a representation or warranty made by the applicable Responsible Party or the Depositor, as applicable, under this Agreement within sixty (60) days from the date of notice from the Trustee or the discovery by the applicable Responsible Party or the Depositor, as applicable, of the breach, and if the applicable Responsible Party or the Depositor, as applicable, fails or is unable to correct or cure the defect or breach within such period, the Trustee (upon receiving such notice or having actual knowledge) shall notify the Depositor of such failure to correct or cure. Unless otherwise directed by the Depositor within five (5) Business Days after notifying the Depositor of such failure by the applicable Responsible Party or the Depositor, as applicable, to correct or cure, the Trustee shall notify the applicable Responsible Party or the Depositor, as applicable, to repurchase the Mortgage Loan (a "Deleted Mortgage Loan") at the Repurchase Price or, if permitted hereunder, substitute a Substitute Mortgage Loan for such Mortgage Loan, in each case, pursuant to this Agreement. Notwithstanding the foregoing, in the event that the Trustee receives notice of a breach by (i) First NLC of any of the representations and warranties set forth in paragraphs (rr), (zz), (aaa), (ccc), (jjj), (kkk), (lll), (mmm), (nnn), (ooo) and (ppp) of Schedule IV with respect to the First NLC-MSMC Mortgage Loans, (ii) Decision One of any of the representations and warranties set forth in paragraphs (g), (i), (xx), (yy), (ggg), (hhh), (iii), (jjj), (kkk), (lll), (mmm), (nnn), (ooo), (ppp), (qqq), (sss) and (ttt) of Schedule VII with respect to the Decision One Mortgage Loans, (iii) WMC of any of the representations and warranties set forth in paragraphs (g), (i), (rr), (zz), (aaa), (jjj), (kkk), (lll), (mmm), (nnn), (ooo), (ppp), (qqq) and (rrr) of Schedule V with respect to the WMC Mortgage Loans, the Trustee shall notify the applicable Responsible Party to repurchase the Mortgage Loan at the Repurchase Price within sixty (60) days of the applicable Responsible Party's receipt of such notice, as applicable. If, by the end of such sixty (60) day period, such Responsible Party or the Depositor, as applicable, fails to repurchase such Mortgage Loan, the Trustee shall notify the Depositor of such failure. The Trustee shall pursue all legal remedies available to the Trustee against the applicable Responsible Party under this Agreement, if the Trustee has received written notice from the Depositor directing the Trustee to pursue such remedies.

(f) In the event any Mortgage Loan does not conform to the requirements as determined in the Trustee's review of the related Custodial File, the Trustee shall notify the applicable Originator, the applicable Servicer or the Countrywide Servicer, as applicable, IXIS (if applicable) and the Depositor in writing, and request that such Originator correct or cure such defect as required under this Agreement, or the applicable Assignment Agreement, as applicable, and if such Originator fails or is unable to correct or cure the defect within the period set forth in this Agreement, or the applicable Assignment Agreement, as applicable, the Trustee shall notify the Depositor or IXIS, if applicable, of such failure to correct or cure. Unless otherwise directed by the Depositor within five (5) Business Days after notifying the Depositor or IXIS, if applicable, of such failure by the applicable Originator to correct or cure, the Trustee shall notify the applicable Originator to repurchase the Mortgage Loan at the Repurchase Price or, if permitted hereunder, substitute a Substitute Mortgage Loan for such Mortgage Loan, in each case, pursuant to the terms of this Agreement, as applicable. If, within ten (10) Business Days of receipt of such notice by the applicable Originator, such Originator fails to repurchase such Mortgage Loan, the Trustee shall notify the Depositor or IXIS, as applicable, of such failure. The Trustee shall pursue all legal remedies available to the Trustee against the applicable Originator under this Agreement, or the applicable Assignment Agreement, as applicable, if the Trustee has received written notice from the Depositor or IXIS, as applicable, directing the Trustee to pursue

