

EXECUTION COPY

REIMBURSEMENT AND SECURITY AGREEMENT
BY AND BETWEEN
FRANKLIN VENTURE, LLC
AND
FEDERAL DEPOSIT INSURANCE CORPORATION

Dated as of September 30, 2009

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REIMBURSEMENT AND SECURITY AGREEMENT

THIS REIMBURSEMENT AND SECURITY AGREEMENT, effective as of September 30, 2009 (this "**Agreement**"), is entered into by and between FRANKLIN VENTURE, LLC, a Delaware limited liability company ("**Debtor**") and FEDERAL DEPOSIT INSURANCE CORPORATION, acting in its corporate capacity ("**Secured Party**").

WHEREAS, pursuant to that certain Loan Contribution and Sale Agreement, dated as of September 30, 2009 (the "**Contribution Agreement**"), between Debtor and Federal Deposit Insurance Corporation, as Receiver for Franklin Bank, S.S.B. (in such capacity, "**Receiver**"), Receiver has transferred certain assets to Debtor, partly as a sale and partly as a capital contribution, and in return for said assets Debtor has issued to Receiver a Purchase Money Note, dated of even date herewith, in the principal face amount of \$727,770,000 (the "**Purchase Money Note**"); and

WHEREAS, to provide support for the payment and performance of Debtor's obligations under the Purchase Money Note, Secured Party and Receiver have entered into that certain Guaranty Agreement, dated as of September 30, 2009 (the "**Purchase Money Note Guaranty**"); and

WHEREAS, in connection with the foregoing, Debtor has agreed to provide Secured Party with the collateral identified herein in order to induce Secured Party to enter into the Purchase Money Note Guaranty and to secure Debtor's obligation to reimburse Secured Party for any payments made by Secured Party thereunder;

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Debtor and Secured Party agree as follows:

ARTICLE I **Definitions**

Section 1.1 **Definitions**. Unless otherwise defined herein, capitalized terms used in this Agreement have the meanings provided in, or by reference in, the Contribution Agreement. The following terms shall have the following meanings:

"**Acceptable Rating**" shall mean (i) a rating of "Strong" by Standard and Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc., (ii) the applicable "Level 1" servicer rating for residential mortgage servicers by Fitch, Inc., or (iii) a rating of "SQ1" by Moody's Investors Service.

"**Acquired Collateral**" shall mean Loan Collateral to which title is acquired by or on behalf of Debtor or any Ownership Entity by foreclosure, by deed in lieu of foreclosure, by power of sale or by sale pursuant to the Uniform Commercial Code, in any such case in accordance with the Loan Documents and in connection with performance by Debtor of its obligations and duties under this Agreement.

“Agreement” shall mean this Reimbursement and Security Agreement, as the same may be amended, modified or otherwise supplemented from time to time.

“Borrower” shall mean the borrower or any other obligor with respect to a Loan.

“Change of Control” shall mean, with respect to the Managing Member, any Person who does not Control the Managing Member as of the date of this Agreement obtaining Control of the Managing Member.

“Collateral” shall have the meaning given in Section 3.1 of this Agreement.

“Collection Account” shall have the meaning given in the LLC Operating Agreement.

“Control” when used with respect to any specified Person shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or interests, by contract or otherwise.

“Custodial and Paying Agency Agreement” shall mean the Custodial and Paying Agency Agreement dated as of the date hereof, between Debtor, Secured Party and the Custodian, as amended, supplemented or restated from time to time, and shall include any substantially similar agreement entered into by Debtor, Secured Party and any new or successor Custodian in accordance with the LLC Operating Agreement.

“Custodian and Paying Agent Report” shall have the meaning given in the Custodial and Paying Agency Agreement.

“Custodial Documents” shall have the meaning given in the Custodial and Paying Agency Agreement.

“Custodian” shall mean Citibank, N.A., a national banking association, and any successor custodian that is a Qualified Custodian.

“Debt” of any Person shall mean (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (excluding trade payables arising in the ordinary course of business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases, or (f) all indebtedness or obligations of others

of the kinds referred to in clauses (a) through (e) above in respect of which such Person has entered into or issued any Guarantee.

“Debtor Accounts” shall mean, collectively, the Collection Account, the Liquidity Reserve Account, the Distribution Account and the Escrow Accounts.

“Determination Date” shall have the meaning given in the Custodial and Paying Agency Agreement.

“Distribution Account” shall have the meaning given in the Custodial and Paying Agency Agreement.

“Distribution Date” shall have the meaning given in the Custodial and Paying Agency Agreement.

“Distribution Date Report” shall have the meaning given in the Custodial and Paying Agency Agreement.

“Due Period” shall have the meaning given in the Custodial and Paying Agency Agreement.

“Electronic Tracking Agreement” shall mean an agreement in the form of Exhibit A.

“Escrow Accounts” shall have the meaning given in the Servicing Agreement.

“Event of Default” shall mean each of the “Events of Default” described in Section 4 of this Agreement.

“Final Distribution” shall mean the distribution of all remaining Loan Proceeds in accordance with the terms of the Custodial and Paying Agency Agreement after liquidation of all of the Loans and related Loan Collateral.

“Guarantee” shall mean, with respect to any particular indebtedness or other obligation, (a) any direct or indirect guarantee thereof by a Person other than the obligor with respect to such indebtedness or other obligation or any transaction or arrangement intended to have the effect of directly or indirectly guaranteeing such indebtedness or other obligation, including without limitation any agreement by a Person other than the obligor with respect to such indebtedness or other obligation (i) to pay or purchase such indebtedness or other obligation or to advance or supply funds for the payment or purchase of such indebtedness or other obligation, (ii) to purchase, sell or lease (as lessee or lessor) property of, to purchase or sell services from or to, to supply funds to or in any other manner invest in, the obligor with respect to such indebtedness or other obligation (including any agreement to pay for property or services of the obligor irrespective of whether such property is received or such services are rendered),

primarily for the purpose of enabling the obligor to make payment of such indebtedness or other obligation or to assure the holder or other obligee of such indebtedness or other obligation against loss, or (iii) otherwise to assure the obligee of such indebtedness or other obligation against loss with respect thereto, or (b) any grant (or agreement in favor of the obligee of such indebtedness or other obligation to grant such obligee, under any circumstances) by a Person other than the obligor with respect to such indebtedness or other obligation of a security interest in, or other Lien on, any property or other interest of such Person, whether or not such other Person has not assumed or become liable for the payment of such indebtedness or other obligation.

“Guaranteed Obligations” shall have the meaning given in the Purchase Money Note Guaranty.

“Indemnified Parties” shall have the meaning given in Section 11.5(a) of this Agreement.

“Insolvency Event” shall mean, with respect to any specified Person, the occurrence of any of the following events:

- (a) the specified Person makes an assignment for the benefit of creditors;
- (b) the specified Person files a voluntary petition for relief in any Insolvency Proceeding;
- (c) the specified Person is adjudged bankrupt or insolvent or there is entered against the specified Person an order for relief in any Insolvency Proceeding;
- (d) the specified Person files a petition or answer seeking for the specified Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any Law;
- (e) the specified Person seeks, consents to, or acquiesces in the appointment of a trustee, receiver or liquidator of the specified Person or of all or any substantial part of the specified Person’s properties;
- (f) the specified Person files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the specified Person in any proceeding described in clauses (a) through (e);
- (g) the specified Person becomes unable to pay its obligations as they become due; or
- (h) within ninety (90) days of any proceeding against the specified Person seeking reorganization, arrangement, composition, readjustment, liquidation,

dissolution or similar relief under any Law if the proceeding has not been dismissed, or within ninety (90) days after the appointment of a trustee, receiver or liquidator for the specified Person or all or any substantial part of the specified Person's properties without the specified Person's agreement or acquiescence, which appointment is not vacated or stayed, or if the appointment is stayed, for ninety (90) days after the expiration of the stay if the appointment is not vacated.

"Insolvency Proceeding" shall mean any proceeding under Title 11 of the United States Code (11 U.S.C. §§101, et seq.) or any proceeding under the Law of any jurisdiction involving any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief.

"Liquidity Reserve Account" shall have the meaning given in the LLC Operating Agreement.

"Loan Collateral" shall have the meaning assigned to the term "Collateral" in the Contribution Agreement.

"Loan Parity Obligation" shall have the meaning given in the Purchase Money Note Guaranty.

"Losses" shall have the meaning given in Section 11.5(a) of this Agreement.

"Managing Member" shall have the meaning given in the LLC Operating Agreement.

"Maturity Date" shall have the meaning given in the Purchase Money Note.

"MERS®" shall mean Mortgage Electronic Registration Systems, Incorporated.

"MERS® System" shall mean the MERSCORP, Inc., mortgage electronic registry system, as more particularly described in the MERS® Procedures Manual (a copy of which is attached as an exhibit to the Electronic Tracking Agreement).

"Monthly Report" shall have the meaning given in the LLC Operating Agreement.

"NY UCC" shall mean the Uniform Commercial Code as in effect on the date hereof in the State of New York, as amended from time to time, and any successor statute.

"Ownership Entity" shall have the meaning given in Section 3.3(b) of this Agreement.

“Paying Agent” shall have the meaning given in the Custodial and Paying Agency Agreement.

“Perfection Requirement” shall have the meaning given in Section 6.1(e) of this Agreement.

“Proceedings” shall mean any suit in equity, action at law or other judicial or administrative proceeding.

“Purchase Money Note Guaranty Fee” shall have the meaning given in Section 7.15 of this Agreement.

“Qualified Custodian” shall mean any Person that (i) is a bank, trust company or title insurance company subject to supervision and examination by any federal or state regulatory authority, (ii) is experienced in providing services of the type required to be performed by the Custodian under the Custodial and Paying Agency Agreement, (iii) is qualified and licensed to do business in each such jurisdiction to the extent required unless and to the extent the failure to be so qualified or licensed will not have a material adverse effect on the Custodian or the ability of the Custodian to perform its obligations under the Custodial and Paying Agency Agreement, (iv) is not prohibited from exercising custodial powers in any jurisdiction in which the Custodial Documents are or will be held, (v) has combined capital and surplus of at least \$50,000,000 as reported in its most recent report of condition, (vi) has the facilities to safeguard the Loan Documents and other Custodial Documents as required by the Custodial and Paying Agency Agreement, (vii) is not an Affiliate of the Debtor or the Servicer, and (viii) is acceptable to and approved by Secured Party (such approval not to be unreasonably withheld, delayed or conditioned).

“Qualified Servicer” shall mean any Person that (i) is properly licensed and qualified to conduct business in each jurisdiction in which such licenses and qualifications to conduct business are necessary for the servicing of the Loans and management of the Loan Collateral, (ii) is a member of MERS®, (iii) has the management capacity and experience to service loans of the type held by Debtor, especially performing and non-performing residential loans, including the number and types of loans serviced, and the ability to track, process and post payments, and to furnish tax reports to borrowers, and (iv) either (x) has an Acceptable Rating as a mortgage loan servicer or special servicer or (y) is acceptable to and approved by Secured Party in its sole discretion.

“REO Property” shall mean real property to which title is acquired by or on behalf of the Debtor by foreclosure, by deed in lieu of foreclosure, by power of sale or by sale pursuant to the Uniform Commercial Code, in any such case, in accordance with the Loan Documents and in connection with the performance by the Debtor of its obligations and duties under the LLC Operating Agreement.

“Secured Obligations” shall have the meaning given in Section 3.1 of this Agreement.

“Servicer” shall have the meaning given in the Custodial and Paying Agency Agreement.

“Servicing Agreement” shall have the meaning given in the Custodial and Paying Agency Agreement.

“Servicing Obligations” shall have the meaning given in the Servicing Agreement.

“Servicing Standard” shall have the meaning given in the Servicing Agreement.

“Single Purpose Entity” shall mean a corporation or limited liability company that (a) is organized under the laws of any state of the United States or the District of Columbia, (b) has no material assets other than the Loans and any Acquired Collateral, its right, title and interest in, to and under the LLC Operating Agreement and the other instruments contemplated by this Agreement, (c) is not engaged in any significant business operations except its ownership of the Loans and any Acquired Collateral and the conduct of its business pursuant to the LLC Operating Agreement, (d) does or causes to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises, (e) at all times holds itself out to the public as a legal entity separate from any other Person (including any Affiliate), (f) except as expressly contemplated hereby or by the Ancillary Documents, does not commingle its assets with assets of any other Person, (g) conducts its business in its own name and strictly complies with all organizational formalities to maintain its separate existence, (h) maintains an arm’s length relationship with any Affiliate upon terms that are commercially reasonable and on terms no less favorable to it than could be obtained in a comparable arm’s length transaction with an unrelated Person, and (i) has no Debt.

“Site Assessment” shall have the meaning given in Section 3.3(b) of this Agreement.

“Successor Servicer” shall have the meaning given in Section 5.1(a)(vi) of this Agreement.

“Third Party Claims” shall have the meaning given in Section 11.5(a) of this Agreement.

“Uniform Commercial Code” shall mean the Uniform Commercial Code as in effect in any applicable jurisdiction, as amended from time to time.

ARTICLE II **Reimbursement**

Section 2.1 Reimbursement. Debtor agrees to pay to Secured Party (i) on the Distribution Date following any payment by Secured Party with respect to the Guaranteed Obligations, the amount of such payment (provided, that any such payment by Secured Party occurring after the Determination Date immediately preceding such Distribution Date shall be payable on the second Distribution Date following such payment); and (ii) interest on any portion of such amount remaining unpaid by Debtor under clause (i) of this Section 2.1 for each day unpaid, from the date the payment with respect to the Guaranteed Obligations is made by Secured Party until such payment is reimbursed in full (after as well as before judgment), payable in accordance with Section 5.1 of the Custodial and Paying Agency Agreement, at a rate per annum equal to 4.250%. All payments by Debtor to Secured Party hereunder shall be made free and clear of set-off or counterclaim in lawful currency of the United States and in immediately available funds.