(g) Within 90-days of the earlier of either discovery by or notice to the Depositor of any breach of a representation or warranty set forth on Schedule III hereto that materially and adversely affects the value of any Mortgage Loan or the interest of the Trustee or the Certificateholders therein, the Depositor shall use its best efforts to promptly cure such breach in all material respects and, if such defect or breach cannot be remedied, the Depositor shall purchase such Mortgage Loan at the Repurchase Price or, if permitted hereunder, substitute a Substitute Mortgage Loan for such Mortgage Loan. Within 90-days of the earlier of discovery by the Depositor or receipt of notice by the Depositor of the breach of a representation and warranty set forth in Schedules IV, V or VII to this Agreement (with respect to the First NLC-MSMC Mortgage Loans, the WMC Mortgage Loans and the Decision One Mortgage Loans), or set forth in the Accredited-MSMC Assignment Agreement, the Aegis Assignment Agreement, the AIG Assignment Agreement, the Meritage Assignment Agreement or the CHL Assignment Agreement, that (1) materially and adversely affects the interests of the Certificateholders in any Mortgage Loan and (2) has not been cured, repurchased or substituted for by the applicable Originator in accordance with the terms of this Agreement, or the applicable Assignment Agreement, as applicable, (i) the Depositor shall, within the time period permitted therefor under such agreement, (A) in the case of a breach by First NLC (with respect to the First NLC-MSMC Mortgage Loans), Decision One or WMC, take such action described in Section 2.03(e) of this Agreement in respect of such Mortgage Loan, (B) in the case of Accredited (with respect to any Accredited-MSMC Mortgage Loan), Aegis, AIG or Meritage, take such action as described in the applicable Section of the applicable Assignment Agreement in respect of such Mortgage Loan, or (C) in the case of CHL, take such action described in Section 5 of the CHL Assignment Agreement in respect of such Mortgage Loan, in each case of clauses (A) (solely with respect to First NLC-MSMC Mortgage Loans), (B) or (C), as if the Depositor were the applicable Originator, and (ii) the Trustee shall promptly deliver to the Depositor or its designee the related Custodial File in accordance with the applicable Servicer's direction in a Request for Release and, upon Depositor's request, shall assign to the Depositor all of its rights with respect to such Originator's breach under this Agreement or the applicable Assignment Agreement, as applicable, which assignment shall be evidenced by a writing prepared by the Depositor and executed by the Trustee in favor of the Depositor. Any obligation of the Depositor under this subsection shall terminate upon receipt by the Trustee of a confirmation from each Rating Agency that such termination will not cause a downgrade, qualification or withdrawal of the rating then assigned to any Class of Certificates by any Rating Agency.

(h) Within 90 days of the earlier of either discovery by or notice to the Responsible Parties of any breach of a representation or warranty set forth on Schedule IV, Schedule V or Schedule VII that materially and adversely affects the value of any Mortgage Loan or the interest of the Trustee or the Certificateholders therein, the applicable Responsible Party shall use its best efforts to promptly cure such breach in all material respects and, if such defect or breach cannot be remedied, the applicable Responsible Party shall, at the Depositor's option, purchase such Mortgage Loan at the Repurchase Price or, if permitted hereunder, substitute a Substitute Mortgage Loan for such Mortgage Loan, if applicable.

(i) Within 90 days of the earlier of either discovery by or notice to IXIS of any breach of a representation or warranty set forth in Section 3.01 (f), 3.01(h), 3.01(n), 3.01(o), 3.01(p) or 3.03 of the IXIS Agreement that materially and adversely affects the value of any IXIS Mortgage Loan or the interest of the Trustee or the Certificateholders therein, IXIS shall use its best efforts to cure such breach in all material respects and, if such breach cannot be remedied, IXIS shall, (i) if such 90-day period expires prior to the second anniversary of the related Closing Date, remove such 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 2.03; or (ii) repurchase such Mortgage Loan at the Repurchase Price.