Section 2.2 Obligations Absolute. The obligations of Debtor under this Agreement shall be absolute, unconditional and irrevocable, and shall be discharged strictly in accordance with the terms set forth herein, under all circumstances whatsoever, including, without limitation, the following circumstances:

(a) any lack of validity or enforceability of this Agreement, the Purchase Money Note, the Purchase Money Note Guaranty, or any other agreement or instrument relating thereto;

(b) any amendment or waiver of or any consent to departure from all or any of the provisions of this Agreement, the Purchase Money Note or the Purchase Money Note Guaranty;

(c) the existence of any claim, setoff, defense or other right which Debtor may have at any time against Secured Party, Receiver or any other person or entity, whether in connection with this Agreement, the Purchase Money Note, or any unrelated transaction;

(d) payment by Secured Party under the Purchase Money Note Guaranty against demand of Receiver that does not comply with the terms of the Purchase Money Note Guaranty; and

(e) any other act or omission to act or delay of any kind by Secured Party or any other Person or any other event or circumstance whatsoever that might, but for the provisions of this Section, constitute a legal or equitable discharge of or defense to the Debtor's obligations hereunder.

ARTICLE III **Security Interest**

Section 3.1 Granting of Security Interest. To secure Debtor's payment and performance of Debtor's obligations under this Agreement, as such may be amended from time

to time, which obligations are expressly intended to include any and all obligations that may be created or modified in connection with the amendment of this Agreement, the Purchase Money Note Guaranty or any Ancillary Document (the "Secured Obligations"), Debtor hereby transfers, assigns, sets over, conveys and grants to Secured Party, subject to the terms of this Agreement and the Purchase Money Note (and any substitute purchase money notes that may be issued), a continuing security interest in, lien on and right of setoff against all of its right, title and interest in and to the following property, regardless of whether such property is in the future subdivided into one or more groups to separately secure the Debtor's obligations hereunder (the "Collateral"):

- (a) the Loans, including all future advances made with respect thereto;
- (b) the Loan Documents;
- (c) all amounts payable to Debtor under the Loan Documents and all obligations owed to Debtor in connection with the Loans and the Loan Documents;
- (d) all Loan Collateral;
- (e) all claims, suits, causes of action and any other right of Debtor, whether known or unknown, against a Borrower, any Guarantor or other obligor or any of their respective Affiliates, agents, representatives, contractors, advisors or any other Person arising under or in connection with the Loans or the Loan Documents or that is in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity arising under or in connection with the Loan Documents or the transactions related thereto or contemplated thereby;
- (f) all cash, securities and other property received or applied by or for the account of Debtor under the Loans, including all distributions received through redemption, consummation of a plan of reorganization, restructuring, liquidation or otherwise of a Borrower, Guarantor or other obligor under or with respect to the Loans, and any securities, interest, dividends or other property that may be distributed or collected with respect to any of the foregoing;
- (g) the Debtor Accounts and any other accounts established by Debtor pursuant to the Custodial and Paying Agency Agreement, and all amounts on deposit therein;
- (h) all Ownership Entities;
- (i) all of Debtor's right, title and interest in and to all insurance policies;
- (j) all of Debtor's General Intangibles (as defined in the NY UCC); and
- (k) any and all distributions on, or proceeds or products of or with respect to, any of the foregoing, and the rights to receive such proceeds thereof.

This grant of a security interest in the Collateral is expressly intended to remain in full force and effect from the date hereof until the Secured Obligations, as such may be modified in connection with the amendment of this Agreement, the Purchase Money Note Guaranty or any Ancillary Document, have been satisfied in full.

All of the Notes and other Custodial Documents shall be held by the Custodian as set forth in Section 7.4 (except and to the extent the same are permitted to be removed from the Custodian's possession as provided in the Custodial and Paying Agency Agreement). The Secured Party shall retain possession of the Notes and other Custodial Documents with respect to the Loans until such time as Debtor retains the Custodian pursuant to the provisions of Section 7.4 and, at such time, shall cause the Custodian to take possession of the Notes and other Custodial Documents with respect to the Loans on behalf of Secured Party. Debtor shall deliver to Secured Party, (i) for each Loan, an allonge, endorsed in blank, and executed by Debtor, and (ii) for each Loan that is not registered on the MERS® System, a Mortgage Assignment, in blank, and executed by Debtor. Such allonges and Mortgage Assignments shall be held by the Custodian with the Notes and other Custodial Documents. Reasonable and customary expenses paid to third parties actually incurred by the Debtor in preparing and delivering such allonges and Mortgage Assignments shall constitute Pre-Approved Charges for purposes of the Custodial and Paying Agency Agreement, provided that any such expenses with respect to an allonge or a Mortgage Assignment that is not properly prepared and delivered to the Custodian within six months of the Closing Date shall not constitute Pre-Approved Charges for purposes of the Custodial and Paying Agency Agreement. Secured Party may use the allonge to effect the endorsement of a Note or the Mortgage Assignment to effect the assignment of a mortgage to Secured Party at any time if an Event of Default occurs and is continuing. Debtor shall also execute and deliver to Secured Party, and cause the Servicer to execute and deliver to Secured Party, the Electronic Tracking Agreement. Debtor shall be designated as the "investor" with respect to the Loans on the MERS® System, the Servicer shall be designated as the "servicer" with respect to the Loans on the MERS® System, and Secured Party shall be designated as the "interim funder" with respect to the Loans on the MERS® System. No other Person shall be identified on the MERS® System as having any interest in any of the Loans. Debtor shall provide Secured Party with such reports from the MERS® System as Secured Party, from time to time, may request, including to allow Secured Party to verify the Persons identified on the MERS® System as having any interest in any of the Loans and to confirm that the Loans required to be registered on the MERS® System are so registered. Without limiting the foregoing, upon the request of Secured Party, Debtor shall cause MERS® to run a query with respect to any and all specified fields on the MERS® System with respect to any or all of the Loans registered on the MERS® System and provide the results to Secured Party and, if requested by Secured Party, shall cause MERS® to change the information in such fields, to the extent MERS® will do so in accordance with its policies and procedures, to reflect its instructions.

Section 3.2 Retention of Certain Rights. So long as Secured Party has not exercised remedies with respect to the Collateral under this Agreement (upon the occurrence and continuance of an Event of Default), Debtor reserves all rights with respect to the Collateral,

including all rights to use, apply, modify, dispose of or otherwise deal with such Collateral (except as limited by the LLC Operating Agreement, the Contribution Agreement and the Servicing Agreement and the Custodial and Paying Agency Agreement).

Section 3.3 Loan Defaults; Acquisition of Collateral.

(a) Discretion of Debtor in Responding to Defaults of Borrower. Upon the occurrence of an event of default under any of the Loan Documents, but subject to the other terms and conditions of this Agreement, Debtor shall cause to be determined the response to such default and course of action with respect to such default, including (i) the selection of attorneys to be used in connection with any action, whether judicial or otherwise, to protect the respective interests of Debtor and Secured Party in the Loan and the Collateral, (ii) the declaration and recording of a notice of such default and the acceleration of the maturity of the Loan, (iii) the institution of proceedings to foreclose the Loan Documents securing the Loan pursuant to the power of sale contained therein or through a judicial action, (iv) the institution of proceedings against any Guarantor, (v) the acceptance of a deed in lieu of foreclosure, (vi) the purchase of the real property Collateral at a foreclosure sale or trustee's sale or the purchase of the personal property Collateral at a Uniform Commercial Code sale, and (vii) the institution or continuation of proceedings to obtain a deficiency judgment against such Borrower or any Guarantor.

(b) Acquisition of Collateral. Nothing in this Section 3.3 or anything else in this Agreement shall be deemed to affirmatively require Debtor to cause to be acquired all or any portion of any Collateral with respect to which there exists any Environmental Hazard. Prior to acquisition of title to any Collateral (whether by foreclosure, deed in lieu of foreclosure, by power of sale or by sale pursuant to the Uniform Commercial Code, or otherwise), Debtor shall cause to be commissioned with respect to such Collateral either (i) a Transaction Screen Process consistent with ASTM Standard E 1528-06, by an environmental professional or (ii) such other site inspections and assessments by a Person who regularly conducts environmental audits using customary industry standards as would customarily be undertaken or obtained by a prudent lender in order to ascertain whether there are any actual or threatened Environmental Hazards (a "Site Assessment"), and the cost of such Site Assessment shall be reimbursable as if it were a Servicing Expense as long as the costs for such Site Assessment were not paid to any Affiliate of Debtor, or any Affiliate of any Servicer or subservicer. If title to any Collateral with respect to which there exists any Environmental Hazard is to be acquired by foreclosure, by deed in lieu of foreclosure, by power of sale or by sale pursuant to the Uniform Commercial Code, or otherwise, title to such Collateral shall be taken and held in the name of a limited liability company or such other entity that is a Single Purpose Entity as Debtor may choose (the "Ownership Entity"), whether already in existence or formed by Debtor for such purpose, provided that each Ownership Entity may only hold title to a single property constituting Collateral with respect to which there exists any Environmental Hazard. Debtor or its wholly-owned subsidiary or Affiliate shall be the sole managing member of any Ownership Entity. No certificates shall be issued evidencing any membership interests in any Ownership Entity. The purposes of the Ownership Entity shall be to hold the Acquired Collateral pending sale, to complete construction of such Collateral and to operate the Collateral as efficiently as possible in order to minimize

financial loss to Debtor and Secured Party and to sell the Acquired Collateral as promptly as practicable in a way designed to minimize financial loss to Debtor and Secured Party.

(c) REO Property. If title to any REO Property is to be acquired by Debtor by foreclosure, by deed in lieu of foreclosure, by power of sale or by sale pursuant to the Uniform Commercial Code, or otherwise, title to such REO Property shall be taken and held in the name of an Ownership Entity, whether already in existence or formed by Debtor for such purpose. Debtor or its wholly-owned subsidiary or Affiliate shall be the sole managing member of any Ownership Entity. No certificates shall be issued evidencing any membership interests in any Ownership Entity. The purposes of the Ownership Entity shall be to hold the REO Property pending sale, to complete construction of such REO Property and to operate the REO Property as efficiently as possible in order to minimize financial loss to Debtor and Secured Party and to sell the REO Property as promptly as practicable in a way designed to minimize financial loss to Debtor and Secured Party. Notwithstanding anything to the contrary contained herein, the Ownership Entity shall be a pass-through entity with no entity-level income tax obligations.

Section 3.4 Continuing Security Interest. This Agreement shall create a continuing security interest in any and all of the Collateral, and shall remain in full force and effect until the termination of the Purchase Money Note Guaranty in accordance with its terms and the satisfaction and discharge of all Secured Obligations in full. It is the intent of Debtor and Secured Party to create a continuing, perfected first priority security interest in the Collateral. The release of the security interest in any or all of the Collateral, the taking or acceptance of additional security, or the resort by Secured Party to any security it may have in any order it may deem appropriate, shall not affect the liability of any person or entity on the Secured Obligations secured hereby or the security interest and Lien granted hereby.

Section 3.5 Destruction of Collateral. No injury to, or loss or destruction of, the Collateral or any part thereof shall relieve Debtor of any of its obligations hereunder or any of the Secured Obligations.

Section 3.6 Releases of Loan Collateral. Debtor is authorized to cause the release or assignment of any Lien granted to or held by Debtor on any Loan Collateral, solely to the extent necessary, (a) upon a final, nonappealable order of a court of competent jurisdiction permitting or directing disposition thereof, (b) upon payment of any Loan in full and satisfaction in full of all of the secured obligations with respect to a Loan or upon receipt of a discounted payoff as payment in full of a Loan, (c) as is necessary in connection with the foreclosure on a Mortgaged Property, acceptance of a deed in lieu thereof or modification or restructuring of the terms thereof, or (d) in connection with Debtor's sale of a Loan or any Loan Collateral, provided, that the proceeds of such sale or disposition are applied in accordance with the priority of payments set forth in Section 5.1 of the Custodial and Paying Agency Agreement and the other terms thereof.

Section 3.7 Financing Statements. Debtor hereby irrevocable authorizes, and ratifies and retroactively authorizes any filing made on or prior to the date hereof, the filing, at any time and from time to time, of any financing statements or continuation statements, and

amendments to such financing statements or any similar document in such jurisdictions and with such filing offices as Secured Party may determine are necessary or advisable to perfect the security interest granted to it hereunder. Such financing statements shall describe the Collateral in substantially the same manner as described herein or in any other manner as Secured Party may determine is necessary, advisable or prudent to ensure the perfection of the security interest in the Collateral granted to Secured Party herein pursuant to the terms hereof.

Section 3.8 Power of Attorney. Debtor hereby irrevocably appoints Secured Party its lawful attorney-in-fact, with full authority in the place and stead of Debtor and in the name of Debtor, Secured Party or otherwise, and with full power of substitution in the premises (which power of attorney, being coupled with an interest, is irrevocable for so long as this Agreement shall be in effect), from time to time in Secured Party's discretion, following a failure by Debtor to promptly satisfy its obligations under Section 3.1 or Section 3.2 of the Contribution Agreement as it relates to the transfer and/or recording of any of the Transfer Documents or any other relevant matter set forth therein, to execute all relevant Transfer Documents and other documents as may be reasonably necessary to satisfy the transfer and recording obligations of Debtor under Section 3.1 and Section 3.2 of the Contribution Agreement.

ARTICLE IV
Events Of Default

Section 4.1 Events of Default. Any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) shall constitute an "Event of Default" hereunder:

(a) any amount payable under Section 2.1 of this Agreement (including interest accrued through and including the Determination Date immediately preceding the Distribution Date on which such amount becomes payable) or under Section 7.15 of this Agreement (including interest accrued through and including the Determination Date immediately preceding the Distribution Date on which such amount becomes payable) is not paid in full for any three (3) Distribution Dates occurring in a twelve (12) month period; or

(b) any failure of Debtor to pay in full on any three (3) Distribution Dates occurring in a twelve (12) month period the interest accrued on the Purchase Money Note through and including the Determination Date immediately preceding each such Distribution Date; or

(c) the occurrence of any Insolvency Event (without any cure period other than as may be provided for in the definition of Insolvency Event) with respect to (i) Debtor, (ii) the Managing Member or (iii) the Servicer; or

(d) any failure of Managing Member to cause to be made any payment of any Working Capital Advance (as defined in the LLC Operating Agreement) or any Servicing

Expense pursuant to Section 5.1(b) and Section 12.7, respectively, of the LLC Operating Agreement, which failure continues unremedied for a period of sixty (60) days after the date on which written notice of such failure requiring the same to be remedied shall have been given to Debtor; or

(e) the failure of Debtor or the Managing Member to comply in any material respect with and enforce the provisions of the LLC Operating Agreement, which continues unremedied for a period of sixty (60) days after the date on which written notice of such failure requiring the same to be remedied shall have been given to Debtor; or

(f) the occurrence of either (i) a failure by the Servicer to perform in any material respect its obligations under the Servicing Agreement, which continues unremedied for a period of sixty (60) days after the date on which written notice of such failure requiring the same to be remedied shall have been given by Debtor to the Servicer or by Secured Party to Debtor, or (ii) a failure by Debtor to replace the Servicer upon the occurrence of either an Event of Default under this Agreement as a result of the Servicer's acts or omissions or a material breach of or event of default under the Servicing Agreement by the Servicer, in either case which continues unremedied for a period of sixty (60) days after the date on which written notice of such failure requiring the same to be remedied shall have been given to Debtor; or

(g) the failure of Debtor to comply in any material respect with its obligations under the Servicing Agreement or the Custodial and Paying Agency Agreement (including any failure to pay fees or expenses due thereunder by Debtor) which, in either case, remains unremedied for a period of sixty (60) days after the date on which written notice of such failure requiring the same to be remedied shall have been given to Debtor; or

(h) there shall be a change in the Managing Member or there shall occur a Change of Control with respect to the Managing Member without the consent of Secured Party; or

(i) the failure of the Managing Member to remit or cause to be remitted all Loan Proceeds to the Paying Agent as and when required; or

(j) any material breach of a representation or warranty made by Debtor in this Agreement, which remains unremedied for a period of sixty (60) days after the date on which written notice of such breach requiring the same to be remedied shall have been given to Debtor; or

(k) any payment by Secured Party of the Loan Parity Obligation; or

(l) any other failure (other than those specified in any of Sections 4.1(a) through 4.01(k)) on the part of Debtor duly to observe or perform in any material respect any other covenants or agreements on the part of Debtor contained in this Agreement (including any obligations imposed upon any Servicer or subservicer), which continues unremedied for a period of sixty (60) days after the date on which written notice of such failure requiring the same to be

remedied shall have been given to Debtor; provided, however, that in the case of a failure that cannot be cured within sixty (60) days, the cure period shall be extended for an additional sixty (60) days if Debtor can demonstrate to the reasonable satisfaction of Secured Party that Debtor is diligently pursuing remedial action.

ARTICLE V Remedies

Section 5.1 Remedies.

(a) If an Event of Default shall have occurred and be continuing, Secured Party may do one or more of the following:

(i) cause the Holder (as defined in the Purchase Money Note) to declare the Purchase Money Note to be immediately due and payable, by a notice in writing to Debtor, and upon any such declaration the unpaid principal amount of the Purchase Money Note, together with accrued and unpaid interest thereon through the date of acceleration, shall become immediately due and payable; provided, however, that with respect to an Event of Default under Section 4.1(c)(i), the unpaid principal amount of and accrued interest on the Purchase Money Note shall automatically become immediately due and payable;

(ii) institute Proceedings for the collection of all amounts then payable by Debtor under this Agreement, whether by declaration or otherwise, and all amounts payable under the Servicing Agreement, enforce any judgment obtained, and collect from Debtor moneys adjudged due;

(iii) institute Proceedings from time to time for the complete or partial foreclosure of this Agreement with respect to the Collateral;

(iv) exercise any remedies of a secured party under the NY UCC and take any other appropriate action to protect and enforce the rights and remedies of Secured Party;

(v) sell the Collateral or any portion thereof or rights or interest therein;

(vi) upon notice in writing to Debtor (effective at such time as is specified in such notice), act on behalf of Debtor to terminate the Servicer (and any subservicers) and cause Debtor to enter into a new Servicing Agreement with a servicer (a "Successor Servicer") selected by Secured Party (in its sole and absolute discretion);

(vii) upon notice in writing to Debtor (effective at such time as is specified in such notice), cause Debtor to terminate the existing Managing Member and

appoint a new Managing Member selected by Secured Party (in its sole and absolute discretion); and

(viii) institute Proceedings from time to time for the complete or partial foreclosure of any equity interests in Debtor that have been pledged to Secured Party pursuant to the LLC Operating Agreement to secure Debtor's obligations hereunder.

(b) Appointment of Successor Servicer. If Secured Party exercises its right to act on behalf of Debtor to appoint a Successor Servicer, the costs and expenses associated with such Successor Servicer (including any servicing fees) shall be borne by Debtor (and not Secured Party), and no termination or other fee shall be due to Debtor or the Servicer or any subservicer in connection with or as a result of any such action. All authority and power of Debtor to act with respect to the terminated Servicer shall pass to and be vested in Secured Party under this Section 5 and, without limitation, Secured Party is hereby authorized and empowered, as attorney-in-fact or otherwise, to execute and deliver, on behalf of and at the expense of Debtor, any and all documents and other instruments and to do or take any and all acts necessary or appropriate to effect the termination of the Servicer and the replacement of the Servicer with a Successor Servicer.

(c) Cooperation To Facilitate Transfer. In any event, if a Servicer or subservicer is terminated pursuant to the provisions of this Section 5, Debtor shall, and shall cause any Servicer (and any subservicer) to, provide Secured Party and any successor Servicer in a timely manner with all documents, records and data (including electronic documents, records and data) requested by Secured Party or any successor Servicer to enable it and any successor Servicer to assume the responsibilities as servicer, and to cooperate with Secured Party in effecting the termination of any Servicer (or subservicer), including (i) the transfer within one (1) Business Day of all cash amounts which, at the time, shall be or should have been credited to the Collection Account (as defined in the Servicing Agreement) or are thereafter received with respect to any Loans or Acquired Collateral, and (ii) the transfer of all lockbox accounts with respect to which payments or other amounts with respect to the Loans are directed or the redirection of all such payments and other amounts to such account as Secured Party may specify, and (iii) the assignment to Secured Party of the right to access all such lockbox accounts, the Debtor Accounts and any other account into which Loan Proceeds or Borrower escrow payments are deposited or held; provided, that the documents, records and data delivered by the Servicer (and any subservicer) to Secured Party and any successor Servicer pursuant to this Section 5.1(c) shall be limited to those documents in such Servicer's possession at the time of such transfer or which the Servicer acquires thereafter and shall not include or be deemed to include any documents, records or data in the possession of the Custodian. Debtor shall be liable for all costs and expenses incurred by Secured Party (A) associated with the complete transfer of the servicing data, (B) associated with the completion, correction or manipulation of servicing data as may be required to correct errors or insufficiencies in the servicing data to enable Secured Party and any successor Servicer (and subservicers) to service the Loans and Acquired Collateral properly and effectively, and (C) to retain and maintain the services of a Successor Servicer (and any subservicers). Within a reasonable time after receipt of a written request of Debtor for the

same, Secured Party shall provide reasonable documentation evidencing such costs and expenses.

Section 5.2 Application of Proceeds. If Secured Party collects any money or property pursuant to Section 5.1 of this Agreement, it shall pay out the money in the order set forth in Section 5.1(b) of the Custodial and Paying Agency Agreement, notwithstanding anything in the Purchase Money Note, the Purchase Money Note Guaranty, the Servicing Agreement or the Contribution Agreement to the contrary.

Section 5.3 Sale of Collateral.

(a) The power to effect any sale or other disposition (a "Sale") of any portion of the Collateral shall not be exhausted by any one or more Sales as to any portion of the Collateral remaining unsold, but shall continue unimpaired until the entire Collateral shall have been sold or all Secured Obligations shall have been paid. Secured Party may from time to time postpone any public Sale by public announcement made at the time and place of such Sale. Secured Party hereby expressly waives its right to any amount fixed by law as compensation for any Sale.

(b) In connection with a Sale of all or any portion of the Collateral:

(i) Secured Party may bid for and purchase the property offered for sale, and upon compliance with the terms of sale may hold, retain and possess and dispose of such property, without further accountability;

(ii) Secured Party may bid for and acquire the property offered for Sale in connection with any Sale thereof, and, subject to any requirements of, and to the extent permitted by, applicable Law in connection therewith, may purchase all or any portion of the Collateral in a private sale, and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting the gross Sale price against the sum of (A) the amount which would be distributable to Secured Party as a result of such Sale in accordance with Section 5.2 on the Distribution Date next succeeding the date of such Sale and (B) the expenses of the Sale and of any Proceedings in connection therewith which are reimbursable to it;

(iii) Secured Party shall execute and deliver an appropriate instrument of conveyance prepared by the Servicer transferring its interest in any portion of the Collateral in connection with a Sale thereof;

(iv) Secured Party is, pursuant to Section 11.1 of this Agreement, appointed the agent and attorney-in-fact of Debtor to transfer and convey its interest in any portion of the Collateral in connection with a Sale thereof, and to take all action necessary to effect such Sale; and

(v) no purchaser or transferee at such a Sale shall be bound to ascertain Secured Party's authority, inquire into the satisfaction of any conditions precedent or see to the application of any moneys.

Section 5.4 No Impairment of Action. Secured Party's right to seek and recover judgment under this Agreement shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Agreement. Neither the Lien of this Agreement nor any rights or remedies of Secured Party shall be impaired by the recovery of any judgment by Secured Party against Debtor or by the levy of any execution under such judgment upon any portion of the Collateral or upon any of the assets of Debtor. Any money or property collected by Secured Party shall be applied in accordance with Section 5.2.

Section 5.5 Remedies Cumulative; Waiver. Secured Party's rights under this Agreement shall be in addition to, and not in limitation or exclusion of, any other rights and remedies that it may have (whether by operation of law, in equity, under contract or otherwise) and without prejudice and in addition to any right of setoff, recoupment, combination of accounts, Lien or other right to which it is at any time entitled. Secured Party may enforce any of its remedies under this Agreement successively or concurrently in its sole discretion. No delay or failure on the part of Secured Party to exercise any right or remedy to which it may become entitled hereunder upon a Event of Default shall constitute abandonment or waiver of any such right and Secured Party shall be entitled to exercise such right or remedy at any time during the continuance of a Event of Default.

Section 5.6 Waiver of Certain Rights and Remedies. To the extent permitted under applicable Law, Debtor hereby waives all rights and remedies of a debtor or grantor under the NY UCC or other applicable Law, and all formalities prescribed by law relative to the sale or disposition of the Collateral (other than notice of sale and any other formalities expressly provided in this Agreement), after the occurrence and during the continuation of an Event of Default and, except as otherwise set forth herein, all other rights and remedies of Debtor with respect thereto.

ARTICLE VI

Representations And Warranties

Section 6.1 Representations and Warranties. Debtor hereby represents and warrants to Secured Party as of the date hereof and at all times while the Secured Obligations remain unsatisfied and undischarged in full, that:

(a) This Agreement is a legal, valid and binding obligation of Debtor, enforceable against Debtor in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws;

(b) There is no pending or, to the knowledge of Debtor, threatened action, suit or proceeding affecting Debtor before any court or other Governmental Authority or any arbitrator that may adversely affect the grant by Debtor, or the perfection, of the security interest

purported to be created hereby in the Collateral, or the exercise by Secured Party of any of its rights or remedies hereunder;

(c) Debtor is and will be at all times the sole and exclusive owners of, or otherwise have and will have rights in, the Collateral free and clear of any Lien. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording or filing office;

(d) The transactions provided for herein (i) have been duly authorized by all requisite limited liability company action, and (ii) do not and will not (A) violate (1) any applicable provision of any Law or of the certificate of formation or operating agreement of Debtor, (2) any order of any Governmental Authority or arbitrator or (3) any material provision of any indenture or any agreement or other instrument to which Debtor is a party or by which it or the Collateral is or may be bound, (B) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any such indenture or agreement or other instrument, (C) result in the creation or imposition of any security interest in or Lien upon the Collateral (other than security interest and Lien created thereon under this Agreement) or (D) require the consent of any party for the granting of the security interest created hereby;

(e) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other regulatory body, or any other Person, is required on the date hereof for (i) the due execution, delivery and performance by Debtor of this Agreement, (ii) the grant by Debtor of the security interest purported to be created hereby in the Collateral or (iii) the exercise by Secured Party of any of its rights and remedies hereunder. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other regulatory body, or any other Person, is required for the perfection of the security interest purported to be created hereby in the Collateral, except for (A) the filing of a UCC-1 financing statement properly describing the Collateral and identifying Debtor and Secured Party in the applicable jurisdiction required pursuant to the Uniform Commercial Code, (B) execution and delivery by the Custodian of a Custodial and Paying Agency Agreement containing an acknowledgment by the Custodian that it holds possession of the Custodial Documents for the Secured Party's benefit, and (C) the taking of any action required to maintain continuing perfection with respect to proceeds which cannot be perfected by the filing of financing statements under the Uniform Commercial Code (subclauses (A), (B) and (C), each a "**Perfection Requirement**" and collectively, the "**Perfection Requirements**"); and

(f) This Agreement creates a legal, valid and enforceable security interest in favor of Secured Party in the Collateral, as security for the Secured Obligations. The compliance with the Perfection Requirements will result in the perfection of such security interests. After compliance with the Perfection Requirements, such security interests, including in the case of Collateral in which Debtor obtains rights after the date hereof, will be perfected, first priority security interests. Such Perfection Requirements and all other action necessary or desirable to perfect and protect such security interest have been duly made or taken, except for the other filings and recordations and actions described in Section 6.1(e) above.

ARTICLE VII COVENANTS

Section 7.1 Debtor Accounts. Debtor shall establish and maintain with the Paying Agent the Debtor Accounts (excluding the Escrow Accounts which shall be established and maintained by the Servicer).

Section 7.2 Debtor Status; Licensing. Debtor shall, at all times, constitute a limited liability company organized under the laws of the State of Delaware and a Single Purpose Entity. As soon as reasonably practical after the Effective Date Debtor shall apply for and, thereafter, use its reasonable best efforts to obtain, as quickly as possible, and maintain all such licenses as are required to conduct its business, including qualifications to conduct business in jurisdictions other than Delaware and licenses to purchase, own or service the Loans, if the failure to so obtain such licenses would reasonably be expected to result in the imposition of fines, penalties or other liabilities on Debtor, claims and defenses being asserted against Debtor (including counterclaims and defense asserted by Borrowers), or materially adversely affect Debtor or Debtor's ability to foreclose on the Collateral securing or otherwise realize the full value of any Loan or Acquired Collateral.