In the event there is a breach of a representation or warranty by Accredited with respect to an Accredited-IXIS Mortgage Loan that materially and adversely affects the value of such Mortgage Loan or the interest of the Trustee and the Certificateholders therein, and, upon discovery or receipt of notice, Accredited fails to cure, substitute or repurchase such Mortgage Loan within the period specified in either the Accredited-IXIS Assignment Agreement or the Accredited-IXIS Purchase Agreement, IXIS shall cure, substitute or repurchase such Mortgage Loan subject to the conditions set forth in this Section 2.03. In the event there is a breach of a representation or warranty by Chapel with respect to a Chapel Mortgage Loan that materially and adversely affects the value of such Mortgage Loan or the interest of the Trustee and the Certificateholders therein, and, upon discovery or receipt of notice, Chapel fails to cure, substitute or repurchase such Mortgage Loan within the period specified in either the Chapel Mortgage Assignment Agreement or the Chapel Mortgage Purchase Agreement, IXIS shall cure, substitute or repurchase such Mortgage Loan subject to the conditions set forth in this Section 2.03. In the event there is a breach of a representation or warranty by First Bank with respect to a First Bank Mortgage Loan that materially and adversely affects the value of such Mortgage Loan or the interest of the Trustee and the Certificateholders therein, and, upon discovery or receipt of notice, First Bank fails to cure, substitute or repurchase such Mortgage Loan within the period specified in either the First Bank Assignment Agreement or the First Bank Purchase Agreement, IXIS shall cure, substitute or repurchase such Mortgage Loan subject to the conditions set forth in this Section 2.03. In the event there is a breach of a representation or warranty by First Horizon with respect to a First Horizon Mortgage Loan that materially and adversely affects the value of such Mortgage Loan or the interest of the Trustee and the Certificateholders therein, and, upon discovery or receipt of notice, First Horizon fails to cure, substitute or repurchase such Mortgage Loan within the period specified in either the First Horizon Assignment Agreement or the First Horizon Purchase Agreement, IXIS shall cure, substitute or repurchase such Mortgage Loan subject to the conditions set forth in this Section 2.03. In the event there is a breach of a representation or warranty by First NLC with respect to a First NLC-IXIS Mortgage Loan that materially and adversely affects the value of such Mortgage Loan or the interest of the Trustee and the Certificateholders therein, and, upon discovery or receipt of notice, First NLC fails to cure, substitute or repurchase such Mortgage Loan within the period specified in either the First NLC Assignment Agreement or the First NLC Purchase Agreement, IXIS shall cure, substitute or repurchase such Mortgage Loan subject to the conditions set forth in this Section 2.03. In the event there is a breach of a representation or warranty by FlexPoint with respect to a FlexPoint Mortgage Loan that materially and adversely affects the value of such Mortgage Loan or the interest of the Trustee and the Certificateholders therein, and, upon discovery or receipt of notice, FlexPoint fails to cure, substitute or repurchase such Mortgage Loan within the period specified in either the FlexPoint Assignment Agreement or the FlexPoint Purchase Agreement, IXIS shall cure, substitute or repurchase such Mortgage Loan subject to the conditions set forth in this Section 2.03. In the event there is a breach of a representation or warranty by Funding America with respect to a Funding America Mortgage Loan that materially and