Section 7.3 LLC Operating Agreement. Debtor (a) shall at all times have in effect and be subject to the LLC Operating Agreement, (b) except as is otherwise expressly permitted therein, shall amend the LLC Operating Agreement only with the prior written approval of Secured Party, and (c) shall not enter into or allow itself to become subject to any other constituent documents inconsistent with any terms of the LLC Operating Agreement.

Section 7.4 Custodian. Debtor shall retain Custodian and shall enter into and at all times be a party to a Custodial and Paying Agency Agreement with Custodian. Custodian shall at all times have custody and possession of the Notes and other Custodial Documents. At no time shall Debtor have more than one Custodian. The fees and expenses paid to the Custodian shall be no more than market rates and the Custodian shall be terminable by Secured Party upon no more than thirty (30) days notice without cause thereunder. In the event that Debtor (or any Servicer or subservicer) removes any Notes or other Custodial Documents from the possession of the Custodian (which shall be done only in accordance with the Custodial and Paying Agency Agreement), (a) any loss or destruction of or damage to such Notes or Custodial Documents shall be the liability of Debtor (who, along with the Servicer and any subservicer shall be responsible for safeguarding such Notes and Custodial Documents), and (b) such Notes shall be returned to the Custodian within the time provided under the Uniform Commercial Code to maintain Secured Party's perfection thereof by possession. If any Notes or other Custodial Documents are removed in connection with the modification or restructuring of a Loan, the modified or restructured Notes and other Custodial Documents removed in connection therewith shall be returned to the Custodian as soon as possible following the completion of the restructuring or modification (and, in any event, in accordance with clause (b) of the immediately preceding sentence). Debtor shall ensure that Secured Party receives a copy of each demand, notice or other communication given under the Custodial and Paying Agency Agreement at the time that such notice or other communication is given thereunder.

Section 7.5 Compliance with Law. Debtor shall, at all times, comply with applicable Law in connection with the performance of its obligations under this Agreement.

Section 7.6 Servicer. Debtor shall at all times cause the Servicing Obligations to be performed by a Servicer or a subservicer, each of which shall be a Qualified Servicer.

Section 7.7 MERS® Member. Debtor shall become a member of MERS® on or before the initial Servicing Transfer Date and, for so long as this Agreement is in effect, maintain itself as a MERS® member in good standing (including paying all dues and other fees required to maintain its membership and complying with MERS® policies and procedures). Debtor shall give prompt written notice to Secured Party of any disciplinary action instituted with respect to its failure to pay any fees required in connection with its use of the MERS® System or otherwise comply with any MERS® policies or procedures.

Section 7.8 Certain Restrictions. Debtor shall not:

(a) at any time, without limiting its obligation to constitute a Single Purpose Entity, incur any Debt (other than the Debt evidenced by the Purchase Money Note and permitted advances by the Private Owner (as defined in the LLC Operating Agreement) under the LLC Operating Agreement);

(b) dissolve or liquidate at any time prior to such time as Debtor makes the Final Distribution and this Agreement is terminated;

(c) (i) file a voluntary petition for bankruptcy, (ii) file a petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any Law, (iii) make an assignment for the benefit of creditors, (iv) seek, consent or acquiesce in the appointment of a trustee, receiver or liquidator or of all or any substantial part of its properties, (v) file an answer or other pleading admitting or failing to contest the material allegations of (A) a petition filed against it in any proceeding described in clause (i) through (iv), or (B) any order adjudging it a bankrupt or insolvent or for relief against it in any bankruptcy or insolvency proceeding, or (vi) allow itself to become unable to pay its obligations as they become due or allow the sum of its debts to be greater than all of its property, at a fair valuation; or

(d) place or permit (voluntarily or involuntarily) any Lien to be placed on any of the Collateral (other than the security interest granted to Secured Party hereunder), and shall not take any action to interfere with Secured Party's rights as a secured party with respect to the Collateral.

Section 7.9 Change in Jurisdiction, Name, Location or Identity. Debtor agrees to notify Secured Party promptly in writing of any change (a) in the jurisdiction in which it is organized, (b) in its company name, (c) in the location of its principal place of business, or (d) in its federal taxpayer identification number. Debtor agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform

Commercial Code or otherwise that are required in order for Secured Party to continue following such change to have a valid, legal and perfected first priority security interest in the Collateral to the extent a security interest therein may be perfected by filing pursuant to the Uniform Commercial Code.

Section 7.10 Payment of Principal and Interest on Purchase Money Note; Reimbursement of Secured Party. Debtor will duly and punctually pay, or cause the Paying Agent to pay, the principal of and interest on the Purchase Money Note in accordance with the terms of the Purchase Money Note, this Agreement, the Servicing Agreement and the Custodial and Paying Agency Agreement and from moneys on deposit in the Distribution Account. On each Distribution Date, Debtor will direct the Paying Agent to distribute amounts on deposit in the Distribution Account to Secured Party in payment of any amounts owed by Debtor to Secured Party under this Agreement, subject to the priority of payments set forth in Section 5.1 of the Custodial and Paying Agency Agreement and the other terms thereof.

Section 7.11 Protection of Collateral; Further Assurances. From time to time, at its cost and expense, Debtor promptly shall execute and deliver all further instruments and documents, and take all further action, that may be necessary, or that Secured Party may reasonably request, in order to perfect, to ensure the continued perfection of, and to protect the assignment and security interest granted or intended to be granted hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral.

Section 7.12 Books and Records; Reports; Certifications; Audits.

(a) Maintenance of Books and Records. Debtor shall cause to be kept and maintained (including by the Servicer, any subservicer and any Ownership Entity and including records transferred by Receiver to Debtor in connection with its conveyance of the Loans to Debtor under the Contribution Agreement), at all times, at Debtor's principal place of business, a complete and accurate set of files, books and records regarding the Collateral, and Debtor's and Secured Party's interests in the Collateral, including records relating to the Debtor Accounts and the disbursement of all Loan Proceeds. This obligation to maintain a complete and accurate set of records shall encompass all files in Debtor's custody, possession or control pertaining to the Collateral, including all original and other documentation pertaining to the Collateral, all documentation relating to items of income and expense pertaining to the Collateral, and all of Debtor's (and Servicer's) internal memoranda pertaining to the Collateral.

(b) Retention of Books and Records. Debtor shall cause all such books and records to be maintained and retained until the date that is the later of ten (10) years after the Effective Date or three (3) years after the date on which the Final Distribution is made. All such books and records shall be available during such period for inspection by Secured Party or its representatives (including any Governmental Authority) and agents at the principal office of Debtor at all reasonable times during business hours on any Business Day (or, in the case of any such inspection after the term hereof, at such other location as is provided by notice to Secured Party), in each instance upon 2 Business Days' prior notice to Debtor. Upon request by Secured Party, Debtor, at the sole cost and expense of Secured Party, shall promptly send copies (the

number of copies of which shall be reasonable) of such books and records to Secured Party. Debtor shall provide Secured Party with reasonable advance notice of Debtor's intention to destroy or dispose of any documents or files relating to the Loans and, upon the request of Secured Party, shall allow Secured Party, at its own expense, to recover the same from Debtor.

(c) Monthly Reports. For each Due Period, Debtor shall cause to be furnished to Secured Party (i) the Monthly Report with respect to the relevant Due Period, and (ii) the related Distribution Date Report with respect to such Due Period, which report shall specify the amounts and recipients of all funds to be distributed by the Paying Agent on the relevant Distribution Date. Debtor shall cause the Monthly Report and related Distribution Date Report to be provided to Secured Party: (x) with respect to any Due Period prior to and including the Due Period in which the last Servicing Transfer Date occurs, on the date that is two (2) Business Days prior to the applicable Distribution Date, and (y) with respect to any Due Period commencing after the Due Period in which the last Servicing Transfer Date occurs, on or prior to the fifteenth (15th) day of the month immediately following the applicable Determination Date (or if the fifteenth (15th) day is not a Business Day, then the first Business Day thereafter). Following receipt by the Paying Agent of the Monthly Report and the Distribution Date Report with respect to a given Due Period, the Paying Agent shall prepare and deliver the Custodian and Paying Agent Report with respect to such Due Period in accordance with the terms of the Custodial and Paying Agency Agreement. Each of the Monthly Report and the Distribution Date Report shall be certified by the chief financial officer (or an equivalent officer) of the Managing Member. The Monthly Report shall also include a certification of the Managing Member that all withdrawals by the Managing Member from the Collection Account during such Due Period were made in accordance with the terms of the LLC Operating Agreement and the Custodial and Paying Agency Agreement.

(d) Annual Compliance Certificates. Debtor shall, and shall cause the Servicer and any subservicer to deliver to Secured Party, on or before March 15 of each year, commencing in the year 2010, an officer's certificate stating, as to the signer thereof, that (i) a review of such party's activities during the preceding calendar year (or portion thereof) and of its performance under this Agreement (or the Servicing Agreement) has been made under such officer's supervision, and (ii) to the best of such officer's knowledge and belief, based on such review, such party has fulfilled all of its obligations under this Agreement (or the Servicing Agreement) in all material respects throughout such year or portion thereof or, if there has been a failure to fulfill any such obligation in any material respect, specifying each such failure and the nature and status thereof. In the event the Servicer or any subservicer was terminated, resigned or otherwise performed in such capacity for only part of a year, such party shall provide an officer's certificate pursuant to this Section 7.12(d) with respect to such portion of the year.

(e) Annual Compliance Report. On or before March 15 of each year, commencing in the year 2010, Debtor shall cause the Servicer and any subservicer, at its own expense or the expense of the Managing Member, to provide a report prepared by a nationally recognized firm of independent certified public accountants to the effect that, with respect to the most recently ended fiscal year, such firm has examined certain records and documents relating to compliance with the servicing requirements in the Servicing Agreement and that, on the basis

of such examination conducted substantially in compliance with either the Uniform Single Attestation Program for Mortgage Bankers or an attestation report satisfying the requirements of Item 1122 of Regulation AB, such firm is of the opinion that Debtor or the Servicer's or any subservicer's activities have been conducted in compliance with this Agreement and the Servicing Agreement, as applicable (including, to the extent applicable, Regulation AB), or that such examination has disclosed no material items of noncompliance except for (i) such exceptions as such firm believes to be immaterial, and (ii) such other exceptions as are set forth in the report.

(f) Audits. Until the later of the date that is ten (10) years after the Effective Date and the date that is three (3) years after the Final Distribution, Debtor shall, and shall cause the Servicer and any subservicer to, (i) provide any representative of Secured Party (including any Government Authority), during normal business hours and on reasonable notice, with access to all of the books of account, reports and records relating to the Collateral, the Servicing Obligations, the Debtor Accounts, or any other matters relating to this Agreement or the rights or obligations hereunder, (ii) permit such representatives to make copies of and extracts from the same, (iii) allow Secured Party to cause such books to be audited by accountants selected by Secured Party, and (iv) allow Secured Party's representatives to discuss Debtor's and the Servicer's or subservicer's affairs, finances and accounts, as they relate to the Loans, the Collateral, the Servicing Obligations, the Debtor Accounts, or any other matters relating to this Agreement or the rights or obligations hereunder, with its officers, directors, employees, accountants (and by this provision Debtor hereby authorizes such accountants to discuss such affairs, finances and accounts with such representatives), the Servicer, any subservicer, and attorneys. Any expense incurred by Secured Party and any reasonable out-of-pocket expense incurred by Debtor in connection with the exercise by Secured Party of its rights in this Section 7.12(f) shall be borne by Secured Party; provided, however, that any expense incident to the exercise by Secured Party of its rights pursuant to this Section 7.12(f) as a result of or during the continuance of an Event of Default shall in all cases be borne by the Managing Member.

Section 7.13 Recovery of Expenses; Interest; Working Capital Advances. Debtor shall cause commercially reasonable efforts to be used to recover from Borrowers and Guarantors those Servicing Expenses and Reimbursable Advances which such Borrowers or Guarantors are obligated to pay. No Servicing Expenses shall bear interest chargeable in any way to Secured Party. Debtor shall make Working Capital Advances (as defined in the LLC Operating Agreement) as required in Section 12.7 of the LLC Operating Agreement.

Section 7.14 Debtor's Duty To Advise Secured Party; Delivery of Certain Notices. In addition to such other reports and access to records and reports as are required to be provided to Secured Party hereunder, Debtor shall cause to be delivered to Secured Party such information relating to the Collateral, Debtor and the Servicer and any subservicer as Secured Party may reasonably request from time to time and, in any case, shall ensure that Secured Party is promptly advised, in writing, of any matter of which Debtor, the Servicer or any subservicer becomes aware relating to the Loans, the Collateral, the Debtor Accounts, or any Borrower or Guarantor that materially and adversely affects the interests of Secured Party hereunder. Without limiting the generality of the foregoing, Debtor shall cause to

be delivered to Secured Party information indicating any possible Environmental Hazards with respect to any Collateral. To the extent Secured Party requests information which is dependent upon obtaining such information from a Borrower, Guarantor or other third party, Debtor shall cause to be made commercially reasonable efforts to obtain such information but it shall not be a breach by Debtor of this Agreement if Debtor fails to cause such information to be provided to Secured Party because a Borrower, Guarantor or other Person has failed to provide such information after such efforts have been made.

Section 7.15 Payment of Purchase Money Note Guaranty Fee. In consideration of Secured Party guaranteeing certain obligations of Debtor under the Purchase Money Note pursuant to the Purchase Money Note Guaranty, Debtor shall pay to Secured Party a fee (the "**Purchase Money Note Guaranty Fee**") payable monthly in arrears on each Distribution Date so long as the Purchase Money Note remains outstanding, equal to one-twelfth (1/12th) of 1.00 percent (1.00%) *multiplied by* the outstanding principal amount of the Purchase Money Note as of the day immediately preceding such Distribution Date, subject to the priority of payments set forth in Section 5.1 of the Custodial and Paying Agency Agreement and the other terms thereof. Any portion of the Purchase Money Note Guaranty Fee that is not paid when due shall accrue interest for each day unpaid, from the Distribution Date such amount becomes payable until it is paid in full (after as well as before judgment), at a rate per annum equal to 4.250%, payable in accordance with Section 5.1 of the Custodial and Paying Agency Agreement.