adversely affects the value of such Mortgage Loan or the interest of the Trustee and the Certificateholders therein, and, upon discovery or receipt of notice, Funding America fails to cure, substitute or repurchase such Mortgage Loan within the period specified in either the Funding America Assignment Agreement or the Funding America Purchase Agreement, IXIS shall cure, substitute or repurchase such Mortgage Loan subject to the conditions set forth in this Section 2.03. In the event there is a breach of a representation or warranty by Lenders Direct with respect to a Lenders Direct Mortgage Loan that materially and adversely affects the value of such Mortgage Loan or the interest of the Trustee and the Certificateholders therein, and, upon discovery or receipt of notice, Lenders Direct fails to cure, substitute or repurchase such Mortgage Loan within the period specified in either the Lenders Direct Assignment Agreement or the Lenders Direct Purchase Agreement, IXIS shall cure, substitute or repurchase such Mortgage Loan subject to the conditions set forth in this Section 2.03. In the event there is a breach of a representation or warranty by Lime Financial with respect to a Lime Financial Mortgage Loan that materially and adversely affects the value of such Mortgage Loan or the interest of the Trustee and the Certificateholders therein, and, upon discovery or receipt of notice, Lime Financial fails to cure, substitute or repurchase such Mortgage Loan within the period specified in either the Lime Financial Assignment Agreement or the Lime Financial Purchase Agreement, IXIS shall cure, substitute or repurchase such Mortgage Loan subject to the conditions set forth in this Section 2.03. In the event there is a breach of a representation or warranty by Mandalay with respect to a Mandalay Mortgage Loan that materially and adversely affects the value of such Mortgage Loan or the interest of the Trustee and the Certificateholders therein, and, upon discovery or receipt of notice, Mandalay fails to cure, substitute or repurchase such Mortgage Loan within the period specified in either the Mandalay Assignment Agreement or the Mandalay Purchase Agreement, IXIS shall cure, substitute or repurchase such Mortgage Loan subject to the conditions set forth in this Section 2.03. In the event there is a breach of a representation or warranty by Master Financial with respect to a Master Financial Mortgage Loan that materially and adversely affects the value of such Mortgage Loan or the interest of the Trustee and the Certificateholders therein, and, upon discovery or receipt of notice, Master Financial fails to cure, substitute or repurchase such Mortgage Loan within the period specified in either the Master Financial Assignment Agreement or the Master Financial Purchase Agreement, IXIS shall cure, substitute or repurchase such Mortgage Loan subject to the conditions set forth in this Section 2.03. In the event there is a breach of a representation or warranty by NC Capital with respect to a NC Capital Mortgage Loan that materially and adversely affects the value of such Mortgage Loan or the interest of the Trustee and the Certificateholders therein, and, upon discovery or receipt of notice, NC Capital fails to cure, substitute or repurchase such Mortgage Loan within the period specified in either the NC Capital Assignment Agreement or the NC Capital Purchase Agreement, IXIS shall cure, substitute or repurchase such Mortgage Loan subject to the conditions set forth in this Section 2.03. In the event there is a breach of a representation or warranty by Quick Loan with respect to a Quick Loan Mortgage Loan that materially and adversely affects the value of such Mortgage Loan or the interest of the Trustee and the Certificateholders therein, and, upon discovery or receipt of notice, Quick Loan fails to cure, substitute or repurchase such Mortgage Loan within the period specified in either the Quick Loan Assignment Agreement or the Quick Loan Purchase Agreement, IXIS shall cure, substitute or repurchase such Mortgage Loan subject to the conditions set forth in this

Section 2.03. In the event there is a breach of a representation or warranty by Rose with respect to a Rose Mortgage Loan that materially and adversely affects the value of such Mortgage Loan or the interest of the Trustee and the Certificateholders therein, and, upon discovery or receipt of notice, Rose fails to cure, substitute or repurchase such Mortgage Loan within the period specified in either the Rose Assignment Agreement or the Rose Purchase Agreement, IXIS shall cure, substitute or repurchase such Mortgage Loan subject to the conditions set forth in this Section 2.03. Notwithstanding IXIS's lack of knowledge, in the event it is discovered by IXIS, the Depositor or the Trust (including the Trustee, the Securities Administrator and the Servicers acting on the Trust's behalf), that the substance of a representation or warranty was inaccurate as of the applicable date of such representation or warranty and such inaccuracy materially and adversely affects the value of the related Mortgage Loan or the interest of the Trustee and the Certificateholders therein, IXIS shall use its best efforts to cure such breach or substitute or repurchase such Mortgage Loan in accordance with this Section 2.03(i).

(j) Any substitution of a Substitute Mortgage Loan by an Originator shall be made in accordance with the substitution procedures set forth in the applicable Purchase Agreement, which provisions shall be as set forth in such agreements as if they were set forth herein. With respect to any Substitute Mortgage Loan or Loans substituted by the Depositor or IXIS, the Depositor or IXIS, as applicable, shall deliver to the Trustee for the benefit of the Certificateholders the Mortgage Note, the Mortgage, the related Assignment of 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. Notwithstanding anything to the contrary set forth in this Agreement, no substitution under this Agreement is permitted to be made (a) in any calendar month after the Determination Date for such month or (b) if the substitution were to be made on or after the second anniversary of the Closing Date. Scheduled Payments due with respect to Substitute Mortgage Loans in the Due Period of substitution shall not be part of the Trust Fund and will be retained by the Depositor, IXIS or the applicable Responsible Party, as applicable, on the next succeeding Distribution Date. For the Due Period of substitution, distributions to Certificateholders will include the Scheduled Payment due on any Deleted Mortgage Loan for such Due Period and thereafter the Depositor, IXIS or the applicable Responsible Party, as applicable, shall be entitled to retain all amounts received in respect of such Deleted Mortgage Loan.