ARTICLE VIII

Secured Party Consent; Limits On Liability

Section 8.1 Secured Party Consent; Limits On Liability. Notwithstanding anything to the contrary contained in this Agreement, Debtor shall not permit to be taken any of the following actions without the prior written consent of Secured Party, which may be withheld or conditioned in Secured Party's sole and absolute discretion:

- (a) the sale or other transfer of any Collateral (or any portion thereof) to any Affiliate of Debtor, the Servicer or any subservicer, or any Affiliate of the Servicer or any subservicer;
- (b) the payment of any fees to, or entering into any transaction with, any Affiliate of Debtor, except as permitted by the LLC Operating Agreement;
- (c) the financing of the sale or other transfer of any Collateral (or any portion thereof);
- (d) the sale of any Collateral (or any portion thereof) that provides for any recourse against Secured Party;
- (e) any disbursement of any funds in any of the Debtor Accounts other than in accordance with the provisions of the Custodial and Paying Agency Agreement;

(f) Debtor's ceasing to be a member in good standing of MERS®;

(g) other than capitalizing accrued and unpaid interest, other amounts permitted to be capitalized pursuant to the Loan Modification Program (as defined in the Servicing Agreement), Servicing Expenses and Reimbursable Advances, advancing additional funds that would increase the Unpaid Principal Balance;

(h) reimbursement for any expense or cost incurred (or paid) to any Affiliate of Debtor or any Affiliate of the Servicer or any subservicer;

(i) any amendment or modification to, or waiver of, any terms of the Servicing Agreement that relate to the manner in which the Servicer services the Loans, including, without limitation, the Servicing Obligations and the Servicing Standard;

(j) the termination and replacement of the Servicer; or

(k) taking any action to conduct a Bulk Sale (as defined in the LLC Operating Agreement) during the 24 month period commencing on the date of this Agreement.

Section 8.2 Limitation of Liability.

(a) Secured Party Liability Generally. Neither Secured Party nor any of its Affiliates, nor any of their respective officers, directors, employees, partners, principals or agents, including the Servicer and any subservicer, shall be liable for any action taken or omitted to be taken by them or any one of them under this Agreement or in connection with any Collateral or any portion thereof, except for any act or omission constituting (i) gross negligence, bad faith or willful misconduct (including any act or omission constituting theft, embezzlement, breach of trust or violation of any Law) or (ii) a material breach of this Agreement. In the event Secured Party exercises its rights pursuant to Section 5 of this Agreement, neither Secured Party nor any of its Affiliates, nor any of their respective officers, directors, employees, partners, principals or agents, including the Servicer and any subservicer, shall be liable for any action taken or omitted to be taken by them or any one of them under this Agreement or in connection with any Collateral or any portion thereof, except for any act or omission constituting willful misconduct.

(b) Reliance on Notices, etc. Neither Debtor nor Secured Party shall incur any liability to the other by acting in good faith upon any notice, consent, certificate or other instrument or writing (including telegram, cable, telex or telecopy) that is reasonably believed by Debtor or Secured Party, as applicable, to be genuine and to have been signed or sent by the proper party and that on its face is properly executed.

(c) No Consequential Damages. Regardless of the legal theory upon which any claim by or against Debtor or Secured Party is based, including any claim based on contract, tort, strict liability, or fraud, neither Secured Party nor Debtor shall be liable for, or may recover from the other, any amounts other than actual losses, costs and expenses (including reasonable

attorneys' fees and litigation and similar costs to pursue such recovery) incurred by the party asserting the claim. Without limiting the foregoing, neither party shall be liable for, or entitled to recover from the other party, any consequential, special, indirect, punitive, treble, nominal or exemplary damages, business interruption costs or expenses, or damages for lost profits, operating losses or lost investment opportunity (regardless of whether any such damages are characterized as direct or indirect), each of which is and all of which are hereby excluded by agreement of Secured Party and Debtor, regardless of whether the party against whom such damages may be claimed has been advised of the possibility of any such damages, unless (in each case) such losses are incurred by the party asserting the claim as a direct result of a claim asserted against such party by a third party. For purposes of this Section 8.2, the following claims shall not constitute claims asserted by a third party: (i) with respect to Debtor, any claims asserted by (A) the Servicer or any subservicer, (B) any Affiliate of Debtor or the Servicer or any subservicer, and (C) any officer, director, employee, partner, principal or agent of Debtor or the Servicer or any subservicer, or any Affiliate of Debtor or the Servicer or any subservicer; and (ii) with respect to Secured Party, any claims asserted by any Affiliate or officer, director, employee, partner, principal or agent of Secured Party or any Affiliate.

ARTICLE IX **Release Of Collateral**

Secured Party hereby release and discharges its Lien on any Collateral, solely to the extent necessary, (a) upon a final, nonappealable order of a court of competent jurisdiction permitting or directing disposition thereof, (b) upon payment of any Loan in full and satisfaction in full of all of the secured obligations with respect to a Loan or upon receipt of a discounted payoff as payment in full of a Loan, (c) as is necessary in connection with the foreclosure on a Mortgaged Property, acceptance of a deed in lieu thereof or modification or restructuring of the terms thereof, or (d) in connection with Debtor's sale of a Loan or any Collateral, provided, that the proceeds of such sale or disposition are applied in accordance with the priority of payments set forth in Section 5.1 of the Custodial and Paying Agency Agreement and the other terms thereof.

ARTICLE X **LIQUIDATION OF LOANS AND ACQUIRED COLLATERAL**

Section 10.1 Rights to Liquidate Loans and Acquired Collateral. Secured Party shall have the right, exercisable in its sole and absolute discretion, to require the liquidation and sale, for cash consideration, of any remaining Loans and Acquired Collateral held by Debtor or any Ownership Entity at any time after the date that is six (6) months prior to the Maturity Date.

Section 10.2 Exercise of Rights to Liquidate Loans and Acquired Collateral. In order to exercise its rights under this Section 10.2, Secured Party shall give notice in writing to the Custodian and Debtor, setting forth the date by which the remaining Loans and Acquired Collateral are to be liquidated by Secured Party. Debtor shall, and shall cause the Custodian to, cooperate and assist Secured Party with any and all aspects of the liquidation of the remaining Loans and Acquired Collateral to the extent reasonably requested by Secured Party. In the event

Debtor or any Affiliate thereof desires to bid to acquire the remaining Loans and Acquired Collateral, then Secured Party shall be entitled to liquidate the remaining Loans and Acquired Collateral in its discretion. In the event Secured Party undertakes to liquidate the remaining Loans and Acquired Collateral pursuant to this Section 10.2, the Loan Proceeds shall be applied on the Distribution Date following any such liquidation in accordance with the priority of payments set forth in Section 5.1 of the Custodial and Paying Agency Agreement and the other terms thereof; provided, however, that notwithstanding such priority of payments, no portion of the Loan Proceeds shall be paid pursuant to Sections 5.1(a)(viii) or 5.1(b)(iv) of the Custodial and Paying Agency Agreement until the Purchase Money Note has been repaid in full.

ARTICLE XI **Miscellaneous**

Section 11.1 Attorney-In-Fact. Debtor hereby constitutes and appoints Secured Party the true and lawful attorney-in-fact of Debtor, with full power and authority in the place and stead of Debtor and in the name of Debtor, Secured Party or otherwise, subject to the terms of this Agreement and applicable Law, to enforce all rights, interests and remedies of Debtor with respect to the Collateral, provided that Secured Party shall not exercise any of the aforementioned rights unless a Event of Default of the Secured Obligations has occurred and is continuing. This power of attorney is a power coupled with an interest and shall be irrevocable until the termination of this Agreement in accordance with the terms hereof; provided further that nothing in this Agreement shall prevent Debtor from, prior to the exercise by Secured Party of any of the aforementioned rights, utilizing the Collateral to transact Debtor ordinary course business operations.

Section 11.2 No Petition. Secured Party hereby covenants and agrees that it will not at any time institute against Debtor, or join in any institution against Debtor of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other proceedings under any United States federal or state bankruptcy or similar law in connection with any obligation relating to the Purchase Money Note or this Agreement.

Section 11.3 Reimbursement of Expenses. Except as prohibited by Law, if at any time Secured Party employs counsel in connection with the creation, perfection, preservation, or release of the security interest of Secured Party in the Collateral or the enforcement of any of Secured Party's rights or remedies hereunder, all of Secured Party's attorneys' fees arising from such services and all other expenses, costs, or charges relating thereto shall become part of the Secured Obligations secured hereby and be paid by Debtor on demand.

Section 11.4 Termination of Security Interest. Upon the satisfaction and discharge in full of the Secured Obligations, the security interest and all other rights granted hereby shall terminate and all rights to the Collateral shall revert to Debtor. Upon any such satisfaction, and discharge of the Secured Obligations, Secured Party (a) upon the written request of Debtor shall promptly execute and deliver all such documentation, Uniform Commercial Code termination statements and instruments as are necessary to release the Liens created pursuant to

this Agreement and to terminate this Agreement, and (b) agrees, at the reasonable request of Debtor, to furnish, execute and deliver such documents, instruments, certificates, notices or further assurances as Debtor may reasonably request as necessary or desirable to effect such termination and release, all at Debtor's sole cost and expense.

Section 11.5 Indemnification.

(a) Debtor shall indemnify and hold harmless Secured Party and Secured Party's Affiliates, and their respective officers, directors, employees, partners, principals, agents and contractors (the "**Indemnified Parties**") from and against any losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and litigation and similar costs, and other out-of-pocket expenses incurred in investigating, defending, asserting or preparing the defense or assertion of any of the foregoing), deficiencies, claims, interest, awards, judgments, penalties and fines (collectively, "**Losses**") arising out of or resulting from (i) any breach by Debtor or any of its Affiliates or any of their respective officers, directors, employees, partners, principals, agents or contractors (including the Servicer and any subservicer) of any of their respective obligations under or covenants or agreements contained in this Agreement or the Servicing Agreement (including any claim asserted by Secured Party against Debtor to enforce its rights pursuant to Section 5), or any third-party allegation or claim based upon facts alleged that, if true, would constitute such a breach, or (ii) any gross negligence, bad faith or willful misconduct (including any gross negligence, bad faith or willful misconduct of the Servicer or any subservicer and including any act or omission constituting theft, embezzlement, breach of trust or violation of any Law). Such indemnity shall survive the termination of this Agreement. In order for an Indemnified Party to be entitled to any indemnification provided for under this Agreement in respect of, arising out of or involving a Loss or a claim or demand made by any Person against the Indemnified Party (a "**Third Party Claim**"), such Indemnified Party shall deliver notice thereof to Debtor promptly after receipt by such Indemnified Party of written notice of the Third Party Claim, describing in reasonable detail the facts giving rise to any claim for indemnification hereunder, the amount of such claim (if known) and such other information with respect thereto as is available to the Indemnified Party and as Debtor may reasonably request. The failure or delay to provide such notice, however, shall not release Debtor from any of its obligations under this Section 11.5 except to the extent that it is materially prejudiced by such failure or delay.

(b) If for any reason the indemnification provided for herein is unavailable or insufficient to hold harmless the Indemnified Parties, Debtor shall contribute to the amount paid or payable by the Indemnified Parties as a result of the Losses of the Indemnified Parties in such proportion as is appropriate to reflect the relative fault of the Indemnified Parties, on the one hand, and Debtor (including the Servicer and any subservicer), on the other hand in connection with a breach of Debtor's obligations under this Agreement.

(c) If Debtor confirms in writing to the Indemnified Party within fifteen (15) days after receipt of a Third Party Claim Debtor's responsibility to indemnify and hold harmless the Indemnified Party therefor, Debtor may elect to assume control over the compromise or defense of such Third Party Claim at Debtor's own expense and by Debtor's own

counsel, which counsel must be reasonably satisfactory to the Indemnified Party, provided that (i) the Indemnified Party may, if such Indemnified Party so desires, employ counsel at such Indemnified Party's own expense to assist in the handling (but not control the defense) of any Third Party Claim; (ii) Debtor shall keep the Indemnified Party advised of all material events with respect to any Third Party Claim; (iii) Debtor shall obtain the prior written approval of the Indemnified Party before ceasing to defend against any Third Party Claim or entering into any settlement, adjustment or compromise of such Third Party Claim involving injunctive or similar equitable relief being imposed upon any Indemnified Party or any of its or his Affiliates; and (iv) Debtor will not, without the prior written consent of each Indemnified Party, settle or compromise or consent to the entry of any judgment in any pending or threatened action in respect of which indemnification may be sought hereunder (whether or not any such Indemnified Party is a party to such action), unless such settlement, compromise or consent by its terms obligates Debtor to satisfy the full amount of the liability in connection with such Third Party Claim and includes an unconditional release of the Indemnified Party from all liability arising out of such Third Party Claim.

(d) Notwithstanding anything contained herein to the contrary, Debtor shall not be entitled to control (and if the Indemnified Party so desires, it shall have sole control over) the defense, settlement, adjustment or compromise of (but Debtor shall nevertheless be required to pay all Losses incurred by the Indemnified Party in connection with such defense, settlement or compromise): (i) any Third Party Claim that seeks an order, injunction or other equitable relief against the Indemnified Party or any of its Affiliates; (ii) any action in which both Debtor (or any Affiliate) and the Indemnified Party are named as parties and either Debtor (or such Affiliate) or the Indemnified Party determines with advice of counsel that there may be one or more legal defenses available to it that are different from or additional to those available to the other party or that a conflict of interest between such parties may exist in respect of such action; and (iii) any matter that raises or implicates any issue relating to any power, right or obligation of the FDIC under any Law. If Debtor elects not to assume the compromise or defense against the asserted liability, fails to timely and properly notify the Indemnified Party of its election as herein provided, or, at any time after assuming such defense, fails to diligently defend against such Third Party Claim in good faith, the Indemnified Party may pay, compromise or defend against such asserted liability (but Debtor shall nevertheless be required to pay all Losses incurred by the Indemnified Party in connection with such defense, settlement or compromise). In connection with any defense of a Third Party Claim (whether by Debtor or the Indemnified Party), all of the parties hereto shall, and shall cause their respective Affiliates to, cooperate in the defense or prosecution thereof and to in good faith retain and furnish such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials and appeals, as may be reasonably requested by a party hereto in connection therewith.