(k) The applicable Servicer, based upon information provided by the Depositor, IXIS or the applicable Originator, as applicable, 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 such Servicer shall deliver the amended Mortgage Loan Schedule to the Master Servicer, with a copy of such amended Mortgage Loan Schedule to be provided to the Trustee at the time such Servicer is required to deliver a Servicer Remittance Report Master Servicer pursuant to Section

4.03(e). Upon such substitution, the Substitute Mortgage Loan or Loans shall be subject to the terms of this Agreement in all respects, and, if the substitution is made by the Depositor, a Responsible Party, or IXIS, the Depositor, such Responsible Party or IXIS, as applicable, 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(b) with respect to such Substitute Mortgage Loan. Upon receipt of a Request for Release in connection with any such substitution and the deposit into the related Collection Account of the amount required to be deposited therein in connection with such substitution as described in Section 2.03(k), the Trustee shall release the lien on the Mortgage File held for the benefit of the Certificateholders relating to such Deleted Mortgage Loan to the applicable Responsible Party, the Depositor or IXIS, as applicable, and the Trustee shall execute and deliver at the direction of the Depositor, IXIS or the applicable Originator, as applicable, such instruments of transfer or assignment prepared by the Depositor, IXIS or the applicable Originator, as applicable, in each case without recourse, representation or warranty, as shall

be necessary to vest title in the Depositor, IXIS or the applicable Originator, as applicable, of the Trustee's interest in any Deleted Mortgage Loan substituted for pursuant to this Section 2.03.

(l) For any month in which the Depositor or any Responsible Party substitutes one or more Substitute Mortgage Loans for one or more Deleted Mortgage Loans, the applicable Servicer will determine the amount (if any) by which the aggregate unpaid principal balance of all such Substitute Mortgage Loans as of the date of substitution is less than the aggregate unpaid principal balance of all such Deleted Mortgage Loans. The amount of such shortage, plus an amount equal to the sum of (i) any accrued and unpaid interest on the Deleted Mortgage Loans and (ii) all unreimbursed Servicing Advances with respect to such Deleted Mortgage Loans, or the amount of any similar shortage with respect to a Substitute Mortgage Loan substituted by a Responsible Party under this Agreement (collectively, the "Substitution Adjustment Amount"), shall be deposited into the applicable Collection Account by the Depositor, IXIS or the Responsible Party, as applicable, on or before the Distribution Account Deposit Date for the Distribution Date following the Prepayment Period during which the related Mortgage Loan became required to be purchased or replaced hereunder. The Depositor, with respect to any other Mortgage Loan for which MSMC is the Sponsor, or IXIS with respect to any Mortgage Loan for which IXIS is the Sponsor, shall use reasonable efforts to cause the applicable Originator to remit to the applicable Servicer for deposit into the related Collection Account any Substitution Adjustment Amount on or before the Distribution Account Deposit Date for the Distribution Date following the Prepayment Period during which the related Mortgage Loan became required to be purchased or replaced hereunder.

(m) Any Mortgage Loan repurchased pursuant to this Section 2.03 will be removed from the Trust Fund. The applicable Servicer shall amend the Mortgage Loan Schedule for the benefit of the Certificateholders to reflect the removal of any Mortgage Loan repurchased and such Servicer shall deliver the amended Mortgage Loan Schedule to the Master Servicer, with a copy of such amended Mortgage Loan Schedule to be provided to the Trustee at the time such Servicer is required to deliver a Servicer Remittance Report to the Master Servicer pursuant to Section 4.03(e). For purposes of determining the applicable Repurchase Price, any such repurchase shall occur or shall be deemed to occur as of the last day of the applicable Prepayment Period.

(n) In the event that the Depositor, IXIS or any Originator shall have repurchased a Mortgage Loan pursuant to this Agreement, the Repurchase Price therefor shall be deposited by the applicable Servicer in the applicable Collection Account pursuant to Section 3.10 on or before the Distribution Account Deposit Date for the Distribution Date following the Prepayment Period during which such Mortgage Loan was repurchased and upon such deposit of the Repurchase Price and receipt of a Request for Release in the form of Exhibit J hereto, the Trustee shall release the related Custodial File held for the benefit of the Certificateholders to such Person as directed by the applicable Servicer, 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, representation or warranty, as shall be necessary to transfer title from the Trustee.

(o) In addition to any repurchase or substitution obligation by the Responsible Party under this Agreement, each Responsible Party shall indemnify the Depositor and its Affiliates, the Securities Administrator, the Servicers, the Sponsors, the Trustee and the Trust for any breach of any representation and warranty of such Responsible Party set forth in this Agreement, in accordance with the indemnification provisions relating to breaches of representations and warranties (including without limitation, the representation and warranty set forth in paragraph (aaa) of Schedule IV, paragraph (aaa) of Schedule V and paragraph (yy) of Schedule VII to this Agreement) and defective Mortgage Loans set forth in the applicable Purchase Agreement as if such indemnification provisions were set forth herein for the benefit of the Depositor and its Affiliates, the Servicers, the Sponsors, the Trustee and the Trust. This indemnity shall survive the termination of this Agreement.

(p) It is understood and agreed by the parties hereto that the obligation of the Depositor under this Agreement, IXIS under this Agreement, or any Responsible Party under this Agreement to cure, repurchase or substitute any Mortgage Loan as to which a breach of a representation and warranty has occurred and is continuing, together with any related indemnification obligations set forth herein, shall constitute the sole remedies against such Persons respecting such breach available to Certificateholders, the Depositor (if applicable), or the Trustee on their behalf.

The provisions of this Section 2.03 shall survive delivery of the respective Custodial Files to the Trustee for the benefit of the Certificateholders.

Section 2.04 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, the Securities Administrator 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.

Section 2.05 REMIC Matters. The Preliminary Statement sets forth the designations for federal income tax purposes of all interests created hereby. The "Startup Day" of each Trust REMIC for purposes of the REMIC Provisions shall be the Closing Date. The "latest possible maturity date" of the regular interests in each Trust REMIC is the Distribution Date occurring in July 2036, which is the Distribution Date in the month following the month in which the latest maturity date of any Mortgage Loan occurs. Amounts distributable to the Class X Certificates (prior to any reduction for any Basis Risk Payment, Net Swap Payment or Swap Termination Payment), exclusive of any amounts received from the Swap Provider, shall be deemed paid from the Upper-Tier REMIC in respect of the Class X Interest and Class IO Interest to the Holders of the Class X Certificates prior to distribution of any Basis Risk Payments to the Offered Certificates and Net Swap Payments or Swap Termination Payments to the Swap Provider. For federal income tax purposes, any amount distributed on the Offered Certificates on any Distribution Date in excess of the amount distributable on their Corresponding Class of Upper-Tier Regular Interest on such Distribution Date shall be treated as having been paid from the Excess Reserve Fund Account or the Swap Account, as applicable, and any amount distributable on such

however, that each of the Depositor and each Servicer may in its discretion undertake any such action (or direct the Trustee to undertake such actions pursuant to Section 2.03 for the benefit of the Certificateholders) 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 and the applicable Servicer shall be entitled to be reimbursed therefor out of the applicable Collection Account.

Section 6.04 Limitation on Resignation of a Servicer. Subject to Sections 7.01 and 10.07, no Servicer shall assign this Agreement or resign from the obligations and duties hereby imposed on it except by mutual consent of the applicable Servicer, the Depositor and the Trustee or upon the determination that its duties hereunder are no longer permissible under applicable law and such incapacity cannot be cured by such Servicer without the incurrence of unreasonable expense. Any such determination permitting the resignation of a Servicer shall be evidenced by an Opinion of Counsel to such effect delivered to the Depositor, the Master Servicer and the Trustee which Opinion of Counsel shall be in form and substance acceptable to the Depositor, the Master Servicer and the Trustee. No such resignation shall become effective until a successor shall have assumed such Servicer's responsibilities and obligations hereunder.