Section 11.6 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH FEDERAL LAW BUT IF FEDERAL LAW DOES NOT PROVIDE A RULE OF DECISION, IT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK, EXCLUDING ANY CONFLICT OF LAWS RULE OR PRINCIPLE THAT MIGHT REFER

THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. Nothing in this Agreement shall require any unlawful action or inaction by any party hereto.

Section 11.7 Jurisdiction; Venue and Service. The Debtor, for itself and its Affiliates, hereby irrevocably and unconditionally:

(a) (i) agrees that any suit, action or proceeding instituted against it by any other party with respect to this Agreement may be instituted, and that any suit, action or proceeding by it against any other party with respect to this Agreement shall be instituted, only in the Supreme Court of the State of New York, County of New York, or the U.S. District Court for the Southern District of New York or the United States District Court for the District of Columbia (and appellate courts from any of the foregoing) as the party instituting such suit, action or proceeding may in his or its sole discretion elect, (ii) consents and submits, for itself and its property, to the jurisdiction of such courts for the purpose of any such suit, action or proceeding instituted against it by any other party and (iii) agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law;

(b) agrees that service of all writs, process and summonses in any suit, action or proceeding pursuant to Section 11.7(a) may be effected by the mailing of copies thereof by registered or certified mail, postage prepaid, to Debtor at its address for notices pursuant to Section 11.9 (with copies to such other Persons as specified therein); provided, however, that nothing contained in this Section 11.7 shall affect the ability of Debtor to be served process in any other manner permitted by Law;

(c) (i) waives any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement brought in any court specified in Section 11.7(a), (ii) waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum and (iii) agrees not to plead or claim either of the foregoing; and

(d) agrees that nothing contained in this Section 11.7 shall be construed to constitute consent to jurisdiction by the Initial Member, the Failed Bank or the FDIC in any capacity or a limitation on any removal rights the FDIC, in any capacity, may have.

Section 11.8 Waiver of Jury. EACH OF THE DEBTOR AND THE SECURED PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT AND AGREES THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

Section 11.9 Notices. All notices, requests, demands, and other communications required or permitted to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be given by certified or registered

mail, postage prepaid, or delivered by hand or by nationally recognized air courier service, directed to the address of such Person set forth below:

Address for notices or communications to Debtor:

If to Debtor before Closing:

Senior Capital Markets Specialist
c/o Federal Deposit Insurance Corporation
550 17th Street, NW (Room F-7026)
Washington, D.C. 20429-0002
Attention: Timothy A. Kruse
Tel: (202) 898-6832

with a copy to:

Senior Counsel
FDIC Legal Division
Litigation and Resolutions Branch, Receivership Section
Special Issues Unit
3501 Fairfax Drive (Room E-7056)
Arlington, Virginia 22226
Attention: David Gearin
Tel: (703) 562-2430

If to Debtor after Closing:

Franklin Venture, LLC
4282 North Freeway
Fort Worth, Texas 76137
Attention: Dennis G. Stowe
Tel: (817) 321-6001

with a copy to:

K&L Gates LLP
1601 K Street, N.W.
Washington, D.C. 20006
Attention: Phillip J. Kardis, II
Tel: (202) 778-9401

Address for notices or communications to Secured Party:

Director, Division of Finance
c/o Federal Deposit Insurance Corporation

3501 Fairfax Drive (Room VS-4088)
Arlington, Virginia 22226
Attention: Bret D. Edwards
Tel: (703) 562-6101

with a copy to:

Senior Counsel
FDIC Legal Division
Litigation and Resolutions Branch, Receivership Section
Special Issues Unit
3501 Fairfax Drive (Room E-7056)
Arlington, Virginia 22226
Attention: David Gearin
Tel: (703) 562-2430

Any such notice shall become effective when received (or receipt is refused) by the addressee, provided that any notice or communication that is received (or refused) other than during regular business hours of the recipient shall be deemed to have been given at the opening of business on the next Business Day of the recipient. From time to time, any Person may designate a new address for purposes of notice hereunder by notice to such effect to the other Persons identified above.

Section 11.10 Assignment. This Agreement shall inure to the benefit of and be binding on and enforceable against successors and assigns of Debtor and Secured Party; provided, that, Debtor shall not assign its rights hereunder in whole or in part without the prior written consent of Secured Party.

Section 11.11 Entire Agreement. This Agreement contains the entire agreement between Debtor and Secured Party with respect to the subject matter hereof and supersedes any and all other prior agreements, whether oral or written.

Section 11.12 Amendments and Waivers. No provision of this Agreement may be amended or waived except in writing executed by all of the parties to this Agreement.

Section 11.13 Reinstatement. This Agreement shall continue to be effective or be automatically reinstated, as the case may be, if at any time payment pursuant to this Agreement is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, reorganization, liquidation of Debtor or upon the dissolution of, or appointment of any intervenor or conservator or, or trustee or similar official for, Debtor or any substantial part of Debtor's assets, or otherwise, all as though such payments had not been made, and Debtor shall pay Secured Party on demand all reasonable costs and expenses (including reasonable fees of counsel) incurred by Secured Party in connection with such rescission or restoration.

Section 11.14 Interpretation; No Presumption. Headings are intended solely for convenience of reference and shall not affect the meaning or interpretation of the provisions of this Agreement. The word “including” does not limit the preceding words or terms. A reference to any party hereto includes such party’s successors and permitted assigns. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. This Agreement shall be construed fairly as to each party hereto and if at any time any such term or condition is desired or required to be interpreted or construed, no consideration shall be given to the issue of who actually prepared, drafted or requested any term or condition of this Agreement or any agreement or instrument subject hereto.

Section 11.15 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be ineffective, but such ineffectiveness shall be limited as follows: (i) if such provision is prohibited or unenforceable in such jurisdiction only as to a particular Person or Persons and/or under any particular circumstance or circumstances, such provision shall be ineffective, but only in such jurisdiction and only with respect to such particular Person or Persons and/or under such particular circumstance or circumstances, as the case may be; (ii) without limitation of clause (i), such provision shall in any event be ineffective only as to such jurisdiction and only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability in such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction; and (iii) without limitation of clauses (i) or (ii), such ineffectiveness shall not invalidate any of the remaining provisions of this Agreement. Without limitation of the preceding sentence, it is the intent of the parties to this Agreement that in the event that in any court proceeding, such court determines that any provision of this Agreement is prohibited or unenforceable in any jurisdiction (because of the duration or scope (geographic or otherwise) of such provision, or for any other reason) such court shall have the power to, and shall, (x) modify such provision (including without limitation, to the extent applicable, by limiting the duration or scope of such provision and/or the Persons against whom, and/or the circumstances under which, such provision shall be effective in such jurisdiction) for purposes of such proceeding to the minimum extent necessary so that such provision, as so modified, may then be enforced in such proceeding and (y) enforce such provision, as so modified pursuant to clause (x), in such proceeding. Nothing in this Section 11.15 is intended to, or shall, limit (1) the ability of any party to this Agreement to appeal any court ruling or the effect of any favorable ruling on appeal or (2) the intended effect of Section 11.7.

Section 11.16 Survival. All obligations made herein shall survive the execution and delivery of this Agreement. Except as otherwise provided in this Agreement or implied by applicable law, the obligations of Debtor set forth in this Agreement shall terminate only upon the satisfaction and discharge in full of the Secured Obligations.

Section 11.17 No Third Party Beneficiaries. This Agreement is made for the sole benefit of Secured Party and Debtor and their respective successors and permitted assigns, and no other Person or Persons (including Borrowers or any co-lender or other Person with any

interest in or liability under any of the Loans) shall have any rights or remedies under or by reason of this Agreement.

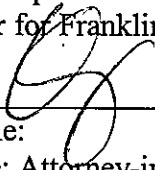
Section 11.18 Counterparts; Facsimile Signatures. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute but one and the same agreement. This Agreement and any amendments hereto, to the extent signed and delivered by facsimile or other electronic means, shall be treated in all manner and respects as an original agreement and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No signatory to this Agreement shall raise the use of a facsimile machine or other electronic means to deliver a signature or the fact that any signature or agreement was transmitted or communicated through the use of a facsimile machine or other electronic means as a defense to the formation or enforceability of a contract and each such Person forever waives any such defense.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto, by their officers duly authorized, intending to legally bound, have caused this Agreement to be duly executed.

FRANKLIN VENTURE, LLC

By: Federal Deposit Insurance Corporation as Receiver for Franklin Bank, S.S.B.

By:  _____
Name:
Title: Attorney-in-Fact

FEDERAL DEPOSIT INSURANCE CORPORATION, in its corporate capacity

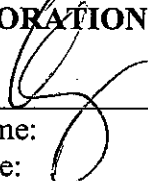
By:  _____
Name:
Title:

EXHIBIT A

FORM OF ELECTRONIC TRACKING AGREEMENT

[Attached]

ELECTRONIC TRACKING AGREEMENT
BY AND AMONG
FEDERAL DEPOSIT INSURANCE CORPORATION,
RESIDENTIAL CREDIT SOLUTIONS, INC.,
MERSCORP, INC.
AND
MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC.

Dated as of September 30, 2009

ELECTRONIC TRACKING AGREEMENT

THIS ELECTRONIC TRACKING AGREEMENT (this "**Agreement**") is made and entered into as of September 30, 2009 by and among the Federal Deposit Insurance Corporation (in any capacity, the "**FDIC**"), in its corporate capacity as the Secured Party (as defined below), Residential Credit Solutions, Inc. (the "**Servicer**"), MERSCORP, Inc. (the "**Electronic Agent**") and Mortgage Electronic Registration Systems, Inc. ("**MERS**").

WHEREAS, RCS Franklin Venture LLC, the sole member of the Company (as defined below), and the Servicer have entered into that certain Servicing Agreement, dated as of September 30, 2009 (the "**Servicing Agreement**"), pursuant to which, among other things, the Servicer is responsible for servicing the Mortgage Loans; and

WHEREAS, pursuant to the Reimbursement and Security Agreement (the "**Reimbursement and Security Agreement**") dated as of September 30, 2009, by and between the Company, and the FDIC in its corporate capacity as the secured party (the "**Secured Party**"), the Company has pledged the Mortgage Loans to the Secured Party and the Secured Party will have a first priority security interest in the Mortgage Loans; and

WHEREAS, the Servicer and the Secured Party desire to continue to have the Mortgage Loans registered on the MERS® System (defined below) such that the mortgagee of record under each Mortgage (defined below) shall be identified as MERS.

NOW, THEREFORE, the parties, intending to be legally bound, agree as follows:

1. Definitions.

Capitalized terms used in this Agreement shall have the meanings assigned to them below.

"**Affected Loans**" shall have the meaning assigned to such term in Section 4(b).

"**Agreement**" shall have the meaning assigned to such term in the preamble.

"**Assignment of Mortgage**" shall mean, with respect to any Mortgage, an assignment of the Mortgage, notice of transfer or equivalent instrument in recordable form, sufficient under the laws of the jurisdiction wherein the related mortgaged property is located to effect the assignment of the Mortgage upon recordation.

"**Company**" shall mean Franklin Venture, LLC.

"**Electronic Agent**" shall have the meaning given in the preamble.

"**Event of Default**" shall mean an Event of Default as defined in the Servicing Agreement.

"**FDIC**" shall have the meaning given in the preamble.

“**MERS**” shall have the meaning given in the preamble.

“**MERS Designated Mortgage Loan**” shall have the meaning given in Section 3.

“**MERS Procedures Manual**” shall mean the MERS Procedures Manual attached as Exhibit B hereto, as it may be amended from time to time.

“**MERS® System**” shall mean the Electronic Agent’s mortgage electronic registry system, as more particularly described in the MERS Procedures Manual.

“**Mortgage**” shall mean a lien, mortgage or deed of trust securing a Mortgage Note.

“**Mortgage Loan**” shall mean each mortgage loan that is pledged to the Secured Party pursuant to the Reimbursement and Security Agreement and that is, as of the date hereof, eligible to be registered on the MERS® System.

“**Mortgage Note**” shall mean a promissory note or other evidence of indebtedness of the obligor thereunder, representing a Mortgage Loan, and secured by the related Mortgage.

“**Notice of Default**” shall mean a notice from the Secured Party that an Event of Default has occurred and is continuing.

“**Opinion of Counsel**” shall mean a written opinion of counsel in form and substance reasonably acceptable to the Secured Party.

“**Person**” shall mean any individual, corporation, company, voluntary association, partnership, joint venture, limited liability company, trust, unincorporated association or government (or any agency, instrumentality or political subdivision thereof).

“**Reimbursement and Security Agreement**” shall have the meaning given in the recitals.

“**Servicing Agreement**” shall have the meaning given in the recitals.

“**Secured Party**” shall have the meaning given in the recitals.

“**Servicer**” shall have the meaning given in the preamble.

2. Appointment of the Electronic Agent.

(a) The Secured Party and the Servicer, by execution and delivery of this Agreement, each does hereby appoint MERSCORP, Inc. as the Electronic Agent, subject to the terms of this Agreement, to perform the obligations set forth herein.

(b) MERSCORP, Inc., by execution and delivery of this Agreement, does hereby (i) agree with the Secured Party and the Servicer, subject to the terms of this Agreement, to perform the services set forth herein, and (ii) accepts its appointment as the Electronic Agent.

3. Designation of MERS as Mortgagee of Record; Designation of Investor and Servicer of Record in MERS.

The Servicer represents, warrants and covenants that (a) it has designated or shall designate MERS as, and has taken or will take such action as is necessary to cause MERS to be, the mortgagee of record, as nominee for the Company, with respect to the pledged Mortgage Loans in accordance with the MERS Procedures Manual and (b) it has designated or will promptly designate the Company as the “investor” and the Servicer as the “servicer” in the MERS® System for each such pledged Mortgage Loan (each pledged Mortgage Loan so designated is a “**MERS Designated Mortgage Loan**”) and the Secured Party as the “interim funder” on the MERS® System with respect to each MERS Designated Mortgage Loan.

4. Obligations of the Electronic Agent.

(a) The Electronic Agent shall ensure that MERS, as the mortgagee of record under each MERS Designated Mortgage Loan, shall promptly forward all properly identified notices MERS receives in such capacity to the person or persons identified in the MERS® System as the servicer as well as, if a subservicer is identified in the MERS® System, the subservicer for such MERS Designated Mortgage Loan.

(b) Upon receipt of a Notice of Default, in the form of Exhibit C, from the Secured Party in which the Secured Party shall identify the MERS Designated Mortgage Loans with respect to which the Servicer’s right to act as servicer or subservicer thereof has been terminated by the Secured Party (the “**Affected Loans**”), the Electronic Agent shall modify the investor fields and/or servicer fields to reflect the investor and/or servicer on the MERS® System as the Secured Party or the Secured Party’s designee with respect to such Affected Loans. Following such Notice of Default, the Electronic Agent shall follow the instructions of the Secured Party with respect to the Affected Loans, without further consent of the Servicer, and shall deliver to the Secured Party any documents and/or information (to the extent such documents or information are in the possession or control of the Electronic Agent) with respect to the Affected Loans requested by the Secured Party.

(c) Upon the Secured Party’s request and instructions, and at the Servicer’s sole cost and expense, the Electronic Agent shall deliver to the Secured Party or the Secured Party’s designee an Assignment of Mortgage from MERS, in blank, in recordable form but unrecorded with respect to each Affected Loan; provided, however, that the Electronic Agent shall not be required to comply with the foregoing unless the costs of doing so shall be paid by the Servicer or a third party.

(d) The Electronic Agent shall promptly notify the Secured Party and the Servicer if it has actual knowledge that any mortgage, pledge, lien, security interest or other charge or encumbrance exists with respect to any of the Mortgage Loans. Upon the reasonable request of the Secured Party or the Servicer, the Electronic Agent shall review the “investor” and “interim funder” fields and shall notify the Secured Party if any Person other than the Company is identified in the “investor” field or if any Person is identified in the “interim funder” field.

(e) In the event that (i) the Secured Party, the Company, the Servicer, the Electronic Agent or MERS shall be served by a third party with any type of levy, attachment, writ or court order with respect to any MERS Designated Mortgage Loan or (ii) a third party shall institute any court proceeding by which any MERS Designated Mortgage Loan shall be required to be delivered otherwise than in accordance with the provisions of this Agreement, the Electronic Agent shall promptly deliver or cause to be delivered to the other parties to this Agreement copies of all court papers, orders, documents and other materials concerning such proceedings.

(f) Upon the request of the Secured Party, the Electronic Agent shall run a query with respect to any and all specified fields with respect to any or all of the MERS Designated Mortgage Loans and, if requested by the Secured Party, shall change the information in the "interim funder" field in accordance with the Secured Party's instructions.

(g) MERS, as mortgagee of record for the MERS Designated Mortgage Loans, shall take all such actions as may be required by a mortgagee in connection with servicing the MERS Designated Mortgage Loans at the request of the applicable servicer identified on the MERS® System, including, but not limited to, executing and/or recording, any modification, waiver, subordination agreement, instrument of satisfaction or cancellation, partial or full release, discharge or any other comparable instruments, at the sole cost and expense of the Servicer.

(h) MERS shall cause certain officers or other representatives of the Secured Party to be appointed officers or agents of MERS with respect to the MERS Designated Mortgage Loans, with the power to wield all of the powers specified in the form of corporate resolution or power of attorney used to appoint such officer or agent, substantially in the forms attached hereto as Exhibits D-1 and D-2.

5. Access to Information.

Upon the Secured Party's request, the Electronic Agent shall furnish to the Secured Party or its respective auditors information in its possession with respect to the MERS Designated Mortgage Loans and shall permit them to inspect the Electronic Agent's and MERS' records relating to the MERS Designated Mortgage Loans at all reasonable times during regular business hours.

6. Representations of the Electronic Agent and MERS.

The Electronic Agent and MERS hereby represent and warrant as of the date hereof that:

(a) each of the Electronic Agent and MERS has the corporate power and authority and the legal right to execute and deliver, and to perform its obligations under this Agreement, and has taken all necessary corporate action to authorize its execution, delivery and performance of this Agreement;

(b) no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or governmental authority and no consent of any other Person is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement;

(c) this Agreement has been duly executed and delivered on behalf of the Electronic Agent and MERS and constitutes a legal, valid and binding obligation of the Electronic Agent and MERS enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (whether enforcement is sought in proceedings in equity or at law);

(d) the Electronic Agent and MERS will maintain at all times insurance policies for fidelity and errors and omissions in amounts of at least three million dollars (\$3,000,000) and five million dollars (\$5,000,000) respectively, and a certificate and policy of the insurer shall be furnished to the Secured Party upon request and shall contain a statement of the insurer that such insurance will not be terminated prior to thirty (30) days' written notice to the Secured Party.

7. Covenants of MERS.

(a) MERS shall (i) not incur any indebtedness other than in the ordinary course of its business, (ii) not engage in any dissolution, liquidation, consolidation, merger or sale of assets, (iii) not engage in any business activity in which it is not currently engaged, (iv) not take any action that might cause MERS to become insolvent, (v) not form, or cause to be formed, any subsidiaries, (vi) maintain books and records separate from any other Person, (vii) maintain its bank accounts separate from any other Person, (viii) not commingle its assets with those of any other Person and hold all of its assets in its own name, (ix) conduct its own business in its own name, (x) pay its own liabilities and expenses only out of its own funds, (xi) observe all corporate formalities, (xii) enter into transactions with affiliates only if each such transaction is intrinsically fair, commercially reasonable, and on the same terms as would be available in an arm's length transaction with a Person that is not an affiliate, (xiii) pay the salaries of its own employees from its own funds, (xiv) maintain a sufficient number of employees in light of its contemplated business operations, (xv) not guarantee or become obligated for the debts of any other Person, (xvi) not hold out its credit as being available to satisfy the obligation of any other Person, (xvii) not acquire the obligations or securities of its affiliates or owners, including partners, members or shareholders, as appropriate, (xviii) not make loans to any other Person or buy or hold evidence of indebtedness issued by any other Person (except for cash and investment-grade securities), (xix) allocate fairly and reasonably any overhead expenses that are shared with an affiliate, including paying for office space and services performed by any employee of any affiliate, (xx) use separate stationery, invoices, and checks bearing its own name, (xxi) not pledge its assets for the benefit of any other Person, (xxii) hold itself out as a separate identity, (xxiii) correct any known misunderstanding regarding its separate identity and not identify itself as a division of any other Person, and (xxiv) maintain adequate capital in light of its contemplated business operations.

(b) MERS agrees that in no event shall MERS' status as mortgagee of record with respect to any MERS Designated Mortgage Loan confer upon MERS any rights or obligations as an owner of any MERS Designated Mortgage Loan or the servicing rights related thereto, and MERS will not exercise such rights unless directed to do so by the Secured Party.

8. Covenants of the Servicer.

(a) The Servicer covenants with respect to itself that it is a member of MERS in good standing.

(b) The Servicer hereby covenants and agrees with the Secured Party and each other that, with respect to each MERS Designated Mortgage Loan, it will not identify any party except the Company in the "investor" field and will not identify any party except the Secured Party in the "interim funder" field on the MERS® System.

(c) The Servicer will provide the Secured Party with MERS Identification Numbers for each MERS Designated Mortgage Loan.

9. No Adverse Interest of the Electronic Agent or MERS.

By execution of this Agreement, the Electronic Agent and MERS each represents and warrants that it currently holds, and during the existence of this Agreement shall hold, no adverse interest, by way of security or otherwise, in any MERS Designated Mortgage Loan. The MERS Designated Mortgage Loans shall not be subject to any security interest, lien or right to set-off by the Electronic Agent, MERS, or any third party claiming through the Electronic Agent or MERS, and neither the Electronic Agent nor MERS shall pledge, encumber, hypothecate, transfer, dispose of, or otherwise grant any third party interest in, the MERS Designated Mortgage Loans.

10. Indemnification of the Secured Party.

The Electronic Agent agrees to indemnify and hold the Secured Party and its designees harmless against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements, including reasonable attorneys' fees, that the Secured Party may sustain arising out of any breach by the Electronic Agent of this Agreement, the Electronic Agent's negligence, bad faith or willful misconduct, its failure to comply with the Secured Party's instructions hereunder or to the extent caused by delays or failures arising out of the inability of the Secured Party or the Electronic Agent to access information on the MERS® System. The foregoing indemnification shall survive any termination or assignment of this Agreement.

11. Reliance of the Electronic Agent.

(a) In the absence of bad faith on the part of the Electronic Agent, the Electronic Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any request, instruction, certificate or other document furnished to the Electronic Agent, reasonably believed by the Electronic Agent to be genuine and to have been signed or presented by the proper party or parties and conforming to the requirements of this Agreement.

(b) Notwithstanding any contrary information which may be delivered to the Electronic Agent by the Servicer, the Electronic Agent may conclusively rely on any information or Notice of Default delivered by the Secured Party, and the Servicer shall indemnify and hold the Electronic Agent harmless for any and all claims asserted against it for any actions taken in

good faith by the Electronic Agent in connection with the delivery of such information or Notice of Default.

12. Fees.

It is understood that the Electronic Agent or its successor will charge such fees and expenses for its services hereunder as set forth in a separate agreement between the Electronic Agent and the Servicer. The Electronic Agent shall give prompt written notice of any disciplinary action instituted with respect to the Servicer's failure to pay any fees required in connection with its use of the MERS® System, and will give written notice to the Secured Party at least thirty (30) days prior to any revocation of the Servicer's membership in the MERS® System.

13. Resignation of the Electronic Agent; Termination.

(a) The Secured Party has entered into this Agreement with the Electronic Agent and MERS in reliance upon the independent status of the Electronic Agent and MERS, and the representations as to the adequacy of their facilities, personnel, records and procedures, its integrity, reputation and financial standing, and the continuance thereof. Neither the Electronic Agent nor MERS shall assign this Agreement or the responsibilities hereunder or delegate their rights or duties hereunder (except as expressly disclosed in writing to, and approved by, the Secured Party) or any portion hereof or sell or otherwise dispose of all or substantially all of its property or assets without providing the Secured Party with at least sixty (60) days' prior written notice thereof.

(b) Neither the Electronic Agent nor MERS shall resign from the obligations and duties hereby imposed on them except by mutual consent of the Electronic Agent, MERS and the Secured Party, or upon the determination that the duties of the Electronic Agent and MERS hereunder are no longer permissible under applicable law and such incapacity cannot be cured by the Electronic Agent and MERS. Any such determination permitting the resignation of the Electronic Agent and MERS shall be evidenced by an Opinion of Counsel to such effect delivered to the Secured Party, which Opinion of Counsel shall be in form and substance acceptable to the Secured Party. No such resignation shall become effective until the Electronic Agent and MERS have delivered to the Secured Party all of the Assignments of Mortgage, in blank, in recordable form but unrecorded for each MERS Designated Mortgage Loan identified by the Secured Party as the Secured Party's collateral.

14. Removal of the Electronic Agent.

(a) The Secured Party, with or without cause, may remove and discharge the Electronic Agent and MERS from the performance of its duties under this Agreement with respect to some or all of the MERS Designated Mortgage Loans by written notice from the Secured Party to the other parties hereto.

(b) In the event of termination of this Agreement, at the Servicer's sole cost and expense (except as provided in Section 16), the Electronic Agent shall follow the instructions of the Secured Party for the disposition of the documents in its possession pursuant to this

Agreement, and deliver to the Secured Party an Assignment of Mortgage, in blank, in recordable form but unrecorded for each MERS Designated Mortgage Loan identified by the Secured Party as the Secured Party's collateral. Notwithstanding the foregoing, in the event that the Secured Party terminates this Agreement with respect to some, but not all, of the MERS Designated Mortgage Loans, this Agreement shall remain in full force and effect with respect to any MERS Designated Mortgage Loans for which this Agreement is not terminated hereunder. Notwithstanding any termination of this Agreement, the provisions of Section 10 shall survive any termination.

15. Notices.

All written communications hereunder shall be delivered, by overnight courier, to the Electronic Agent and/or the Secured Party and/or the Servicer as indicated on the signature page hereto, or at such other address as designated by such party in a written notice to the other parties. All such communications shall be deemed to have been duly given upon receipt (or refusal thereof), in each case given or addressed as aforesaid.

16. Term of Agreement.

(a) This Agreement shall continue to be in effect until terminated by the Secured Party or the Electronic Agent sending written notice to the other parties of this Agreement at least thirty (30) days prior to said termination.

(b) Upon the termination of this Agreement by the Electronic Agent or the termination of this Agreement by the Secured Party for cause as provided above, the Electronic Agent shall, at the Electronic Agent's sole cost and expense, execute and deliver to the Secured Party or its designee an Assignment of Mortgage with respect to each MERS Designated Mortgage Loan identified by the Secured Party, in blank, in recordable form but unrecorded. In the event that this Agreement is terminated by the Secured Party without cause, the duties of the Electronic Agent in the preceding sentence shall be at the sole cost and expense of the Servicer. In addition, the Secured Party and the Electronic Agent may, at the sole option of the Secured Party, enter into a separate agreement which shall be mutually acceptable to the parties with respect to any or all of the MERS Designated Mortgage Loans with respect to which this Agreement is terminated.

17. Authorizations.

Any of the persons whose signatures and titles appear on Exhibit A hereto are authorized, acting singly, to act for the Secured Party, the Servicer, the Electronic Agent or MERS, as the case may be, under this Agreement. The parties may change the information on Exhibit A hereto from time to time but each of the parties shall be entitled to rely conclusively on the then current Exhibit A until receipt of a superseding exhibit.

18. Amendments.

This Agreement may be amended from time to time only by written agreement signed by the Secured Party, the Servicer, the Electronic Agent and MERS.

19. Severability.

If any provision of this Agreement is declared invalid by any court of competent jurisdiction, such invalidity shall not affect any other provision, and this Agreement shall be enforced to the fullest extent required by law.

20. Binding Effect.

This Agreement shall be binding and inure to the benefit of the parties hereto and their respective successors and assigns.

21. Governing Law.

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY THE LAW OF THE COMMONWEALTH OF VIRGINIA.

THE SECURED PARTY (OTHER THAN THE FDIC IN ANY OTHER CAPACITY), THE SERVICER, THE ELECTRONIC AGENT AND MERS EACH IRREVOCABLY AGREES THAT ANY ACTION OR PROCEEDING ARISING OUT OF OR IN ANY MANNER RELATING TO THIS AGREEMENT MAY BE BROUGHT IN ANY COURT OF THE COMMONWEALTH OF VIRGINIA, OR IN THE U.S. DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA, AND BY THE EXECUTION AND DELIVERY OF THIS AGREEMENT EXPRESSLY AND IRREVOCABLY ASSENT AND SUBMIT TO THE NONEXCLUSIVE JURISDICTION OF ANY SUCH COURTS IN ANY SUCH ACTION OR PROCEEDING.

22. Waiver of Jury Trial.

THE SECURED PARTY, THE SERVICER, THE ELECTRONIC AGENT AND MERS EACH IRREVOCABLY AGREES TO WAIVE ITS RIGHT TO A JURY TRIAL IN ANY ACTION OR PROCEEDING AGAINST IT ARISING OUT OF, OR RELATED IN ANY MANNER TO, THIS AGREEMENT OR ANY RELATED AGREEMENT.

23. Execution.

This Agreement may be executed in one or more counterparts and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed to be an original; such counterparts, together, shall constitute one and the same agreement.

24. Cumulative Rights.

The rights, powers and remedies of the Electronic Agent, MERS, the Secured Party, the Servicer under this Agreement shall be in addition to all rights, powers and remedies given to the Electronic Agent, MERS, the Servicer, and the Secured Party by virtue of any statute or rule of law, or any other agreement, all of which rights, powers and remedies shall be cumulative and

may be exercised successively or concurrently without impairing the Secured Party's rights in the Mortgage Loans.

25. Status of Electronic Agent.

Nothing herein contained shall be deemed or construed to create a partnership or joint venture between the parties hereto, and the services of the Electronic Agent and MERS shall be rendered as independent contractors for the Secured Party, the Servicer. Other than the obligations of the Electronic Agent and MERS expressly set forth herein, the Electronic Agent and MERS shall have no power or authority to act as agent for the Secured Party or the Servicer pursuant to any grant of authority made under or pursuant to this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Secured Party, the Servicer, the Electronic Agent and MERS have duly executed this Agreement as of the date first above written.

**FEDERAL DEPOSIT INSURANCE
CORPORATION, in its corporate capacity**

By: _____

Name:

Title:

Address for Notices:

Director, Division of Finance
c/o Federal Deposit Insurance Corporation
550 17th Street, NW (Room VS-4088)
Arlington, Virginia 2226
Attention: Bret D. Edwards
Tel: (703) 562-6101

with a copy to:

Senior Counsel
FDIC Legal Division
Litigation and Resolutions Branch, Receivership
Section
Special Issues Unit
3501 Fairfax Drive (Room E-7056)
Arlington, Virginia 22226
Attention: David Gearin
Tel: (703) 562-2430

**RESIDENTIAL CREDIT SOLUTIONS,
INC.**

By: _____

Name:

Title: Authorized Signatory

Address for Notices:

Residential Credit Solutions, Inc.
4282 North Freeway
Fort Worth, Texas 76137
Attention: Dennis G. Stowe
Tel: (817) 321-6001

with a copy to:

K&L Gates LLP
1601 K Street, N.W.
Washington, D.C. 20006
Attention: Phillip J. Kardis, II
Tel: (202) 778-9401

MERSCORP, INC.

By: _____

Name:

Title:

Address for Notices:

1818 Library Street

Suite 300

Reston, VA 20190

Attention: [_____]

Tel: [_____]

**MORTGAGE ELECTRONIC
REGISTRATION SYSTEMS, INC.**

By: _____

Name:

Title:

Address for Notices:

1818 Library Street

Suite 300

Reston, VA 20190

Attention: [_____]

Tel: [_____]

EXHIBIT A

LIST OF AUTHORIZED PERSONS

SECURED PARTY AUTHORIZATIONS:

Any of the persons whose signatures and titles appear below, or attached hereto, are authorized, acting singly, to act for the Secured Party under this Agreement:

By: _____	By: _____	By: _____
Name: <u>Timothy A. Kruse</u>	Name: <u>Herbert J. Held</u>	Name: <u>William P. Stewart</u>
Title: <u>Senior Capital Markets Specialist</u>	Title: <u>Associate Director</u>	Title: <u>Senior Capital Markets Specialist</u>

SERVICER AUTHORIZATIONS:

Any of the persons whose signatures and titles appear below, or attached hereto, are authorized, acting singly, to act for the Servicer under this Agreement:

By: _____	By: _____	By: _____
Name: _____	Name: _____	Name: _____
Title: _____	Title: _____	Title: _____
By: _____	By: _____	By: _____
Name: _____	Name: _____	Name: _____
Title: _____	Title: _____	Title: _____
By: _____		
Name: _____		
Title: _____		

ELECTRONIC AGENT AUTHORIZATIONS:

Any of the persons whose signatures and titles appear below, or attached hereto, are authorized, acting singly, to act for the Electronic Agent under this Agreement:

By: _____ By: _____ By: _____
Name: _____ Name: _____ Name: _____
Title: _____ Title: _____ Title: _____

MERS AUTHORIZATIONS:

Any of the persons whose signatures and titles appear below, or attached hereto, are authorized, acting singly, to act for MERS under this Agreement:

By: _____ By: _____ By: _____
Name: _____ Name: _____ Name: _____
Title: _____ Title: _____ Title: _____

EXHIBIT B

MERS PROCEDURES MANUAL

The MERS Procedures Manual shall be found on the MERS website at: <http://www.mersinc.org>

EXHIBIT C

NOTICE OF DEFAULT

Attention: [_____]

MERSCORP, Inc.
1818 Library Street, Suite 300
Reston, VA 20190

Ladies and Gentlemen:

Please be advised that this Notice of Default is being issued pursuant to Section 4(b) of that certain Electronic Tracking Agreement (the "**Electronic Tracking Agreement**"), dated as of September 30, 2009, by and among the Federal Deposit Insurance Corporation, in its corporate capacity (the "**Secured Party**"), Residential Credit Solutions, Inc. (the "**Servicer**"), MERSCORP, Inc. (the "**Electronic Agent**") and Mortgage Electronic Registration Systems, Inc. ("**MERS**"). The Affected Loans are listed on the attached Schedule 1 (including the mortgage identification numbers). Accordingly, the Electronic Agent shall not accept instructions from the Servicer or any party other than the Secured Party with respect to such Mortgage Loans, until otherwise notified by the Secured Party.

Any terms used herein and not otherwise defined shall have such meaning specified in the Electronic Tracking Agreement.

By: _____
Title: _____

EXHIBIT D-1

CORPORATE RESOLUTION

26. **Be it Resolved that the list of candidates, attached on Schedule A, are employees of the Federal Deposit Insurance Corporation in its corporate capacity, as Secured Party, a Member of Mortgage Electronic Registration Systems, Inc. (MERS) (the "Member"), and are hereby appointed as assistant secretaries and vice presidents of MERS, and, as such, are authorized to:**
- (1) release the lien of any mortgage loan registered on the MERS System that is shown to be registered to the Member;
 - (2) assign the lien of any mortgage loan naming MERS as the mortgagee when the Member is also the current promissory note-holder, or if the mortgage loan is registered on the MERS System, is shown to be registered to the Member;
 - (3) execute any and all documents necessary to foreclose upon the property securing any mortgage loan registered on the MERS System that is shown to be registered to the Member, including but not limited to (a) substitution of trustee on Deeds of Trust, (b) Trustee's Deeds upon sale on behalf of MERS, (c) Affidavits of Non-military Status, (d) Affidavits of Judgment, (e) Affidavits of Debt, (f) quitclaim deeds, (g) Affidavits regarding lost promissory notes, and (h) endorsements of promissory notes to VA or HUD on behalf of MERS as a required part of the claims process;
 - (4) take any and all actions and execute all documents necessary to protect the interest of the Member, the beneficial owner of such mortgage loan, or MERS in any bankruptcy proceeding regarding a loan registered on the MERS System that is shown to be registered to the Member, including but not limited to: (a) executing Proofs of Claim and Affidavits of Movant under 11 U.S.C. Sec. 501-502, Bankruptcy Rule 3001-3003, and applicable local bankruptcy rules, (b) entering a Notice of Appearance, (c) vote for a trustee of the estate of the debtor, (d) vote for a committee of creditors, (e) attend the meeting of creditors of the debtor, or any adjournment thereof, and vote on behalf of the Member, the beneficial owner of such mortgage loan, or MERS, on any question that may be lawfully submitted before creditors in such a meeting, (f) complete, execute, and return a ballot accepting or rejecting a plan, and (g) execute reaffirmation agreements;
 - (5) take any and all actions and execute all documents necessary to refinance, subordinate, amend or modify any mortgage loan registered on the MERS System that is shown to be registered to the Member.
 - (6) endorse checks made payable to Mortgage Electronic Registration Systems, Inc. to the Member that are received by the Member for payment on any mortgage loan registered on the MERS System that is shown to be registered to the Member;
 - (7) take any such actions and execute such documents as may be necessary to fulfill the Member's servicing obligations to the beneficial owner of such mortgage loan (including mortgage loans that are removed from the MERS System as a result of the transfer thereof to a non-member of MERS).

I, _____, being the Corporate Secretary of Mortgage Electronic Registration Systems, Inc., hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Board of Directors of said corporation effective as of the _____ day of _____, 200__ which is in full force and effect on this date and does not conflict with the Certificate of Incorporation or By-Laws of said corporation.

_____, Secretary

Schedule A

Federal Deposit Insurance Corporation, in its corporate capacity, as Secured Party

(Org # _____)

Mortgage Registration Systems, Inc.

Certifying Officers

EXHIBIT D-2

MERS LIMITED POWER OF ATTORNEY

MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., a Delaware corporation ("**MERS**") and a wholly owned subsidiary of MERSCORP, Inc., a Delaware corporation ("**MERSCORP**"), hereby appoints the list of persons attached on Schedule B as Attorneys-in-Fact (each an "**Agent**") for MERS for the limited purpose of executing documents and taking certain other actions as set forth below for those certain loans (the "**Loans**") secured by mortgages or deeds of trusts held by MERS as mortgagee or beneficiary in a nominee capacity for Residential Credit Solutions, Inc. (Org Id _____) ("**Servicer**") and the Federal Deposit Insurance Corporation, in its corporate capacity ("**Secured Party**").

Limited Power of Attorney Actions:

- (1) release the lien of any Loan registered on the MERS® System that is shown to be registered to Secured Party;
- (2) assign the lien of any Loan naming MERS as the mortgagee when Secured Party is also the current promissory note-holder, or if the Loan is registered on the MERS® System, is shown to be registered to Secured Party;
- (3) execute any and all documents necessary to foreclose (or post-foreclosure, to sell to another entity) any property securing any Loan registered on the MERS® System that is shown to be registered to Secured Party, including but not limited to (a) substitution of trustee on Deeds of Trust, (b) Trustee's Deeds upon sale on behalf of MERS, (c) Affidavits of Non-military Status, (d) Affidavits of Judgment, (e) Affidavits of Debt, (f) quitclaim deeds, (g) Affidavits regarding lost promissory notes, and (h) endorsements of promissory notes to VA or HUD on behalf of MERS as a required part of the claims process;
- (4) take any and all actions and execute all documents necessary to protect the interest of Secured Party, the beneficial owner of the Loans, or MERS, in any bankruptcy proceeding regarding a Loan registered on the MERS® System that is shown to be registered to Secured Party, including but not limited to: (a) executing Proofs of Claim and Affidavits of Movant under 11 U.S.C. Sec. 501-502, Bankruptcy Rule 3001-3003, and applicable local bankruptcy rules, (b) entering a Notice of Appearance, (c) voting for a trustee of the estate of the debtor, (d) voting for a committee of creditors, (e) attending the meeting of creditors of the debtor, or any adjournment thereof, and voting on behalf of Secured Party, the beneficial owner of the Loans, or MERS, on any question that may be lawfully submitted before creditors in such a meeting, (f) completing, executing, and returning a ballot accepting or rejecting a plan, and (g) executing reaffirmation agreements;

- (5) take any and all actions and execute all documents necessary to refinance, subordinate, amend, or modify any and all Loans registered on the MERS® System that is shown to be registered to Secured Party; and
- (6) endorse checks made payable to Mortgage Electronic Registration Systems, Inc., to Secured Party that are received by Secured Party for payment on any Loan registered on the MERS® System that is shown to be registered to Secured Party.

Agent shall have full power and authority to act on behalf of MERS in these limited matters. This power and authority shall authorize Agent to exercise all of MERS legal rights and powers, including all rights and powers that MERS may acquire in the future with regard to the Loans.

This Limited Power of Attorney shall be construed narrowly as a limited power of attorney. The description of specific powers above is intended to limit or restrict the powers granted in this Limited Power of Attorney.

This Limited Power of Attorney shall become effective immediately upon execution and shall expire (i) upon the termination or earlier repudiation (by the Federal Deposit Corporation in its corporate capacity under 12 U.S.C. § 1821(e)) of the Electronic Tracking Agreement, dated September 30, 2009 by and among the Federal Deposit Insurance Corporation, in its corporate capacity, as the Secured Party, Franklin Venture, LLC, Residential Credit Solutions, Inc., MERSCORP, Inc. and MERS, and (ii) as to any Agent, at such time as such Agent is no longer an employee or agent of Secured Party. This Limited Power of Attorney may be revoked by MERS and/or MERSCORP by providing written notice to Agent, but only at a time after all of the Loans have been transferred by MERS to Secured Party or a third party or parties designated by Secured Party.

Dated _____, 20__.

Mortgage Electronic Registration Systems, Inc.,
a Delaware Corporation

By: _____

Corporate Secretary

Schedule B

Federal Deposit Insurance Corporation, in its corporate capacity, as Secured Party

(Org # _____)

Mortgage Registration Systems, Inc.

Certifying Officers

ACKNOWLEDGMENT

STATE OF VIRGINIA

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COUNTY OF FAIRFAX

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This instrument was acknowledged before me on the ____ day of _____, 20__, by _____, a duly authorized representative of Mortgage Electronic Registration Systems, Inc., a Delaware corporation, on behalf of said corporation.

Notary Public, State of Virginia