Notwithstanding the provisions of Section 6.04 herein to the contrary, in the event that a Servicer determines that it will no longer engage in the business of servicing mortgage loans, such Servicer may assign its rights under this Agreement, provided that, (i) the Depositor in its sole discretion has consented, which consent shall not be unreasonably withheld, (ii) the Rating Agencies' ratings of the Certificates in effect immediately prior to such action will not be qualified, reduced or withdrawn as a result thereof (as evidenced by a letter to such effect from the Rating Agencies) and (iii) such Servicer shall be liable for all costs and expenses associated with the transfer of servicing, provided, further, that such Servicer shall indemnify and hold each of the Trust Fund, the Master Servicer, the Securities Administrator, the Trustee, the Depositor, the other Servicers hereunder, any sub-servicer, the successor Servicer and each Certificateholder harmless against any and all claims, losses, penalties, fines, forfeitures, reasonable legal fees and related costs, judgments, and any other costs, fees and expenses that such party may sustain in any way related to such assignment except with respect to a successor Servicer's failure to comply with the terms of this Agreement. No assignment by such Servicer shall become effective until a successor Servicer acceptable to the Depositor and the Master Servicer shall have assumed in writing such Servicer's responsibilities, duties, liabilities (other than those liabilities arising prior to the appointment of such successor) and obligations under this Agreement. Any such assignment shall not relieve the applicable Servicer of responsibility for any of the obligations specified herein except to the extent that such responsibilities have been expressly assumed by the successor Servicer.

Section 6.05 Additional Indemnification by the Servicers; Third Party Claims. (a) Each Servicer, severally and not jointly, shall indemnify the applicable Responsible Party, the Depositor, the Sponsors, the Master Servicer, the Securities Administrator and the Trustee and any director, officer, employee or agent of the Responsible Parties, the Depositor, the Master Servicer, the Securities Administrator, the Sponsors or the Trustee and hold them harmless against any and all claims, losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and any other costs, fees and expenses that any of them may sustain in any way related to (i) any breach by such Servicer of any of its representations and warranties referred to in Section 2.03(a), (ii) any error in any tax or information return prepared by such Servicer or (iii) the failure of such Servicer to perform its duties and service the Mortgage Loans in compliance with the terms of this Agreement (including, without limitation, the failure to deliver accurate and complete information on a timely basis pursuant to Section 4.03 (e)). The applicable Servicer immediately shall notify the Master Servicer, the Securities Administrator, the Depositor, IXIS and the Trustee if such claim is made by a third party with respect to this Agreement or the Mortgage Loans, assume (with the prior written consent of the Depositor, the Master Servicer, IXIS and the Securities Administrator) the defense of any such claim and pay all expenses in connection therewith, including reasonable counsel fees, and promptly pay, discharge and satisfy any judgment or decree which may be entered against it or the Depositor, the Master Servicer, the Securities Administrator, the Sponsors, the Responsible Parties or the Trustee in respect of such claim.

(b) Notwithstanding anything to the contrary contained in this Agreement, each Servicer shall indemnify the Depositor, the Sponsors, the Master Servicer, the Securities Administrator, the Trustee and any director, officer, employee or agent of the Depositor, the Sponsors, the Master Servicer, the Securities Administrator or the Trustee and hold them harmless against any and all claims, losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and any other costs, fees and expenses that any of them may sustain in any way related to any failure by such Servicer or any Subservicer engaged by such Servicer or any Subcontractor utilized by such Servicer to deliver any information, report, certification or accountants' letter when and as required under Sections 3.22, 3.23, 6.02 or 8.12, including without limitation any failure by such Servicer to identify pursuant to Section 3.02(e) any Subcontractor "participating in the servicing function" within the meaning of Item 1122 of Regulation AB.

(c) If the indemnification provided for in this Section 6.05 is unavailable or insufficient to hold harmless any Person entitled to indemnification thereunder, then such Servicer shall contribute to the amount paid or payable by the Person entitled to indemnification as a result of the losses, claims, damages or liabilities of such Person in such proportion as is appropriate to reflect the relative fault of such Person on the one hand and such Servicer, on the other, in connection with such Servicer's obligations pursuant to this Section 6.05. This Section 6.05 shall survive the termination of this Agreement or the earlier resignation or removal of each Servicer.

ARTICLE VII

DEFAULT

Section 7.01 Events of Default. "Event of Default" wherever used herein, means, with respect to each Servicer individually, any one of the following events: