AMENDED AND RESTATED
LIMITED LIABILITY COMPANY OPERATING AGREEMENT

2010-3 SFR VENTURE, LLC

Dated as of November 30, 2010
TABLE OF CONTENTS

ARTICLE I Certain Definitions ................................................................. 2
1.1 Definitions ........................................................................... 2
1.2 Construction .................................................................... 11

ARTICLE II Organization of the Company ............................................. 12
2.1 Formation; Continuation and Admission of Members ...................... 12
2.2 Name ................................................................................. 13
2.3 Organizational Contributions and Related Actions ....................... 13
2.4 Registered Office; Chief Executive Office ................................... 13
2.5 Purpose; Duration ................................................................ 13
2.6 Single Purpose Entity; Limitations on Company’s Activities .......... 14
2.7 Ratification of Certain Actions .................................................. 16

ARTICLE III Management and Operations of the Company ..................... 17
3.1 Management of the Company’s Affairs ....................................... 17
3.2 Removal of the Manager .......................................................... 18
3.3 Employees and Services .......................................................... 19
3.4 Restrictions on Manager and Private Owner ................................. 19
3.5 Related Party Agreements ........................................................ 21
3.6 Real Property ....................................................................... 21
3.7 Custodian and Paying Agent ..................................................... 21
3.8 Relationships with Borrowers, etc. ............................................. 22
3.9 No Conflicting Obligations ......................................................... 22
3.10 Compliance with Law .............................................................. 22
3.11 No Bankruptcy Filing .............................................................. 22
3.12 No Liens ............................................................................ 22
3.13 Remedies Upon an Event of Default; Security Interest ............... 23
3.14 Purchase Right of the Initial Member ........................................ 26
3.15 No ERISA Plan Assets ........................................................... 28

ARTICLE IV Membership Interests; Rights and Duties of, and Restrictions on,
Members ............................................................................................. 28
4.1 General ............................................................................... 28
4.2 LLC Interests ....................................................................... 29
4.3 Filings; Duty of Members to Cooperate ...................................... 29
4.4 Certain Restrictions and Requirements ..................................... 30
4.5 Liability of the Initial Member .................................................. 30
4.6 Indemnification ..................................................................... 31

ARTICLE V Capital Contributions; Liquidity Account; Special Reserve Account;
Excess Liquidity Advance; Interest Reserve Account ............................ 34
5.1 Capital Contributions ............................................................... 34
5.2 Liquidity Account .................................................................. 35

FDIC SFR 2010-3 (Final)
A&R Limited Liability Company Operating Agreement
Pool Nos. 24020 and 24021
13235439.7
### TABLE OF CONTENTS

(Continued)

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.3</td>
<td>Special Reserve Account</td>
<td>35</td>
</tr>
<tr>
<td>5.4</td>
<td>Excess Liquidity Advances</td>
<td>35</td>
</tr>
<tr>
<td>5.5</td>
<td>Interest Reserve Account</td>
<td>36</td>
</tr>
</tbody>
</table>

**ARTICLE VI** Capital Accounts; Allocations; Priority of Payments; Distributions  

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Capital Accounts</td>
<td>36</td>
</tr>
<tr>
<td>6.2</td>
<td>Allocations to Capital Accounts</td>
<td>36</td>
</tr>
<tr>
<td>6.3</td>
<td>Tax Allocations</td>
<td>38</td>
</tr>
<tr>
<td>6.4</td>
<td>Determinations by Tax Matters Member</td>
<td>39</td>
</tr>
<tr>
<td>6.5</td>
<td>Priority of Payments</td>
<td>40</td>
</tr>
<tr>
<td>6.6</td>
<td>Distributions</td>
<td>40</td>
</tr>
</tbody>
</table>

**ARTICLE VII** Accounting, Reporting and Taxation  

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>Fiscal Year</td>
<td>41</td>
</tr>
<tr>
<td>7.2</td>
<td>Maintenance of Books and Records</td>
<td>41</td>
</tr>
<tr>
<td>7.3</td>
<td>Financial Statements</td>
<td>43</td>
</tr>
<tr>
<td>7.4</td>
<td>Additional Reporting and Notice Requirements</td>
<td>43</td>
</tr>
<tr>
<td>7.5</td>
<td>Designation of Tax Matters Member</td>
<td>46</td>
</tr>
<tr>
<td>7.6</td>
<td>Tax Information</td>
<td>46</td>
</tr>
<tr>
<td>7.7</td>
<td>Business Plan</td>
<td>47</td>
</tr>
</tbody>
</table>

**ARTICLE VIII** Restrictions on Disposition of LLC Interests  

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1</td>
<td>Limitations on Disposition of LLC Interests</td>
<td>48</td>
</tr>
<tr>
<td>8.2</td>
<td>Change of Control</td>
<td>48</td>
</tr>
<tr>
<td>8.3</td>
<td>Additional Provisions Relating to Permitted Dispositions</td>
<td>49</td>
</tr>
<tr>
<td>8.4</td>
<td>Effect of Permitted Dispositions</td>
<td>49</td>
</tr>
<tr>
<td>8.5</td>
<td>Effect of Prohibited Dispositions</td>
<td>50</td>
</tr>
<tr>
<td>8.6</td>
<td>Distributions After Disposition</td>
<td>50</td>
</tr>
<tr>
<td>8.7</td>
<td>Transfers by the Initial Member</td>
<td>51</td>
</tr>
<tr>
<td>8.8</td>
<td>Resignation; Dissolution</td>
<td>51</td>
</tr>
<tr>
<td>8.9</td>
<td>Applicable Law Withdrawal</td>
<td>51</td>
</tr>
</tbody>
</table>

**ARTICLE IX** Dissolution and Winding-Up of the Company  

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1</td>
<td>Dissolution</td>
<td>52</td>
</tr>
<tr>
<td>9.2</td>
<td>Winding-Up Procedures</td>
<td>52</td>
</tr>
<tr>
<td>9.3</td>
<td>Termination of the Company</td>
<td>53</td>
</tr>
</tbody>
</table>

**ARTICLE X** Qualified Transferees  

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Qualified Transferees</td>
<td>54</td>
</tr>
</tbody>
</table>

**ARTICLE XI** Manager Liability  

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.1</td>
<td>Liability of the Manager</td>
<td>57</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

(Continued)

<table>
<thead>
<tr>
<th>Article</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARTICLE XII</td>
<td>Servicing of Mortgage Loans</td>
<td>58</td>
</tr>
<tr>
<td>12.1</td>
<td>Servicing</td>
<td>58</td>
</tr>
<tr>
<td>12.2</td>
<td>Servicing Standard</td>
<td>62</td>
</tr>
<tr>
<td>12.3</td>
<td>Servicing of Mortgage Loans</td>
<td>64</td>
</tr>
<tr>
<td>12.4</td>
<td>Removal of the Servicer</td>
<td>68</td>
</tr>
<tr>
<td>12.5</td>
<td>Interim Management Fee and Interim Servicing Fee; Management Fee</td>
<td>72</td>
</tr>
<tr>
<td>12.6</td>
<td>Servicing Expenses</td>
<td>72</td>
</tr>
<tr>
<td>12.7</td>
<td>Use of Mortgage Loan Proceeds</td>
<td>72</td>
</tr>
<tr>
<td>12.8</td>
<td>Collection Account</td>
<td>74</td>
</tr>
<tr>
<td>12.9</td>
<td>Distribution Account</td>
<td>74</td>
</tr>
<tr>
<td>12.10</td>
<td>Interest Reserve Account</td>
<td>74</td>
</tr>
<tr>
<td>12.11</td>
<td>Liquidity Account</td>
<td>75</td>
</tr>
<tr>
<td>12.12</td>
<td>Certain Servicing and Mortgage Loan Administration Decisions</td>
<td>76</td>
</tr>
<tr>
<td>12.13</td>
<td>Management and Disposition of Underlying Collateral</td>
<td>76</td>
</tr>
<tr>
<td>12.14</td>
<td>Acquisition of Underlying Collateral</td>
<td>76</td>
</tr>
<tr>
<td>12.15</td>
<td>Administration of REO Properties</td>
<td>77</td>
</tr>
<tr>
<td>12.16</td>
<td>Releases of Underlying Collateral</td>
<td>79</td>
</tr>
<tr>
<td>12.17</td>
<td>Clean-Up Call Rights</td>
<td>80</td>
</tr>
<tr>
<td>12.18</td>
<td>Certain Transfer Obligations</td>
<td>80</td>
</tr>
</tbody>
</table>

ARTICLE XIII Miscellaneous | 81 |
| 13.1 | Waiver of Rights of Partition and Dissolution | 81 |
| 13.2 | Entire Agreement; Other Agreements | 81 |
| 13.3 | Third Party Beneficiaries | 81 |
| 13.4 | Expenses | 82 |
| 13.5 | Waivers and Amendments | 82 |
| 13.6 | Notices | 84 |
| 13.7 | Counterparts; Facsimile Signatures | 85 |
| 13.8 | Successors and Assigns | 86 |
| 13.9 | Compliance With Law; Severability | 86 |
| 13.10 | Power of Attorney | 87 |
| 13.11 | Governing Law | 87 |
| 13.12 | Jurisdiction; Venue and Service | 87 |
| 13.13 | Waiver of Jury Trial | 89 |

ANNEX I | Member Schedule | I-1 |

EXHIBIT A | Certificate of Formation | A-1 |

EXHIBIT B | Information, Form of Monthly Report | B-1 |

EXHIBIT C | Form of Assignment and Assumption Agreement | C-1 |
| EXHIBIT D | Form of Letter of Credit | D-1 |
2010-3 SFR VENTURE LLC
AMENDED AND RESTATED
LIMITED LIABILITY COMPANY OPERATING AGREEMENT

THIS AMENDED AND RESTATED LIMITED LIABILITY COMPANY OPERATING AGREEMENT (as the same may be amended or modified from time-to-time in accordance with the terms hereof, this "Agreement"), is made and entered into as of the 30th day of November, 2010, by and among the Initial Member, the Private Owner, and the Company.

WHEREAS, the FDIC has separately been appointed receiver for each of the Failed Banks; and

WHEREAS, on November 23, 2010, the Initial Member formed the Company as a Delaware limited liability company and was admitted as its initial, and sole, member (owning a one hundred percent (100%) limited liability company interest), and the Initial Member and the Company have entered into that certain Limited Liability Company Operating Agreement dated as of November 23, 2010 (the "Original LLC Operating Agreement") as the initial "limited liability company agreement" (as such term is defined in the Act) of the Company;

WHEREAS, the Initial Member and the Company have entered into the Contribution Agreement dated as of the Closing Date pursuant to which (i) the Initial Member has sold in part and (as the sole member of the Company at the time) contributed in part to the Company, and the Company purchased from the Initial Member, all of the Initial Member’s right, title and interest in and to the Mortgage Loans, and assumed the Obligations (as defined in the Contribution Agreement), (ii) the Company executed and delivered to the Initial Member the Purchase Money Note for the benefit of the Initial Member; and (iii) the Purchase Money Note Guarantor guaranteed payment of principal on the Purchase Money Note pursuant to the terms of the Guaranty Agreement, and obtained a security interest in the Mortgage Loans and Underlying Collateral under the Reimbursement and Security Agreement;

WHEREAS, following closing of the transactions contemplated by the Contribution Agreement and the execution of the Original LLC Operating Agreement, the Initial Member agreed, pursuant to the terms of the Transferred LLC Interest Sale Agreement, to sell to the Private Owner, effective as of the Closing Date an LLC Interest representing a forty percent (40)% equity interest in the Company;

WHEREAS, after giving effect to the transactions contemplated by the Transferred LLC Interest Sale Agreement, as of the Closing Date the Initial Member and Private Owner will own all the issued and outstanding limited liability company interests in the Company;

WHEREAS, the parties desire to amend and restate the Original LLC Operating Agreement in its entirety in order to reflect the admission of the Private Owner as a Member of the Company and to set forth the terms and conditions on which the Company shall be owned and operated;
NOW, THEREFORE, in consideration of the premises and the other covenants and
conditions contained herein, and for other good and valuable consideration the receipt and
sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
Certain Definitions

1.1 Definitions. This Agreement constitutes the "limited liability company
agreement" (as such term is defined in the Act) of the Company. For purposes of this Agreement,
certain terms used in this Agreement shall have the meaning and definitions set forth in that
certain Agreement of Common Definitions dated as of the Closing Date. In addition, for
purposes of this Agreement, the following terms shall have the meanings and definitions
hereinafter respectively set forth.

"Act" shall mean the Delaware Limited Liability Company Act, 6 Del. C. §§ 18-101 et seq.

"Adjusted Capital Account Deficit" means, with respect to any Member, the
deficit balance, if any, in such Member's Capital Account as of the end of the relevant Fiscal
Year, after giving effect to the following adjustments:

(A) Credit to such Capital Account any amounts that such Member is
obligated to restore or is deemed to be obligated to restore pursuant to Treasury
Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(B) Debit to such Capital Account the items described in Treasury Regulations
foregoing definition of Adjusted Capital Account Deficit is intended to comply with the
provisions of Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted
consistently therewith.

"Agreement" shall have the meaning given in the preamble.

"Book Value" shall mean, (i) with respect to contributed property, the initial Fair
Market Value of such property, and (ii) with respect to any other Company asset, the adjusted
basis of such asset for federal income tax purposes; provided, however, that the Book Values of
all Company assets shall be adjusted to equal their respective Fair Market Values, in accordance
with the rules set forth in Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations, except as
otherwise provided herein, immediately prior to: (a) the date of the acquisition of any additional
LLC Interest by any new or existing Member in exchange for more than a de minimis Capital
Contribution; (b) the date of the actual distribution of more than a de minimis amount of
Company property (other than a pro rata distribution) to a Member in connection with the
redemption of all or part of such Member's LLC Interest; or (c) the date of the actual liquidation
of the Company within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations;
and provided further, that adjustments pursuant to clauses (a) and (b) above shall be made only if
the Tax Matters Member reasonably determines, after consultation with the Initial Member, that
such adjustments are necessary or appropriate to reflect the relative economic interests of the
Members. The Book Value of any Company Property distributed to any Member shall be adjusted immediately prior to such distribution to equal its Fair Market Value as of such date.

"Business" shall mean the acquisition of the Mortgage Loans pursuant to the Contribution Agreement and the ownership, servicing, administration, management and liquidation of the Mortgage Loans.

"Buy-Out" the purchase of the Private Owner’s LLC Interest by the Initial Member pursuant to Section 3.14(a).

"Buy-Out Closing" shall have the meaning given in Section 3.14(a).

"Buy-Out Closing Date" shall have the meaning given in Section 3.14(b).

"Buy-Out Notice" shall have the meaning given in Section 3.14(a).

"Buy-Out Valuation Date" shall have the meaning given in Section 3.14(a).

"Capital Account" shall mean the capital account of a Member related to such Member’s outstanding LLC Interests, as adjusted to account for allocations of Net Income (and items thereof) and Net Loss (and items thereof), and contributions and distributions relating to such LLC Interests, as provided in greater detail in Section 6.2 and elsewhere in this Agreement.

"Capital Contribution" shall mean a contribution to the capital of the Company made, deemed to be made, or to be made pursuant to the Original LLC Operating Agreement, the Contribution Agreement, or this Agreement.

"Certificate" shall have the meaning given in Section 2.1(a).

"Clean-up Call" shall have the meaning set forth in Section 12.17.

"Closing" shall mean the consummation of the transactions contemplated in the Transferred LLC Interest Sale Agreement.

"Company Property" shall mean all property, whether real or personal, tangible or intangible, owned by the Company, including the Mortgage Loans contributed or sold by the Initial Member pursuant to the Contribution Agreement.

"Contract for Deed" shall mean an executory contract with a third party to convey real property to such third party upon payment of the amounts set forth therein and/or the performance of any other obligations described therein, including any installment land contract.

"Covered Persons" shall have the meaning given in Section 4.6(f).

"Damages" shall mean any and all damages, disbursements, suits, claims, liabilities, obligations, judgments, fines, penalties, charges, amounts paid in settlement, costs and expenses (including, without limitation, attorneys’ fees and expenses) arising out of or related to litigation and interest on any of the foregoing.
**Debt** of any Person shall mean (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person for the deferred purchase price of property or services (excluding trade payables arising in the ordinary course of business), (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (iv) 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), (v) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases, or (vi) all indebtedness or obligations of others of the kinds referred to in clauses (i) through (v) above in respect of which such Person has entered into or issued any Guarantee.

**Direct Owner** shall mean, with respect to any Person, any other Person who has any direct ownership interest in such Person.

**Disposition** shall mean any sale, assignment, alienation, gift, exchange, conveyance, transfer, pledge, hypothecation, granting of a security interest or other disposition or attempted disposition whatsoever, in each case, whether voluntary or involuntary, and including any of the foregoing by operation of Law (including any merger into, or any consolidation with, any other Person). For the avoidance of doubt, it is understood and agreed that a statutory conversion of a Person into another form of Person does not constitute a Disposition. The term **Dispose** shall mean to make or consummate a “Disposition.”

**Dispute Resolution Procedure** shall mean the following procedure solely for the purpose of determining a particular amount:

Each Member shall submit to the other, within five (5) Business Days of referral to this procedure, its proposed amount. If either Member fails to submit such a proposal within such time period, then the amount shall be the single proposal provided. If the higher of the two proposals is not greater than 110% of the lower proposal, then the amount shall be the average of such two proposals. If the higher of such two proposals is greater than 110% of the lower amount then the Members shall, within seven (7) days of their submission of such proposals, jointly select a nationally recognized investment banking firm which shall, within fifteen (15) days of its appointment, select the proposed amount previously submitted by the Members pursuant to this procedure that in its opinion more closely reflects the amount being determined as described in the Agreement, and the proposal thus selected shall be considered the amount for purposes of the Agreement. If the Members fail to agree on such investment banking firm within such seven-day period, then each Member shall nominate, within such seven-day period, a nationally recognized investment banking firm that is not an Affiliate thereof and the investment banking firm that is to make such determination shall be chosen by the two nominated firms promptly after the expiration of such seven-day period; provided, that if either Member shall fail to nominate such an investment banking firm within such seven-day period, such determination shall be made by the investment banking firm nominated by the other Member. The fees of the selected investment-banking firm shall be paid in the manner provided in the Agreement. Any determination of any amount made by any investment-banking firm selected in accordance with
this procedure shall be final and binding on the Members and, without limitation of the foregoing, may be enforced by any court having jurisdiction in the premises.

"Dissolution Event" shall mean, with respect to any specified Person, (i) in the case of a specified Person that is a partnership or limited partnership or a limited liability company, the dissolution and commencement of winding up of such partnership, limited partnership or limited liability company, (ii) in the case of a specified Person that is a corporation, the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter and the expiration of ninety (90) days after the date of notice to the corporation of revocation without a reinstatement of its charter, and (iii) in the case of any other specified entity, the termination of such entity. For the avoidance of doubt, it is understood and agreed that a statutory conversion of a Person into another form of Person does not constitute a "Dissolution Event."

"Embargoed Person" shall mean any person subject to trade restrictions under United States Law, including, without limitation, the International Emergency Economic Powers Act, 50 U.S.C. §§1701, et seq., the Trading With the Enemy Act, 50 U.S.C. §§ App. 1, et seq., any foreign assets control regulations of the United States Treasury Department (31 C.F.R. Subtitle B, Chapter V, as amended), or any enabling legislation or regulations promulgated thereunder or any executive order relating thereto (including Executive Order 13224 of September 21, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) or 31 C.F.R. §594.101, et seq.) with the result that a purchase of assets or any other transaction entered into with respect to any assets (including, without limitation, any investment in any structured transaction), whether directly or indirectly, is prohibited by or in violation of law.

"Events of Default" shall mean 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):

(a) the receipt by the Company of notice from the Collateral Agent that an Event of Default under and as defined in the Reimbursement and Security Agreement has occurred and is continuing beyond any applicable notice and cure periods;

(b) the occurrence of any Insolvency Event (without any cure period other than as may be provided for in the definition of Insolvency Event) (i) with respect to any of the Company, the Private Owner, the Manager or any of their Affiliates; or (ii) with respect to any Servicer or any Subservicer or any Affiliate of the foregoing; provided, that such Insolvency Event under this clause (ii) (that is not otherwise an Insolvency Event under clause (i) hereof) shall not be an Event of Default hereunder (but shall in all events be a default under the applicable Servicing Agreement or Subservicing Agreement) so long as the Manager shall have fully replaced (or caused the replacement of) such affected Servicer or Subservicer within thirty (30) days after the occurrence of such Insolvency Event;
(c) any failure of the Company to pay any Servicing Expense when due in accordance with Section 12.6 of this Agreement, which failure continues unremedied for a period of thirty (30) days; or

(d) the failure of the Company or the Private Owner (for the avoidance of doubt, in any capacity, including as a Member and/or as a Manager) to comply in any material respect with or enforce the provisions of this Agreement or the Servicing Agreement; or

(e) the occurrence of either (i) a failure by the Servicer to perform in any material respect its obligations under the Servicing Agreement or (ii) a failure by the Manager (in its individual capacity) to replace the Servicer upon the occurrence of either an Event of Default under the Reimbursement and Security 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;

(f) the failure of the Manager (in any capacity) to comply in any material respect with its obligations under the Servicing Agreement or the Company to comply in any material respect with its obligations under the Custodial and Paying Agency Agreement (including any failure to pay fees or expenses due thereunder);

(g) there shall be a change in the Private Owner or the Manager or there shall occur a Change of Control with respect to the Private Owner, the Manager (other than as expressly permitted pursuant to Section 8.2) or any Restricted Servicer Change of Control; provided, that, any such Restricted Servicer Change of Control shall not be an Event of Default hereunder (but shall in all events be an event of default under the applicable Servicing Agreement) so long as the Manager shall have fully replaced (or caused the replacement of) such affected Servicer within thirty (30) days after the occurrence of such Restricted Servicer Change of Control;

(h) the failure of the Company to remit or cause to be remitted all Mortgage Loan Proceeds to the Paying Agent as and when required or the failure of the Company to make any other payments required hereunder at the time required;

(i) any failure by an Issuing Bank to comply with any terms, agreements or conditions of any Qualifying Letter of Credit;

(j) any payments by the Secured Parties of the Loan Parity Obligation;

(k) the failure of the Company or the Private Owner to cause the liquidation of the Mortgage Loans upon the exercise of a Clean-Up Call pursuant to Section 12.17;

(l) the material breach by the Private Owner or the Company of any representation or warranty in the Reimbursement and Security Agreement or the failure of the Company or Private Owner to comply in any material respect with other material covenants in the Reimbursement and Security Agreement;

(m) the failure of the Company to pay, when due, the Purchase Money Notes; or
(n) the failure of the Company to pay interest in full on the Purchase Money Notes for any three (3) Distribution Dates occurring in a twelve (12) month period.

"Fair Market Value" shall mean, with respect to any asset on a given date, the gross fair market value of such asset, unreduced by any liability, on such date as determined in good faith by the Manager after consultation with the Initial Member or, in the case of a Buy-Out, in accordance with Section 3.14(b) below; provided, however, that the initial Fair Market Value for each Mortgage Loan shall be the value thereof as set forth on the Mortgage Loan Value Schedule and, provided, further, that the parties hereto acknowledge and agree that, as of the Closing Date, the Fair Market Value of the Capital Contribution made by the Initial Member shall be based on the Transferred LLC Interest Sale Price, as set forth in the Transferred LLC Interest Sale Agreement, and such Fair Market Value shall be utilized for determining the initial Capital Accounts of the Members as of the Closing Date.

"Fiscal Year" shall have the meaning given in Section 7.1.

"Guarantee" shall mean, with respect to any particular indebtedness or other obligation, (i) 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 (A) 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, (B) 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 (C) otherwise to assure the obligee of such indebtedness or other obligation against loss with respect thereto, or (ii) 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.

"Incentive Threshold" shall have the meaning given in Section 6.6(b)(iv).

"Incentive Threshold Base Amount" shall have the meaning given in Section 6.6(b)(iv)(A).

"Incentive Threshold Event" shall have the meaning given in Section 6.6(b)(iii).

"Indemnified Parties" shall have the meaning give in Section 4.6(a).
“Initial Member Capital Contribution” shall have the meaning given in Section 2.3(a)(i).

“Issuing Bank” shall mean, with respect to any Qualifying Letter of Credit, the applicable issuing bank.

“LC Reissuance/Extension Failure” shall mean, with respect to any Qualifying Letter of Credit, (i) any failure of the Issuing Bank to be and remain a Qualified Issuer, or (ii) any failure of such Qualifying Letter of Credit to be automatically renewed (for an additional year) at least sixty (60) days prior to the then-scheduled expiration of such Qualifying Letter of Credit, or the receipt by the Initial Member of any notice to the effect that such Qualifying Letter of Credit will not be automatically renewed (for such additional one year period), unless, within ten (10) days of the occurrence of such failure or the Initial Member’s receipt of such notice, as the case may be, the Private Owner shall have fully replaced such Qualifying Letter of Credit with a new Qualifying Letter of Credit issued by a Qualified Issuer (conforming to all of the requirements set forth in this Agreement with respect to Qualifying Letters of Credit) or otherwise provided Qualifying Cash Collateral in the full undrawn face amount of such Qualifying Letter of Credit.

“LLC Interest” means, with respect to any particular Member, (i) the entire limited liability company interest in the Company of such Member, including such Member’s rights to share in the income, gain, loss, deductions and credits of, and the right to receive distributions from, the Company, (ii) all other rights, benefits and privileges enjoyed by such Member (under the Act, this Agreement or otherwise) in its capacity as a Member, including rights to vote, consent and approve, and (iii) all other rights, benefits, privileges and claims (whether known or unknown) of such Member under, or arising under, this Agreement. For purposes of clarification, references in this Agreement to the term “limited liability company interest” shall mean a “limited liability company interest” as such term is defined in the Act.

“Losses” shall have the meaning given in Section 4.6(a).

“Members” shall mean (i) the Person from time-to-time constituting the “Initial Member” in accordance with this Agreement, and (ii) from and after the Closing Date, the Person from time-to-time constituting the “Private Owner” in accordance with this Agreement, in each case so long as such Person remains a member of the Company. For purposes of clarification, references in this Agreement to the term “member” (lowercase) shall mean a “member” as such term is defined in the Act.

“Member Schedule” shall mean the schedule attached hereto (and hereby incorporated in this Agreement) as Annex I, as amended, restated, supplemented or otherwise modified from time-to-time.

“Monthly Adjusted Annualized Yield” is equal to 1.8769 percent. The Monthly Adjusted Annualized Yield is derived as follows: \((1 + \text{Annualized Yield Threshold})^{1/12} - 1\) or \((1 + 0.25)^{1/12} - 1\), where the Annualized Yield Threshold is 25%.
"Net Income and Net Loss" shall mean, for each Fiscal Year or other period, the taxable income or loss of the Company, or particular items thereof, determined in accordance with the accounting method used by the Company for federal income tax purposes with the following adjustments: (a) all items of income, gain, loss, deduction or expense specially allocated pursuant to this Agreement (including pursuant to Sections 6.2(b)(i) through (iv)) shall not be taken into account in computing such taxable income or loss; (b) any income of the Company that is exempt from federal income taxation and not otherwise taken into account in computing the taxable income of the Company shall be added to such taxable income or loss; (c) if the Book Value of any asset differs from its adjusted tax basis for federal income tax purposes, any gain or loss resulting from a disposition of such asset shall be calculated with reference to such Book Value; (d) upon an adjustment to the Book Value of any asset pursuant to the definition of Book Value, the amount of the adjustment shall be included as gain or loss in computing such Net Income or Net Loss; (e) if the Book Value of any asset differs from its adjusted tax basis for federal income tax purposes, the amount of depreciation, amortization or cost recovery deductions with respect to such asset for purposes of determining Net Income or Net Loss shall be an amount which bears the same ratio to such Book Value as the federal income tax depreciation, amortization or other cost recovery deductions bears to such adjusted tax basis (provided that if the federal income tax depreciation, amortization or other cost recovery deduction is zero, the Tax Matters Member may use any reasonable method for purposes of determining depreciation, amortization or other cost recovery deductions bears to such adjusted tax basis); (f) except for items in (a) above, any expenditures of the Company not deductible in computing taxable income or loss, not properly capitalizable and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition, shall be treated as deductible items.

"Original LLC Operating Agreement" shall have the meaning given in the preamble.

"Permitted Disposition" shall have the meaning given in Section 8.1.

"Plan Asset Regulation" shall have the meaning given in Section 10.1(r).

"Previously Approved Matters" shall have the meaning given in Section 2.7.

"Private Owner Obligations" shall have the meaning given in Section 3.13(c).

"Property" shall mean any property contributed to, acquired by or otherwise owned by the Company, including, without limitation, any real or personal, tangible or intangible property, including but not limited to any legal or equitable interest in such property, ownership interests in entities owning real or personal property, and money.

"Purchaser Eligibility Certification" means, (i) with respect to the Private Owner, any Purchaser Eligibility Certification delivered by the Private Owner (or its Affiliates) to the Receiver in connection with the transactions contemplated in this Agreement and the Ancillary Documents including the Purchaser Eligibility Certifications delivered by the Private Owner to the Receiver, and, (ii) with respect to any Permitted Disposition (and the applicable transferee in connection therewith), a purchaser eligibility certification in substantially the form...
of the Purchaser Eligibility Certification referenced in item (i), with such changes as the Initial Member may require based on changes to such form of Purchaser Eligibility Certification as maintained by the FDIC.

“Qualified Issuer” means any FDIC-insured depository institution that is “well capitalized” as defined in 12 U.S.C. § 1831o (b)(1)(A), is in the business of issuing letters of credit and maintains offices in either or both of New York City, NY and Washington, DC, where presentation and drawings on such letters of credit can be duly made.

“Qualifying Cash Collateral” shall have the meaning given in Section 3.13(d).

“Qualified Transferee” shall have the meaning given in Section 10.1.

“Qualifying Letter of Credit” means an irrevocable standby letter of credit, in an amount at least equal to the Required LOC Special Reserve Amount, substantially in the form of Exhibit D hereto (or in such other form as may be acceptable to, and approved in writing by, the Initial Member), duly issued by an Issuing Bank that is, as of the date of issuance thereof, a Qualified Issuer and delivered to the Initial Member, drawable at such Issuing Bank’s offices in New York City, NY or Washington, DC, and having an initial term of one year with automatic renewals thereafter (without amendment except for extension of the then current expiry date by an additional year) until the Initial Member has delivered written notice to the Issuing Bank to the effect that such Qualifying Letter of Credit is being released in its entirety.

“Related Party Agreement” shall have the meaning given in Section 3.5.

“Secured Assets” shall mean all right, title and interest of the Initial Member in and to the Special Reserve Account (and all funds therein and related rights thereto as more specifically described in the Account Control Agreement related to the Special Reserve Account), (y) the LLC Interest held by Private Owner and all other rights of the Private Owner (in any capacity) under this Agreement and the Ancillary Documents (including rights to any distributions or payments on account of any Excess Liquidity Advances made on behalf of the Private Owner), and (z) all proceeds of any of the foregoing at any time (including distributions thereon or other income in respect thereof).

“Site Assessment” shall have the meaning given in Section 12.14(c).

“Subsidiary” shall mean, with respect to any specified Person, each of (i) any other Person not less than a majority of the overall economic equity in which is owned, directly or indirectly through one or more intermediaries, by such specified Person, and (ii) without limitation of clause (i), any other Person who or which, directly or indirectly through one or more intermediaries, is Controlled by such specified Person (it being understood with respect to clause (i) that a pledge for collateral security purposes of an equity interest in a Person shall not be deemed to affect the ownership of such equity interest by the pledgor so long as such pledgor continues to be entitled, in all material respects, to all the income with respect to such equity interest).
“Successor” shall mean, (i) with respect to a Member, any future Member which is a direct or indirect transferee (whether by Permitted Disposition, merger, consolidation or otherwise) of the LLC Interest of such Member; (ii) with respect to any former Member, the current Member which is the direct or indirect transferee (whether by Permitted Disposition, merger, consolidation or otherwise) of the LLC Interest of such former Member and (iii) with respect to the Initial Member, any Person that is a direct or indirect transferee (whether by Disposition, merger, consolidation or otherwise) of any of the Initial Member’s rights or interests under this Agreement or any other Ancillary Document.

“Tax” shall mean any federal, state, county, local, or foreign tax, charge, fee, levy, duty, or other assessment, including any income, gross receipts, transfer, recording, capital, withholding, property, ad valorem, or other tax or governmental fee of any kind whatsoever, imposed or required to be withheld by any governmental authority having jurisdiction over the assessment, determination, collection, or other imposition of any Tax, including any interest, penalties and additions imposed thereon or with respect thereto.

“Tax Allocation Report” shall have the meaning given in Section 7.6(b).

“Tax Matters Member” shall have the meaning given in Section 7.5.

“Third Party Claim” shall have the meaning given in Section 4.6(a).

“Threshold Increase Amount” as of any Distribution Date shall be equal to the product of (a) the Incentive Threshold as of the preceding Distribution Date (or, in the case of the first Distribution Date, the Closing Date) and (b) the Monthly Adjusted Annualized Yield.

“Treasury Regulations” shall mean the regulations promulgated by the United States Department of the Treasury pursuant to and in respect of provisions of the Code, and all references to sections of the Treasury Regulations shall include any corresponding provision or provisions of succeeding, substitute, proposed or final Treasury Regulations.

“Unreimbursable Expense” shall have the meaning given in Section 4.6(e).

“$” shall mean lawful currency of the United States of America.

1.2 Construction. Captions. Paragraph titles or captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provisions hereof. All Section and paragraph references contained herein shall refer to this Agreement unless otherwise specified.

(b) References to Persons Exclusive. References to “Affiliates” or “Subsidiaries” of a specified Person refer to, and include, only other Persons which from time-to-time constitute “Affiliates” or “Subsidiaries,” as the case may be, of such specified Person, and do not include, at any particular time, other Persons that may have been, but at such time have ceased to be, “Affiliates,” or “Subsidiaries,” as the case may be, of such specified Person, except to the extent that any such reference specifically provides otherwise. A reference to a Member or other Person, in and of itself, does not, and shall not be deemed to, refer to or include any other Person.
having an interest in a Member or other Person (such as, without limitation, any stockholder or member of or partner in a Member, or other Person).

(c) Use of “Or.” The term “or” is not exclusive.

(d) References to Laws. A reference in this Agreement to a Law includes any amendment, modification or replacement to such Law.

(e) Use of Accounting Terms. Accounting terms used herein shall have the meanings assigned to them by GAAP applied on a consistent basis by the accounting entity to which they refer.

(f) References to Documents. References to any document, instrument or agreement (i) shall be deemed to include all appendices, exhibits, schedules and other attachments thereto and all documents, instruments or agreements issued or executed in replacement thereof, and (ii) shall mean such document, instrument or agreement, or replacement thereof, as amended, modified and supplemented from time-to-time in accordance with its terms and as the same is in effect at any given time.

(g) Use of “Herein.” Unless otherwise specified, the words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(h) Use of “Including.” The words “include” and “including” and words of similar import when used in this Agreement are not limiting and shall be construed to be followed by the words “without limitation,” whether or not they are in fact followed by such words.

(i) Use of “During.” The word “during” when used in this Agreement with respect to a period of time shall be construed to mean commencing at the beginning of such period and continuing until the end of such period.

ARTICLE II
Organization of the Company

2.1 Formation; Continuation and Admission of Members.

(a) On November 23, 2010, the Receiver caused the Certificate of Formation of the Company, in the form attached as Exhibit A hereto (the “Certificate”), to be filed in the office of the Secretary of State of the State of Delaware. The Certificate shall not be amended except to change the registered agent or office of the Company.

(b) The Company shall continue as a limited liability company under the Act and in accordance with the further terms and provisions of this Agreement.

(c) The Initial Member previously was, and the Private Owner hereby agrees to be, and is, admitted as a member of the Company such that, as of the Closing Date, the Initial Member and the Private Owner are the sole members of the Company. Until the Company is
dissolved pursuant to Section 9.1, and subject to the rights of the Initial Member under Section 13.5, the Company shall at all times have two, and only two, members.

2.2 Name.
(a) The name of the Company shall be 2010-3 SFR Venture, LLC.
(b) The Business shall be conducted only under the name of the Company or such other name or names that comply with applicable Law as the Members may select from time-to-time.

2.3 Organizational Contributions and Related Actions.
(a) Prior to the execution of this Agreement, pursuant to the terms of the Contribution Agreement, the Initial Member
(i) made a Capital Contribution to the Company in the form of certain Mortgage Loans (the "Initial Member Capital Contribution"); and
(ii) sold and assigned to the Company, and the Company purchased from the Initial Member, Mortgage Loans (other than that portion of the Mortgage Loans comprising the Initial Member Capital Contribution) and assumed the Obligations (as defined in the Contribution Agreement) in exchange for the Purchase Money Note.
(b) Upon the consummation of the transactions contemplated in Section 2.3(a) and prior to the occurrence of the Incentive Threshold Event as described in Section 6.6(b)(iii), the Private Owner shall own forty percent (40%) of the issued and outstanding LLC Interests and the Initial Member shall own sixty percent (60%) of such LLC Interests. Following the occurrence of the Incentive Threshold Event, the Private Owner shall own thirty percent (30%) of the issued and outstanding LLC Interests and the Initial Member shall own seventy percent (70%) of such LLC Interests.

2.4 Registered Office; Chief Executive Office. The Company shall maintain a registered office and registered agent in Delaware to the extent required by the Act, which office and agent shall be as determined by the Manager from time-to-time and which shall be set forth in the Certificate. Initially (and until otherwise determined by the Manager), the registered office in Delaware shall be, and the name and address of the Company’s registered agent in Delaware shall be, as specified in the Certificate as originally filed, which may be amended by the Manager from time-to-time as necessary to correctly reflect the name and address of the Company’s registered agent. The chief executive office of the Company shall be located at 5032 Parkway Plaza Boulevard, Charlotte, NC 28217, or such other place as shall be determined by the Manager from time-to-time.

2.5 Purpose; Duration.
(a) The purpose of the Company is to engage in and conduct the Business, directly or, to the extent specifically authorized in this Agreement, indirectly through other Persons. The Company shall not form or have any Subsidiaries other than Ownership Entities or as otherwise authorized in or pursuant to this Agreement. The Company shall have all powers necessary, desirable or convenient, or which the Manager deems necessary, desirable or convenient, and may engage in any and all activities necessary, desirable or convenient, or which the Manager deems necessary, desirable or convenient, to accomplish the purposes of the Company or consistent with the furtherance thereof.

(b) Subject to Section 9.1, the Company shall continue in existence perpetually.

2.6 Single Purpose Entity; Limitations on Company's Activities. Except to the extent expressly permitted by this Agreement or the Ancillary Documents, the following shall govern for so long as the Company is in existence:

(a) Subject to Section 9.1, the Manager shall cause the Company to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises, and the Manager also shall cause the Company to:

(i) maintain financial statements separate from any Affiliate;
provided, however, that each Ownership Entity shall be consolidated in the financial statements of the Company; and provided, further, that the assets, liabilities and results of operations of the Company may be included in the consolidated financial statements of its parent or ultimate parent in accordance with GAAP;

(ii) at all times hold itself out to the public as a legal entity separate from the Members and any other Person;

(iii) file its own tax returns, as may be required under applicable Law, and pay any taxes so required to be paid under applicable Law;

(iv) except as contemplated hereby or by the Ancillary Documents, segregate its assets and not commingle its assets with assets of any other Person;

(v) conduct the Business in its own name and strictly comply with all organizational formalities to maintain its separate legal existence;

(vi) pay its own liabilities only out of its own funds;

(vii) maintain an arm's length relationship with any Affiliate upon terms that are commercially reasonable and that are no less favorable to the Company than could be obtained in a comparable arm's length transaction with an unrelated Person;
(viii) subject at all times to Section 3.3, pay the salaries of its own employees, if any, and maintain, or cause to be maintained, a sufficient number of employees, if any, in light of its contemplated business operations;

(ix) allocate, fairly and reasonably, shared expenses, including any overhead for shared office space;

(x) use separate stationery, invoices and checks;

(xi) correct any known misunderstanding regarding its separate identity; and

(xii) maintain adequate capital in light of its contemplated business purpose, transactions and liabilities, if any.

(b) Neither the Manager nor the Private Owner may cause or permit a Dissolution Event or an Insolvency Event to occur with respect to the Company or any of its Subsidiaries to which the Initial Member has not provided its written consent, and neither the Manager nor the Private Owner may, without the written consent of the Initial Member, cause or permit the Company or any of its Subsidiaries to:

(i) except as contemplated hereby or by the Ancillary Documents, hold out its credit or assets as being available to satisfy the obligations of others, or become bound by any Guarantee of, or otherwise obligate itself with respect to, the Debts of any other Person, including any Affiliate;

(ii) except as contemplated hereby or by the Ancillary Documents, including the Purchase Money Note, the Purchase Money Note Guaranty, and the Reimbursement and Security Agreement, pledge its assets for the benefit of any other Person, make any loans or advances to any other Person, or encumber or permit any Lien to be placed on the Mortgage Loans, the Underlying Collateral, or the proceeds therefrom; provided that the Company may invest its funds in interest bearing accounts held by any bank that is not its Affiliate and otherwise in accordance with the terms of this Agreement and the Paying Agency and Custodial Agreement and make advances in accordance with Article XII;

(iii) own any assets, or engage in any business, unrelated to the Business;

(iv) incur, create or assume any Debt other than the Purchase Money Note, any Excess Liquidity Advance or as otherwise expressly permitted hereby or by the Ancillary Documents to which the Initial Member is a party;

(v) make or permit to remain outstanding any loan or advance to, or own or acquire any stock or securities of, any Person (other than an Ownership Entity), except that the Company may invest in those investments permitted under the Ancillary Documents and may make any advance required or expressly
permitted to be made pursuant to any provisions of Article XII or the Ancillary Documents and permit the same to remain outstanding in accordance with such provisions;

(vi) except as specifically permitted in this Agreement, acquire any LLC Interest (or any portion of any LLC Interest);

(vii) consolidate or merge with or into any other Person, convert into any other type of Person (including into a limited liability company organized under the Laws of a jurisdiction other than the State of Delaware), transfer, domesticate or continue the Company or any Subsidiary of the Company pursuant to Section 18-213 of the Act, or take any other action for which the consent of some or all of the members of a limited liability company is (unless otherwise provided in the limited liability company agreement of such limited liability company) required by the Act;

(viii) convey or transfer its properties and assets as an entirety or substantially as an entirety to any Person, transfer its ownership interests, or engage in any dissolution or liquidation, except in each case to the extent such activities are expressly permitted pursuant to any provision of this Agreement or the Ancillary Documents (and subject to obtaining any approvals required hereunder or thereunder, as applicable);

(ix) except as contemplated or permitted by this Agreement, form, acquire or, subject to the second proviso of the definition of Ownership Entity, hold any Subsidiary other than an Ownership Entity or form any trust for the purpose of holding Mortgage Loans for the benefit of the Company; or

(x) breach or violate any representation, warranties, covenants or agreements contained in any of the Ancillary Documents.

(c) The failure of the Company, any Member and/or the Manager to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of the Members.

2.7 Ratification of Certain Actions. Prior to the Closing Date, the Company previously approved (a) each of the Ancillary Documents, (b) the issuance of the LLC Interests, and (c) the taking of all action reasonably necessary to effect the foregoing approvals, including without limitation the execution and performance of this Agreement and the Ancillary Documents (the “Previously Approved Matters”). The Previously Approved Matters, and all actions taken by the Company in furtherance of the Previously Approved Matters, are hereby ratified, approved and confirmed in their entirety by each Member and the Manager is hereby authorized and directed to execute and deliver, for and on behalf of the Company, any and all documents as may now or hereafter be reasonably required in order to effect the Previously Approved Matters.
ARTICLE III
Management and Operations of the Company

3.1 Management of the Company’s Affairs.

(a) Subject to the terms and conditions of this Agreement, the management of the Company shall be vested exclusively in the Person appointed from time-to-time hereunder as the “Manager” of the Company (the “Manager”), which Manager may, but is not required to be, a Member. Effective as of the Closing Date, the Private Owner is hereby appointed as the Manager. Subject to the terms and conditions of this Agreement, the Manager shall have full and exclusive power and discretion to, and shall, manage the business and affairs of the Company in accordance with this Agreement. The Private Owner may not resign as Manager, may not Dispose of or delegate, in whole or in part, its rights, responsibilities or duties as Manager to any other Person, and shall serve as Manager until such time as (i) the Private Owner’s LLC Interest is Disposed of in accordance with the terms of this Agreement and the transferee is admitted as a member of the Company and Successor to the Private Owner, in which case the transferee Member shall, effective upon such Disposition, be appointed as the “Manager” to the extent the Private Owner held such role immediately prior to such Disposition, (ii) the Private Owner is removed as Manager by the Initial Member or the Purchase Money Note Guarantor and replaced in accordance with Section 3.2 or Section 12.4 below; or (iii) the Company is dissolved, and the business and affairs of the Company are wound up, in accordance with the terms of this Agreement. The Manager shall devote such time to the affairs of the Company as is necessary to manage the Company as set forth in this Agreement. Without limitation of the foregoing, the Manager shall cooperate with the Tax Matters Member in all respects as reasonably requested by the Tax Matters Member, from time-to-time, in connection with the Tax Matters Member’s performance of its obligations under this Agreement. The Private Owner (and any Successor to the Private Owner) hereby expressly acknowledges that (x) as it relates to its role as the Manager, this Agreement constitutes a personal services contract between the Private Owner and the Company, and (y) except as may otherwise expressly be specified herein, it shall not be entitled to any salary, fees, reimbursement of costs or expenses, or other compensation with respect to its service as Manager hereunder (including with respect to the Manager’s Mortgage Loan servicing and management obligations under Article XII).

(b) Except as otherwise specifically provided in this Agreement and without limitation of the powers expressly granted to the Manager under any other provision of this Agreement, the authority, duties (including fiduciary duties) and functions of the Manager shall be identical to the authority, duties (including fiduciary duties) and functions of the board of directors and the officers of a corporation organized under the Delaware General Corporation Law (and not electing to be governed by subchapter XIV thereof). The Manager shall have no authority to take or authorize the taking of any action in contravention of any express term of this Agreement.

(c) No Person dealing with the Company or the Manager shall be required to determine, and any such Person may conclusively assume and rely upon, the authority of the Manager to execute any instrument or make any undertaking on behalf of the Company. No Person dealing with the Company or the Manager shall be required to determine any facts or circumstances bearing upon the existence of such authority. Without limitation of the foregoing,
any Person dealing with the Company or the Manager is entitled to rely upon a certificate signed by the Manager as to:

(i) the identity of the Members;

(ii) the existence or non-existence of any fact or facts that constitute a condition precedent to acts by the Manager or are in any other manner germane to the affairs of the Company;

(iii) the identity of Persons who are authorized to execute and deliver any instrument or document of or on behalf of the Company; or

(iv) any act or failure to act by the Company or any other matter whatsoever involving the Company or the Members.

(d) Notwithstanding anything to the contrary contained in this Agreement, the parties hereto acknowledge and agree that:

(i) nothing contained in this Agreement creates any fiduciary duty on the part of the Initial Member;

(ii) the Private Owner and the Company each hereby expressly waives any fiduciary duties that may otherwise be deemed to be owed by the Initial Member to the Private Owner or the Company; and

(iii) the Initial Member shall be entitled to act and exercise any right of approval or consent that it has under this Agreement in its interest, in its sole and absolute discretion, without regard to and against the interests of the Private Owner or the Company.

(e) Unless and to the extent reimbursement is due under an express provision hereof or pursuant to a Related Party Agreement or any Ancillary Document, the Company shall not be liable for, and the Manager shall not seek reimbursement from the Company or any Member for, any expenses or costs incurred after the formation of the Company by the Manager and/or its Affiliates on behalf of or for the benefit of the Company.

(f) This Section 3.1 is subject to any express requirement of direct Initial Member consent set forth elsewhere in this Agreement, including in Sections 2.6(b), 3.4, 3.8, 8.1, 8.2, 8.8(a), 9.1, 12.3(h), 12.7(b), 12.12, 12.15(c), 13.5 and 13.12. Any purported action by the Company or the Manager requiring the consent of the Initial Member under this Agreement shall be null and void ab initio unless and until the Initial Member’s consent is obtained.

3.2 Removal of the Manager. Upon an Event of Default (and so long as the Private Owner is then the Manager), the Initial Member or the Purchase Money Note Guarantor, if the Purchase Money Note is outstanding, may remove the Private Owner as the Manager and appoint a successor Manager in the sole and absolute discretion of the Initial Member or the Purchase Money Note Guarantor in accordance with Section 12.4, whereupon such successor
Manager shall immediately succeed to all, or such portion as the Initial Member or the Purchase Money Note Guarantor and successor Manager agree, of the rights, powers, duties and obligations of the "Manager" hereunder, and the predecessor Manager shall promptly take such actions as may be reasonably requested by the Initial Member or the Purchase Money Note Guarantor to facilitate the transition to such successor Manager.

3.3 Employees and Services. After the Closing Date, the Manager shall cause to be made available to the Company, from time-to-time, employees, facilities and support services in a manner and to an extent reasonably required for it to fulfill its duties and obligations as Manager and for the day-to-day operation of the Business, including the Manager's employees, facilities and support services. If necessary to meet the foregoing requirements, the Manager shall enter into contractual arrangements to secure employees, facilities and support services from third parties (including its Affiliates); provided, however, that the Manager shall at all times provide for the servicing of the Mortgage Loans through a Servicer under contract with the Manager (in its individual capacity) in accordance with Article XII and the safekeeping of the Notes and other Mortgage Loan Documents by a Custodian under contract with the Company in accordance with the provisions of Section 3.7 below. Notwithstanding anything to the contrary contained in this Section 3.3, (a) the Company shall not have any employees, (b) no employees of the Manager or any third party (including any Affiliate) shall be deemed to be employees of the Company, (c) any contractual relationships entered into by the Manager to provide employees, facilities or support services to the Company shall be relationships between the third parties (or Affiliates) and the Manager (and not the Company) and shall not relieve such Manager of its obligations or any liability hereunder and (d) no expenses incurred to secure or maintain employees, facilities or support services shall be an expense of the Company unless the same is expressly reimbursable by the Company pursuant to the provisions of Article XII below or is otherwise expressly set forth in this Agreement or in any Ancillary Documents to be an expense of the Company.

3.4 Restrictions on Manager and Private Owner. Neither the Private Owner nor, notwithstanding any delegation of authority to it hereunder, the Manager may or shall in any event (x) do, or cause the Company to do, any act or take, or cause the Company to take, any action in contravention of any Law, or (y) take any of the following actions on behalf of, or with respect to, the Company, or otherwise cause the Company to take any of the following actions, in the case of all of the foregoing without the prior written approval of the Initial Member and, until the satisfaction in full of the Purchase Money Note, the Purchase Money Note Guarantor, which approval may be withheld or conditioned in the Initial Member's and the Purchase Money Note Guarantor's sole and absolute discretion:

(i) admitting additional or substitute members of the Company, except in accordance with Article VIII;

(ii) changing the legal form of the Company to other than a limited liability company;

(iii) taking any action that would cause the Company to be treated as other than a partnership for federal tax purposes;

FDIC SFR 2010-3 (Final)
A&R Limited Liability Company Operating Agreement
Pool Nos. 24020 and 24021
13235439.7
(iv) taking any action that would make it impossible to carry on the ordinary business of the Company;

(v) conducting a Bulk Sale;

(vi) incurring any liability on behalf of the Company (other than liabilities to trade creditors in the ordinary course of the Business and such other liabilities as may be permitted by this Agreement or any Ancillary Document);

(vii) possessing or transferring Company Property for other than Company purposes;

(viii) taking any action that would require the Company to register as an “investment company” (as defined in the Investment Company Act);

(ix) selling or otherwise transferring any Mortgage Loan, Underlying Collateral or Acquired Property (or any portion thereof) to the Manager, the Private Owner, any Servicer, any Subservicer, or any Affiliate of any of the foregoing or of the Company;

(x) financing the sale or other transfer of any Mortgage Loan, Underlying Collateral or Acquired Property (or any portion thereof);

(xi) selling any Mortgage Loan, Underlying Collateral or Acquired Property (or any portion thereof) in a transaction that provides for any recourse or repurchase obligations against the Company, the Initial Member or the FDIC, in any capacity, or against the LLC Interest held by the Initial Member or any share of the Mortgage Loan Proceeds allocable to the Initial Member;

(xii) disbursing, or causing the disbursement of, funds from the Collection Account, the Distribution Account, the Special Reserve Account, the Liquidity Account or other accounts created under this Agreement, the Custodial and Paying Agency Agreement or any Servicing Agreement other than in accordance with (and without violation of any requirement contained in) the provisions of this Agreement, the Custodial and Paying Agency Agreement, the applicable Servicing Agreement and the Reimbursement and Security Agreement;

(xiii) advancing additional funds that would increase the Unpaid Principal Balance of any Mortgage Loan except as required pursuant to the Mortgage Loan Documents, including, but not limited to Funding Draws, or for permitted Servicing Expenses consistent with the Servicing Standard;

(xiv) except as otherwise permitted pursuant to the terms of this Agreement, reimbursing the Manager for any expense or cost incurred (or paid) to any Affiliate of any of the Company, the Private Owner or the Manager, the Servicer or any Subservicer;
(xv) taking any action or omitting to take any action that causes the Company to breach any representation, warranty, covenant or other agreement contained herein or in any Ancillary Document; or

(xvi) taking any action for which the consent of some or all of the members of a limited liability company is (unless otherwise provided in the limited liability company agreement of such limited liability company) required by the Act.

3.5 Related Party Agreements. Neither the Company nor any of its Subsidiaries shall enter into any current or future contract, agreement, commitment, arrangement or transaction (including any agreement to sell Company Property, incur any Debt or become bound by any Guarantee of any obligations) with or for the benefit of, or pay any fee to, the Private Owner or any Affiliate of the Company or the Private Owner (a "Related Party Agreement"), except for the Purchase Money Note or as may otherwise be expressly provided herein or in any Ancillary Document to which the Initial Member is a party or as may be approved by both Members.

3.6 Real Property. The Company shall not take title in its own name to any REO Property, and any ownership of any such REO Property shall be governed by Section 12.15 and the relevant terms of the Servicing Agreement.

3.7 Custodian and Paying Agent. The Manager shall cause the Company to retain and enter into and, at all times, be a party to a written custodial agreement with a document custodian that is a Qualified Custodian and Paying Agent and approved by the Initial Member, and such Custodian shall at all times have custody and possession of the Notes and other Custodial Documents, unless released to the Servicer in accordance with the Custodial and Paying Agency Agreement. The Manager shall also cause the Company to retain and enter into and, at all times, be a party to a written paying agency agreement with a paying agent selected by the Company, which Paying Agent shall receive and distribute Mortgage Loan Proceeds in accordance with the applicable Custodial and Paying Agency Agreement. The Custodian and Paying Agent shall be the same; and the custodial and paying agency functions shall be performed on the terms set forth in a Custodial and Paying Agency Agreement that is acceptable to the Initial Member. At no time shall the Company have more than one Custodian or one Paying Agent. The fees and expenses paid to the Custodian and Paying Agent shall be no more than market rates and the Custodian and Paying Agent shall be terminable by the Company, the Collateral Agent, or the Purchase Money Notes Guarantor upon no more than thirty (30) days notice provided by any of them, without cause under the Custodial and Paying Agency Agreement. In the event that the Manager removes, or causes the Company (or any Servicer) to remove, any Notes or other Custodial Documents from the possession of the Custodian (which shall be done only in accordance with the relevant Custodial and Paying Agency Agreement or Servicing Agreement), (i) any loss or destruction of or damage to such Notes or Custodial Documents shall be the personal liability of the Manager (who, along with the relevant Servicer(s), shall be responsible for safeguarding such Notes and Custodial Documents), and (ii) such Notes shall be returned to the Custodian within the time provided under the applicable Uniform Commercial Code to maintain the perfection of the secured party's security.
interest therein by possession. If any Notes or other Custodial Documents are removed in connection with the modification, restructuring or foreclosure of a Mortgage Loan, the modified or restructured Notes or other Custodial Documents removed in connection therewith shall be returned to the Custodian as soon as possible following the completion of the restructuring, modification or foreclosure (and, in any event, in accordance with clause (ii) of the immediately preceding sentence). Notwithstanding the foregoing, if any Notes or other Custodial Documents are retained by the applicable court, such Notes and other Custodial Documents shall be returned to the Custodian as soon as possible after they are released by such court. The Manager shall ensure that the Initial Member 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.

3.8 Relationships with Borrowers, etc. Except as otherwise consented to by the Initial Member, neither the Private Owner nor the Manager shall, at any time, (a) be an Affiliate of or a partner or joint venturer with any Borrower, (b) be an agent of any Borrower, or allow any Borrower to be an agent of the Manager or the Company, or (c) except as is otherwise contemplated by the Company’s ownership of the Mortgage Loans and its right to hold Acquired Property, have any interest whatsoever in any Borrower, Obligor or other obligor with respect to any Mortgage Loan or any of the Underlying Collateral.

3.9 No Conflicting Obligations. The Manager shall cause the Company to comply with the Ancillary Documents in accordance with their terms, and shall not, at any time, enter into or become a party to any agreement that would conflict with the terms of this Agreement.

3.10 Compliance with Law. The Manager shall, and shall cause the Company to, at all times, comply with applicable Law in connection with the performance or exercise of its rights, powers, duties or obligations under this Agreement, be duly authorized and qualified to transact any and all business to be conducted by it in any state in which a Mortgaged Property is located and comply with the doing business laws of any such state, to the extent necessary to ensure its ability to manage the Mortgage Loans in accordance with the terms of this Agreement and to perform any of its other obligations under this Agreement in accordance with the terms hereof.

3.11 No Bankruptcy Filing. Neither the Manager nor the Private Owner may cause or permit the Company to: (a) file a voluntary petition for bankruptcy, (b) file a petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any Law, (c) make an assignment for the benefit of creditors, (d) seek, consent or acquiesce in the appointment of a trustee, receiver or liquidator or of all or any substantial part of its properties, (e) file an answer or other pleading admitting or failing to contest the material allegations of (i) a petition filed against it in any proceeding described in clause (a) through (d), or (ii) any order adjudging it a bankrupt or insolvent or for relief against it in any bankruptcy or Insolvency Proceeding, or (f) allow itself to become unable to pay its obligations as they become due.

3.12 No Liens. The Manager shall not cause the Company to place, or voluntarily permit to be placed, any Lien on any of the Mortgage Loans, the Underlying Collateral, the Mortgage Loan Documents, or the Mortgage Loan Proceeds, except, in the case of Underlying
Collateral, such Liens caused or permitted by the Manager (i) as permitted under the Mortgage Loan Documents where the applicable Borrower is not in default thereunder and (ii) as permitted by the terms of the Reimbursement and Security Agreement; and the Manager shall not take any action to interfere with the Collateral Agent’s rights as a secured party with respect to Mortgage Loans, the Underlying Collateral and the Mortgage Loan Proceeds.

3.13 Remedies Upon an Event of Default; Security Interest.

(a) Upon the occurrence of an Event of Default, in addition to all other remedies available hereunder or under the Ancillary Documents upon such an Event of Default, the Initial Member shall be entitled to:

(i) remove the Private Owner as the Manager pursuant to Sections 3.2 and 12.4;

(ii) remove the Private Owner as a Member;

(iii) purchase (or cause a designee to purchase) the LLC Interest of the Private Owner pursuant to Section 3.14;

(iv) designate itself or any applicable transferee Member as the Manager hereunder; and/or

(v) with or without notice to or demand upon the Private Owner (except as may be required by Law), exercise any or all rights and remedies with respect to the Secured Assets (as defined below) and any Qualifying Letter of Credit, specifically including the right (A) to foreclose on the LLC Interest held by the Private Owner and transfer such LLC Interest to a third party (or the Initial Member); (B) to draw upon any or all Qualifying Letters of Credit, by presenting to the applicable Issuing Bank one or more drafts or demands and any other necessary documents, and to receive (in a lump sum or in several sums from time-to-time at the sole and absolute discretion of the Initial Member) any or all amounts available for drawing under each such Qualifying Letter of Credit, Letter of Credit Option and/or (C) to exercise any rights under the Account Control Agreement related to the Special Reserve Account (or otherwise) with respect to the Special Reserve Account, including the right to assume exclusive control over the Special Reserve Account and to cause the funds therein to be remitted (in a lump sum or in several sums from time-to-time at the sole and absolute discretion of the Initial Member) to or at the direction of the Initial Member, and to cause the funds therein to be remitted in a lump sum or in several sums from time-to-time at the sole and absolute discretion of the Initial Member to or at the direction of the Initial Member. The removal of the Private Owner as Member shall be subject to Section 8.4.

(b) For the avoidance of doubt, in the event that the Initial Member determines to exercise its remedies against any Secured Assets or any Qualifying Letter of Credit, it shall have the absolute right to deduct from the proceeds of such exercise of remedies (including
proceeds of any foreclosure sale with respect to the LLC Interests, any drawing on a Qualifying Letter of Credit and any funds on deposit in the Special Reserve Account), any Losses arising out of or resulting from such Event of Default incurred by the Indemnified Parties, all costs and expenses (including, without limitation, attorneys' fees and disbursements) incurred by the Initial Member in connection with enforcing its rights and remedies hereunder and under the Ancillary Documents and any Private Owner Obligations (as defined below) then due and payable (in each case in such order as the Initial Member may determine in its sole and absolute discretion); provided that the Initial Member may, in its sole and absolute discretion, hold any such proceeds as additional security for any existing or future Private Owner Obligations. Without limitation of the foregoing, in no event shall the Initial Member have any obligation (but it shall at all times have the right in its sole and absolute discretion) to use or apply any proceeds of the Secured Assets toward payment of any Private Owner Obligations owing to the Company (whether or not the same are due and payable), and the Private Owner shall remain fully obligated to pay and perform all such Private Owner Obligations owing to the Company notwithstanding any such election by the Initial Member to so refrain from applying such proceeds toward payment of the same; and, in the event that, for any reason any such proceeds of the Secured Assets are used for payment of any Private Owner Obligations owing to the Company, any and all rights of the Private Owner to payments, reimbursements or distributions from the Company on account of any such payment to the Company (including rights to any repayment of any deemed Excess Liquidity Advances, to the extent any such proceeds are used to fund the same), shall be considered as part of the Secured Assets and shall, to the extent paid or payable by the Company, be paid directly to the Initial Member (and the Initial Member shall have the right to direct the Paying Agent to so remit to the Initial Member any applicable distributions or payments by the Paying Agent with respect thereto) to be held and applied by the Initial Member as part of the proceeds of the Secured Assets (as collateral for the Private Owner Obligations). Any Secured Assets or proceeds thereof as held by the Initial Member may be commingled with the Initial Member's own funds, without any need to pay interest or income thereon. Upon indefeasible payment and performance in full of all of the Private Owner Obligations (following the dissolution of the Company), any remaining unapplied proceeds (from an exercise of remedies by the Initial Member against the rights of the Private Owner to the Secured Assets or any Qualifying Letter of Credit) so held by the Initial Member, shall be released to the Private Owner (or such other Person as may have applicable rights therein in accordance with applicable law). In any event, the Private Owner shall remain liable for any deficiency in payment of the Private Owner Obligations.

(c) This Agreement shall constitute a security agreement under applicable Law for the benefit of the Initial Member and, in furtherance thereof, the Private Owner (in all of its capacities) and the Company (as applicable) shall be deemed to have granted, and each does hereby grant, to the Initial Member, for itself (and its assignees) and for the benefit of the Company and the Indemnified Parties, a valid and continuing first priority lien on and security interest in all of the Private Owner’s and the Company’s right, title and interest in, to and under, the Secured Assets, whether now owned or existing, or hereafter acquired and arising in, to and under the Secured Assets and all of the proceeds of the forego ing for the benefit of the Initial Member and its assignees, as security for the payment and performance (when due) by the Private Owner (including in its roles as Manager and Tax Matters Member) of its duties, liabilities and obligations under this Agreement and the Ancillary Documents and the compliance by the Private Owner (including as Manager and Tax Matters Member) with the terms and conditions of this
Agreement and the Ancillary Documents (collectively, the "Private Owner Obligations"). For the avoidance of doubt, the parties acknowledge that the Secured Assets are not, pursuant to the foregoing, collateral for the separate payment obligations of the Company except to the extent that, pursuant to this Agreement or the Ancillary Documents, the Private Owner, in any capacity, is required to pay (or advance applicable funds to pay) or otherwise bear such obligations (and in such case, such Secured Assets secure such obligations of the Private Owner to the Company and, if applicable, the Initial Member and the Indemnified Parties only, and not any such separate obligations of the Company to any other Persons), such that the Secured Assets do not secure the Company’s payment obligations under the Purchase Money Notes.

(d) The Private Owner shall deliver to the Initial Member on the Closing Date and at all times thereafter cause to be maintained additional collateral (the "Additional Security") consisting of (a) cash and any interest earned thereon (and Permitted Investments with respect thereto) in the Special Reserve Account, including any amounts drawn on any Qualifying Letter of Credit, in an aggregate amount at least equal to the Required Cash Special Reserve Amount ("Qualifying Cash Collateral") and (b) undrawn (and available) amounts under one or more Qualifying Letters of Credit in an aggregate amount at least equal to the Required LOC Special Reserve Amount. The Initial Member shall have the unilateral right to draw on any such Qualifying Letter of Credit and to provide instructions to the Paying Agent for the disposition of the Qualifying Cash Collateral in the Special Reserve Account, in each case without any requirement for any further consent, confirmation or instructions from the Private Owner; provided, however, that as between the Initial Member and the Private Owner (and without creating any right or obligation of the Paying Agent or any Issuing Bank to refuse to honor, or inquire as to the accuracy or sufficiency of, any applicable instructions from the Initial Member), the Initial Member agrees that (i) it shall not exercise such rights to so draw on any such Qualifying Letter of Credit unless there shall have occurred an Event of Default (whether or not relating to any Qualifying Letter of Credit) or an LC Reissuance/Extension Failure (with respect to such Qualifying Letter of Credit), and (ii) it shall not exercise such rights to so unilaterally direct the disposition of the Qualifying Cash Collateral from the Special Reserve Account unless there shall have occurred an Event of Default.

(e) On the Closing Date, the Manager shall cause the Company to establish the Special Reserve Account with the Paying Agent.

(f) Upon the occurrence of any LC Reissuance/Extension Failure, the Initial Member shall have the right (but not the obligation) to draw on all or any part of the undrawn amount of any Qualifying Letter of Credit subject to such LC Reissuance/Extension Failure; and in such case the funds received by the Initial Member as a result of any such draw shall be deposited in the Special Reserve Account and such LC Reissuance/Extension Failure shall not be deemed an Event of Default hereunder, in each case only so long as (i) there shall not have occurred any Event of Default (other than such LC Reissuance/Extension Failure) and (ii) upon such deposit in the Special Reserve Account (of the funds received by the Initial Member from such draw), the aggregate amount of the such deposit shall be in an amount not less than Required LOC Special Reserve Amount.
(g) The Private Owner hereby authorizes the filing by the Initial Member and its assignees of such financing or continuation statements in such jurisdictions as the Initial Member or its assignees deem appropriate (in their sole and absolute discretion) to perfect and continue their first priority lien and security interest with respect to the Secured Assets, including the Special Reserve Account. The Private Owner shall deliver to the Initial Member an assignment and assumption agreement with respect to the LLC Interest held by it, in the form attached hereto as Exhibit C, endorsed in blank, and executed by the Private Owner. The Initial Member may use the assignment and assumption agreement to effect the assignment of the LLC Interest held by the Private Owner at any time if an Event of Default occurs and is continuing. The Initial Member’s election to exercise any remedy under this Section 3.13 shall in no way limit Initial Member’s rights under any Ancillary Document.

(h) After all of the obligations secured by the Secured Assets have been indefeasibly paid and performed in full (following the dissolution of the Company), the Initial Member shall, upon the request of Private Owner, release any then outstanding Qualifying Letter of Credit and consent to the termination of the Special Reserve Account.

(i) The Initial Member’s rights and remedies under this Agreement, any Ancillary Document or otherwise are cumulative and may be exercised singularly (and in such order as the Initial Member may determine in its sole and absolute discretion) or concurrently. Neither any failure nor delay on the part of Initial Member to exercise any other right or remedy shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or of any other right or remedy howsoever arising. In no event shall the Initial Member have any obligation to seek or exhaust any particular remedy prior to exercising any other remedy, and the Private Owner hereby waives any and all right to require the marshalling of assets in connection with any exercise by the Initial Member of its remedies hereunder or under any Ancillary Document. Under no circumstances shall the Initial Member be deemed or construed to have waived its right to draw upon any Qualifying Letter of Credit, to proceed against the Special Reserve Account, to foreclose upon the LLC Interest of the Private Owner or to exercise any of its other rights or remedies unless such waiver is in writing and executed by a duly authorized representative of Initial Member. A waiver of any right or remedy on any one occasion shall not operate as a waiver of such right or remedy on any future occasion or as a waiver of any other right or remedy.

3.14 Purchase Right of the Initial Member. Without prejudice to the rights of the Initial Member to foreclose on the LLC Interest of the Private Owner in accordance with Section 3.13:

(a) Upon the occurrence and during the continuance of an Event of Default, the Initial Member may at any time, by notice (a “Buy-Out Notice”) to the Private Owner, elect to purchase or cause one or more designees to purchase, the Private Owner’s LLC Interest for an amount, payable in cash, equal to (x) the fair market value of such LLC Interest (determined, if necessary, in accordance with Section 3.14(b)(iv)) as of a date (the “Buy-Out Valuation Date”) selected by the Initial Member in its discretion between the date of the Buy-Out Notice and the closing of such purchase (the “Buy-Out Closing”), less (y) any amounts owed by the Private Owner pursuant Section 3.14(b)(v), and less (z) any distributions paid by the Company.
to or for the account of the Private Owner between the date of the Buy-Out Valuation Date and the Buy-Out Closing.

(b) If the Private Owner receives a Buy-Out Notice, the Buy-Out Closing shall be consummated as follows:

(i) The Buy-Out Closing shall be held at the principal offices of the Company on a day selected by the Initial Member, which day shall, subject to Section 3.14(b)(iv), be no later than six months after the Buy-Out Notice was delivered to the Private Owner or at such other place or on such other date as the parties may agree (the "Buy-Out Closing Date").

(ii) The Initial Member shall purchase (and/or cause one or more designees to purchase in the aggregate) all but not less than all of the Private Owner's LLC Interest for the consideration set forth in Section 3.14(a), and against delivery of such consideration, the Private Owner shall deliver all such documents and instruments as are necessary to transfer to the Initial Member (and/or its designee(s)), and in any event shall be deemed to have transferred, and to have represented and warranted to the Initial Member (and/or its designee(s)) that it has transferred, to the Initial Member (and/or its designee(s)), good title to (and, in any event, all right, title and interest of the Private Owner in and to) the entire LLC Interest of the Private Owner, free and clear of all Liens other than those created by this Agreement.

(iii) The Private Owner shall obtain all material consents, approvals or waivers (including expiration or termination of a specified waiting period) of any Governmental Authority or Person that may be required in connection with the purchase and sale of the Private Owner's LLC Interest (other than any such consent, approval or waiver which has, if permitted by Law, been waived by the Initial Member).

(iv) In the event of the delivery of a Buy-Out Notice, the Members shall attempt to agree on the Fair Market Value of the Private Owner's LLC Interest as of the Buy-Out Valuation Date. If the Members are unable to agree on such value within fifteen (15) days after the date of delivery of the Buy-Out Notice (or, if sooner, by the Buy-Out Closing Date), then such value shall be determined immediately thereafter in accordance with the Dispute Resolution Procedure, and, if applicable, the Buy-Out Closing Date shall be delayed until such date (after completion of the applicable valuation) as may be selected by the Initial Member. For the avoidance of doubt, in no event shall the right under this Section 3.14 or any valuation resulting from a Dispute Resolution Procedure create any obligation with respect to, or otherwise limit the rights of the Initial Member in connection with, any concurrent or subsequent foreclosure (or sale) of the Private Owner's LLC Interest pursuant to Section 3.13 and/or exercise of relevant rights under the Uniform Commercial Code or otherwise, and the Private Owner acknowledges and agrees that any foreclosure and sale pursuant to Section
3.13 and relevant rights under the Uniform Commercial Code or otherwise may result in a sale price for the LLC Interest that is significantly lower than a Buy-Out Purchase Price potentially (or having actually been) determined pursuant to this Section.

(v) All out-of-pocket costs and expenses incurred by the Initial Member in connection with the exercise of its rights under this Section 3.14 and the sale of the LLC Interest of the Private Owner (including fees of any investment banking firm retained in connection with the Dispute Resolution Procedure and legal fees and expenses incurred in connection with obtaining any necessary consents, approvals or waivers (including expiration or termination of a specified waiting period) of Governmental Authorities) shall be borne by the Private Owner and may be deducted from the purchase price otherwise payable by the Initial Member (or its designee(s)) for the Private Owner's LLC Interest.

(c) The failure of the Initial Member to exercise its rights under this Section 3.14 in connection with any Event of Default shall in no way affect or limit the exercise of such rights in connection with any other Event of Default by the Private Owner.

(d) At any time prior to the Buy-Out Closing, the Initial Member may elect not to proceed with the Buy-Out Closing (without any liability or further obligation with respect thereto), and the Private Owner shall remain responsible for amounts owed under Section 3.14(b)(v) notwithstanding any such election by the Initial Member.

(e) Any distributions payable by the Company to the Private Owner after the Buy-Out Valuation Date shall, at the option of the Initial Member, be paid to and held by the Initial Member (or, if permitted by the Paying Agent, held by the Paying Agent in the Distribution Account) and, at the Buy-Out Closing or a reasonable time thereafter, be released to the Private Owner less, without duplication, any amounts owed by the Private Owner pursuant to this Agreement (including costs and expenses pursuant to Section 3.14(b)(v)). For the avoidance of doubt, neither the Initial Member nor the Paying Agent shall have any obligation to segregate, or pay interest or other income in respect of, any sums held pursuant to this Section 3.14(e).

3.15 No ERISA Plan Assets. The Manager shall use its reasonable best efforts to ensure that the Company's assets are not deemed to be "plan assets" within the meaning of Section 3(42) of ERISA and the Plan Asset Regulation.

ARTICLE IV
Membership Interests; Rights and Duties of, and Restrictions on, Members

4.1 General. The membership of the Company shall consist of the Members listed from time-to-time in the Annex I (the Member Schedule), and such substituted Members as may be admitted to the Company pursuant to Article VIII. The Manager shall cause Annex I (the Member Schedule) to be amended from time-to-time to reflect the admission of any additional Members, Capital Contributions of the Members, the issuance of additional limited liability company interests, transfers of LLC Interests, repurchases, redemptions or cancellations of LLC
Interests, the cessation or withdrawal of a Member for any reason or the receipt by the Company of notice of any change of name or address of a Member.

4.2 LLC Interests.

(a) Creation and Issuance. The Company is authorized to issue solely the LLC Interests provided for in this Agreement, and the Company may not hereafter create or issue any other limited liability company interest, provided that nothing in this sentence restricts the Disposition of any outstanding LLC Interest by any Member (which matter is governed by Article VIII). The Company’s LLC Interests shall be uncertificated. The LLC Interests shall have the relative rights, powers, duties and obligations specified in this Section 4.2. As of the Closing Date, LLC Interests are owned by the Initial Member and the Private Owner, as set forth in the Annex I (Member Schedule). Other than as set forth in this Agreement, each LLC Interest shall be identical in all respects to each other outstanding LLC Interest.

(b) Distributions. Subject to Section 6.6, distributions to the holders of LLC Interests shall be made as provided in Section 6.6(b) and Section 9.2.

(c) No Retirement Fund or Conversion. The LLC Interests shall not be subject to the operation of a retirement or sinking fund to be applied to the purchase or redemption thereof for retirement and shall not be convertible into any other class of limited liability company interests.

(d) Voting Rights. Except to the extent otherwise required by the Act or expressly provided in this Agreement, the holders of LLC Interests shall be entitled to vote on all matters upon which Members have the right to vote as set forth in this Agreement or provided in the Act. Except as expressly set forth elsewhere in this Agreement (including Section 3.1 and Section 3.4), the voting rights of each holder of LLC Interests shall be based on such holder’s Percentage Interest.

4.3 Filings; Duty of Members to Cooperate. The Manager shall promptly cause to be executed, delivered, filed, recorded or published, as appropriate, and the Private Owner will, as requested by the Manager from time-to-time but at the sole expense of the Manager, execute and deliver, (a) all certificates, documents and other instruments that the Manager deems necessary or appropriate to form, qualify or continue the existence or qualification of the Company as a limited liability company in the State of Delaware or as a foreign limited liability company in all other jurisdictions in which the Company may, or may desire to, conduct business or own Company Property, (b) any amendment to the Certificate or any instrument described in clause (a) required because of, or in order to effectuate, an amendment to this Agreement, or any change in the membership of the Company, in accordance with the terms hereof, (c) all certificates, documents and other instruments (including conveyances and a certificate of cancellation) that the Manager deems necessary or appropriate to reflect the dissolution and liquidation of the Company pursuant to the terms of this Agreement, and (d) such other certificates, documents and other instruments as are required by Law or by any Governmental Authority to be executed by them in connection with the Business as conducted or proposed to be conducted by the Company from time-to-time. As soon as reasonably practical after the date
hereof, the Manager shall, cause the Company to 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 the Business, including qualifications to conduct business in jurisdictions other than Delaware and licenses to purchase, own or manage the Mortgage 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 the Company, claims and defenses being asserted against the Company (including counterclaims and defenses asserted by Borrowers under the Mortgage Loans), or materially adversely affect the Company or the Company’s ability to foreclose on the Underlying Collateral securing or otherwise realize the full value of any Mortgage Loan or Acquired Property. The cost of licensing, filing and similar fees paid to authorities in connection with obtaining and maintaining applicable licenses or registrations for the Company and reasonable attorneys fees incurred in connection therewith are Reimbursable Company Administrative Expenses.

4.4 Certain Restrictions and Requirements.

(a) No Member may use or possess Company Property other than for a Company purpose, except as provided under license or other contractual arrangements. No Member shall have authority to bind, or otherwise to act on behalf of, the Company except pursuant to authority expressly granted herein or pursuant to authority granted by the Manager in accordance with the terms hereof.

(b) From and after the Closing Date, no Person may or shall be admitted as a member of the Company except pursuant to and in accordance with Article VIII hereof.

(c) Each Member, other than the Initial Member, shall at all times meet the qualifications of a Qualified Transferee.

4.5 Liability of the Initial Member. Neither the Initial Member nor any of its Affiliates, nor any officer, director, stockholder, member, manager, employee, agent or assign of the Initial Member or any of its Affiliates (all of the foregoing, collectively, the “Related Persons”), shall be liable, responsible or accountable, whether directly or indirectly, in contract or tort or otherwise, to the Company, any other Person in which the Company has a direct or indirect interest or any Member (or any Affiliate of any of the foregoing), for any Damages asserted against, suffered or incurred by the Company, any Person in which the Company has a direct or indirect interest or any Member (or any Affiliate of any of the foregoing), for any Damages asserted against, suffered or incurred by the Company, any Person in which the Company has a direct or indirect interest or any Member (or any Affiliate of any of the foregoing) arising out of, relating to or in connection with any act or failure to act pursuant to this Agreement or otherwise with respect to:

(a) the management or conduct of the business and affairs of the Company or any Person in which the Company has a direct or indirect interest or any of their respective Affiliates (including, without limitation, actions taken or not taken by any Related Person as an officer or director of any Person in which the Company has a direct or indirect interest or any Affiliates of such Person);

(b) the offer and sale of limited liability company interests in the Company (including the LLC Interests) or the issuance of the Purchase Money Note; and
the management or conduct of the business and affairs of any Related Person insofar as such business or affairs relate to the Company or any Person in which the Company has a direct or indirect interest or to any Member in its capacity as such, including, all:

(i) activities in the conduct of the Business, and

(ii) activities in the conduct of other business engaged in by any Related Person which might involve a conflict of interest vis-à-vis the Company or any Person in which the Company has a direct or indirect interest or any Member (or any of their respective Affiliates) or in which any Related Person realizes a profit or has an interest;

except, in each case, Damages resulting from acts or omissions of such Related Person which were taken or omitted which constituted fraud, gross negligence, willful misconduct, or an intentional material breach of this Agreement or any Ancillary Document.

4.6 Indemnification.

(a) The Private Owner shall indemnify, defend and hold harmless the Initial Member and the Initial Member's Affiliates, and their respective officers, directors, stockholders, members, managers, employees, partners, principals, agents, assigns and contractors (all of the foregoing, collectively, 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 after the Closing Date, by (x) the Company (during any period when the Private Owner is the Manager, the Private Owner (in any capacity, including as Manager) or any of their respective Affiliates or (y) any of the respective officers, directors, employees, partners, principals, agents or contractors of any Person described in sub-clause (x), of the obligations of the Company or the Private Owner (in any capacity, including as the Manager) under, or any other covenants, agreements or other terms and conditions contained in, this Agreement or any Ancillary Document (including Losses relating to (1) the Company's obligations with respect to litigation referred to in Section 4.5 of the Contribution Agreement to the extent provided therein, (2) the Company's obligations under Section 3.1 and 3.2 of the Contribution Agreement (including all costs and expenses of the Initial Member in completing any applicable transfers pursuant to exercise of rights under such section), and (3) any claim asserted by the Initial Member against the Company or the Private Owner (in any capacity, including as the Manager) to enforce its rights hereunder or by any third party), or any third-party allegation or claim based upon facts alleged that, if true, would constitute such a breach; (ii) any gross negligence, bad faith or willful misconduct (including any act or omission constituting theft, embezzlement, breach of trust or violation of any Law) on the part of any Person described in sub-clause (i)(x) or (i)(y); or (iii) any Losses with respect to which the Initial Member was released, or with respect to which the Company should have obtained a release from the applicable Borrowers or other Obligors, in accordance with Section 4.17(b) of the Contribution Agreement. 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 the Private Owner 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 the Private Owner may reasonably request. The failure or delay to provide such notice, however, shall not release the Private Owner from any of its obligations under this Section 4.6 except to the extent that it is materially prejudiced by such failure or delay. The Private Owner acknowledges and agrees that it shall have no recourse against the Company for any amounts the Private Owner is required to pay pursuant to this Section 4.6. For the purposes of this Section 4.6, the term "Initial Member" shall be deemed to include any Person at any time constituting the "Initial Member" hereunder (other than for purposes of this Section 4.6) and (without limitation of the foregoing) any Person at any time holding all or any portion of the LLC Interest initially held by the Initial Member immediately after the Closing, in each case even if such Person has since ceased to be a member of the Company or to hold any limited liability company interest in the Company.

(b) If for any reason the indemnification provided for herein is unavailable or insufficient to hold harmless the Indemnified Parties, the Private Owner 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 the Private Owner (in any capacity, including as the Manager) (including any Servicer or Subservicer), on the other hand, in connection with the matters that are the subject of such Losses.

(c) If the Private Owner confirms in writing to the Indemnified Party within fifteen (15) days after receipt of a Third Party Claim the Private Owner's responsibility to indemnify and hold harmless the Indemnified Party therefor, the Private Owner may elect to assume control over the compromise or defense of such Third Party Claim at the Private Owner's own expense and by the Private Owner'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) the Private Owner shall keep the Indemnified Party advised of all material events with respect to any Third Party Claim; (iii) the Private Owner 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 the Indemnified Party or any of its Affiliates; and (iv) the Private Owner will not, without the prior written consent of the 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 the Private Owner to satisfy the full amount of the liability in connection with such Third Party Claim and includes an unconditional release of such Indemnified Party from all liability arising out of such Third Party Claim.

FDIC SFR 2010-3 (Final)
A&R Limited Liability Company Operating Agreement
Pool Nos. 24020 and 24021
13235439.7
(d) Notwithstanding anything contained herein to the contrary, the Private Owner 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 the Private Owner 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 the Private Owner (in any capacity, including as the Manager) or any Affiliate of the Private Owner, on one hand, and the Indemnified Party, on the other hand, are named as parties and either the Private Owner (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 the Private Owner 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 the Private Owner 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 the Private Owner 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.

(e) In the event the Company is reimbursed for or uses the Liquidity Account or Excess Liquidity Advances to pay costs or expenses of the type referred to in clause (v) or (vi) of the definition of Servicing Expenses and it is subsequently determined that the Company was not entitled to reimbursement for (or to use the Liquidity Account or Excess Liquidity Advances to pay) all or any portion of such costs and expenses because the Company did not satisfy the requirements of Section 4.6(c) or clause (v) of the definition of Servicing Expenses (such costs and expenses, the “Unreimbursable Expenses”), the Manager shall, in addition to any other Losses for which the Manager may be liable with respect to the claim to which such costs and expenses relate, reimburse the cost of such Unreimbursable Expenses to the Collection Account, except to the extent such Unreimbursable Expenses were funded through Excess Liquidity Advances that remain outstanding (in which case the portion of any such outstanding Excess Liquidity Advance that was so used for Unreimbursable Expenses shall itself become unreimbursable and be deemed forgiven with no further right of the Manager to collect or receive the same). Any such reimbursement by the Manager pursuant to the foregoing shall be as follows: within ten (10) Business Days after written demand therefor from either Member, the Manager shall transfer into the Collection Account by wire transfer of immediately available funds the amount of such Unreimbursable Expenses plus simple interest at five (5) % per annum from the date of the demand to the date of the payment to the Collection Account.

(f) The Company shall indemnify, defend and hold harmless each Member and each Member’s respective officers, directors, employees and members (all of the foregoing...
collectively, the "Covered Persons") for any Losses incurred by such Covered Person by reason of a Third Party Claim relating to any act or omission by or of such Covered Person in connection with the exercise or performance of the rights, powers, responsibilities and obligations of such Covered Person (or, if such Covered Person is other than a Member, of the Member in respect of which such Covered Person so constitutes a Covered Person) regarding the Company except for (i) any Third Party Claim or Loss resulting from fraud, gross negligence, willful misconduct or an intentional breach of this Agreement or any Ancillary Document by such Covered Person (or if such Covered Person is other than a Member, by the Member in respect of which such Covered Person so constitutes a Covered Person), and (ii) in the case of the Private Owner (in any capacity, including as the Manager), (x) any claim or demand by any Servicer or Subservicer (or, for the avoidance of doubt, any Loss arising out of or related to such claim or demand) and (y) any Third Party Claim or Loss that is in whole or in part covered by or subject to an indemnification obligation of the Private Owner (in any capacity, including as the Manager) under any provision of this Agreement or any Ancillary Document, including the foregoing provisions of Section 4.6(a).

(g) Tax Liability of Ownership Entity. Notwithstanding anything to the contrary contained herein, if any Ownership Entity is not a pass-through entity with no entity-level income tax obligations, distributions to the Initial Member pursuant to Section 6.6 (including for the purposes of Section 9.2(c)) shall be allocated before accrual or payment of any income tax payable by such Ownership Entity, and the Private Owner (or its successors or assigns) shall indemnify and hold harmless the Initial Member from and against any liability for any income taxes payable by the Ownership Entity.

(h) Offsets. Without limiting any other rights of the Initial Member hereunder, in the event the Initial Member exercises any rights or remedies as a result of or in connection with a breach hereunder or the occurrence of an Event of Default (including relating to a breach of Section 4.6), all 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 claim) incurred by the Initial Member with respect thereto may be offset by the Initial Member against any payment or distribution otherwise payable to the Private Owner (including the Management Fee), whether in its capacity as a Member or as the Manager (in each case except to the extent such breach or Event of Default is attributable exclusively to a Manager having been appointed by the Initial Member following removal of the Private Owner in such capacity, or to any applicable Servicer (and its Subservicers) having been engaged by the Initial Member, the Company or the applicable replacement Manager following such removal of the Private Owner as Manager, in each case that is not an Affiliate of the Private Owner).

ARTICLE V
Capital Contributions; Liquidity Account; Special Reserve Account; Excess Liquidity Advance; Interest Reserve Account

5.1 Capital Contributions.
(a) Members' Contribution. Pursuant to the Contribution Agreement, the Initial Member made a Capital Contribution to the Company in an amount equal to the Initial Member Capital Contribution. In connection with the Transferred LLC Interest Sale Agreement, Private Owner acquired from the Initial Member the Transferred LLC Interest representing a forty percent (40)% equity interest in the Company in exchange for the Transferred LLC Interest Sale Price. After giving effect to the foregoing transactions, the respective Capital Accounts of the Initial Member and the Private Owner as of the Closing Date are as set forth in the Annex I (the Member Schedule).

(b) From and after the Closing Date, the Members shall have no obligation to make any additional Capital Contributions to the Company.

5.2 Liquidity Account. The Manager shall cause the Company to fund the Liquidity Account in accordance with the provisions of Section 12.11 hereof.

5.3 Special Reserve Account.

(a) Establishment of the Special Reserve Account. On the Closing Date, the Manager shall cause the Company to establish the Special Reserve Account with the Paying Agent for the exclusive purpose of holding Qualifying Cash Collateral (including in the form of any proceeds from a drawing on a Qualifying Letter of Credit at any time deposited in the Special Reserve Account in accordance herewith). The Special Reserve Account (and all funds and financial assets therein) shall be subject to the security interest granted herein pursuant to the terms of this Agreement, the Custodial and Paying Agency Agreement and the related Account Control Agreement.

(b) Funding the Special Reserve Account. The Private Owner shall (a) deposit on the Closing Date the Required Cash Special Reserve Amount into the Special Reserve Account and (b) post a Letter of Credit upon which the Company may draw to fund the Special Reserve Account upon the occurrence of an Event of Default.

(c) Use of the Special Reserve Account. Upon the occurrence of an Event of Default, the Initial Member may direct the Company to withdraw funds from the Special Reserve Account to pay for any Company expenses in connection with such Event of Default and as otherwise determined in the sole and absolute discretion of the Initial Member.

(d) Permitted Investments. Funds on deposit in the Special Reserve Account shall be invested in Permitted Investments in accordance with this Agreement and the Custodial and Paying Agency Agreement; provided, that all such Permitted Investments shall remain in the Special Reserve Account as Qualifying Cash Collateral, and in no event shall the Private Owner have any right or authority to withdraw any funds from such Special Reserve Account.

5.4 Excess Liquidity Advances. In the event there are insufficient available funds in the Collection Account and also insufficient available funds in the Liquidity Account (including by a permitted release of such funds to the Collection Account or as otherwise permitted in the Custodial and Paying Agency Agreement) to pay any Operating Expenses, then the Manager shall, except as otherwise provided in Section 12.6, make an advance to the Company.
"Excess Liquidity Advance") to be used by the Company for payment of such permitted (or required, as applicable) Operating Expenses. No Excess Liquidity Advance shall accrue any interest thereon. Excess Liquidity Advances shall be repaid in accordance Section 3.1 of the Custodial and Paying Agency Agreement. Excess Liquidity Advances shall be deposited into the Collection Account for disbursement therefrom for the payment of permitted Operating Expenses for which such Excess Liquidity Advance is being made. Furthermore, to the extent multiple Operating Expenses (payment of which is permitted to be made using such Excess Liquidity Advance) are outstanding, any funding or use by the Manager of Excess Liquidity Advances for payment of all or any of the same shall follow the relevant priorities as set forth in the Priority of Payments and in Section 3.1 of the Custodial and Paying Agency Agreement, as applicable. All Excess Liquidity Advances, together with a detailed statement of the sources and uses thereof (which shall be broken out by the reimbursable and unreimbursable portions thereof), shall be reflected in the Monthly Report with respect to the calendar month during which the relevant Excess Liquidity Advance was made. The Manager may not assign, sell, transfer, participate, pledge, or hypothecate, in whole or in part, its interest in any Excess Liquidity Advances without the prior written consent of the Initial Member and, for so long as any Purchase Money Note remains outstanding, the Purchase Money Guarantor.

5.5 Interest Reserve Account. The Manager shall cause the Company to fund the Interest Reserve Account in accordance with the provisions of Section 12.10 hereof.

ARTICLE VI
Capital Accounts; Allocations; Priority of Payments; Distributions

6.1 Capital Accounts. A Capital Account shall be established and maintained for each Member to which shall be credited the Capital Contributions made by such Member and such Member’s allocable share of Net Income (and items thereof), and from which shall be deducted distributions to such Member of cash or other Property and such Member’s allocable share of Net Loss (and items thereof). As to the Private Owner, the initial Capital Account shall correspond to that portion of the Capital Account of the Initial Member that is attributable to the Transferred LLC Interest (as defined in the Transferred LLC Interest Sale Agreement) acquired by the Private Owner pursuant to the Transferred LLC Interest Sale Agreement. A Member’s Capital Account also shall be adjusted for items specially allocated to such Member under this Article VI. The Capital Accounts of the Members generally shall be adjusted and maintained in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv); provided, however, that such adjustments to, and maintenance of, the Capital Accounts shall not adversely affect the manner in which distributions are to be made to the Members under Section 6.6.

6.2 Allocations to Capital Accounts. Allocation of Net Income and Net Loss shall be made as provided in this Article VI.

(a) Except as otherwise provided in this Agreement, Net Income and Net Loss (and, to the extent necessary, individual items of income, gain, loss, deduction or credit) of the Company shall be allocated among the Members in a manner such that, after giving effect to the
special allocations set forth in Section 6.2(b), the Capital Account balance of each Member, immediately after making such allocation, is, as nearly as possible, equal to (i) the distributions that would be made to such Member pursuant to Section 6.6 if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their Book Value, all Company liabilities were satisfied (limited with respect to each nonrecourse liability to the Book Values of the assets securing such liability), and the net assets of the Company were distributed, in accordance with Section 9.2(c), to the Members immediately after making such allocation, minus (ii) such Member’s share of “partnership minimum gain” and “partner nonrecourse debt minimum gain” (as such terms are used in Treasury Regulations Section 1.704-2), computed immediately prior to the hypothetical sale of assets.

(b) Allocations in Special Circumstances. The following special allocations shall be made in the following order:

(i) Minimum Gain Chargeback. Notwithstanding any other provision of this Article VI, if there is a net decrease in minimum gain (as it corresponds to the definition of “partnership minimum gain” in Treasury Regulations Section 1.704-2(b)(2) and (d)) during any Fiscal Year, the Members shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to the portion of such Member’s share of the net decrease in minimum gain, determined in accordance with Treasury Regulations Section 1.704-2(f) and (g). This Section 6.2(b)(i) is intended to comply with the “minimum gain chargeback” requirement in such section of the Treasury Regulations and shall be interpreted consistently therewith.

(ii) Member Minimum Gain Chargeback. Notwithstanding any other provision of this Article VI other than 6.2(b)(i), if there is a net decrease in minimum gain attributable to a Member nonrecourse debt (as it corresponds to the definition of “partnership nonrecourse debt minimum gain” in Treasury Regulations Section 1.704-2(i)) during any Fiscal Year, each Member shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to the portion of such Member’s share of the net decrease in such minimum gain attributable to such Member’s nonrecourse debt, determined in accordance with Treasury Regulations Section 1.704-2(j). This Section 6.2(b)(ii) is intended to comply with the “partner minimum gain chargeback” requirement in such section of the Treasury Regulations and shall be interpreted consistently therewith.

(iii) Qualified Income Offset. In the event any Member, for any reason, whether expected or not, has an Adjusted Capital Account Deficit, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, such Adjusted Capital Account Deficit as quickly as possible, provided that an allocation pursuant to this Section 6.2(b)(iii) shall be made only if and to the extent that such Member would have such Adjusted Capital Account
Deficit after all other allocations provided for in Section 6.2 have been tentatively made as if this Section 6.2(b)(iii) were not in this Agreement. This Section 6.2(b)(iii) is intended to comply with the “qualified income offset” provisions in Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(iv) **Nonrecourse Deductions.** Any nonrecourse deductions attributable to a Member nonrecourse debt (as described in Treasury Regulations Section 1.704-2(i)) shall be allocated to the Member who bears the economic risk of loss with respect to such nonrecourse debt. Otherwise, nonrecourse deductions shall be allocable in accordance with the Members’ respective Percentage Interests.

(v) **Loss Allocation Limitation.** No allocation of Net Loss (or any item thereof) shall be made to any Member to the extent that such allocation would create or increase a Member’s Adjusted Capital Account Deficit. If, in the allocation of Net Loss (or any item thereof), less than all Members would have an Adjusted Capital Account Deficit as a result of such allocation, then any Net Loss (or item thereof) not allocable to any such Member(s) as a result of such limitation shall be allocated (subject to such limitation) to the other Member so as to allocate the maximum permissible Net Loss to each Member under Treasury Regulation Section 1.704-1(b)(2)(ii)(d).

(vi) **Curative Allocations.** The allocation provisions of this Section 6.2(b) are intended to comply with certain requirements of the Treasury Regulations. Notwithstanding any other provisions of this Article VI, any allocation effected pursuant to this Section 6.2(b) shall be taken into account in allocating Net Income and Net Loss among the Members such that the cumulative effect of all such allocations achieves the fundamental purpose of Section 6.2(a), so that the Capital Account balances correspond to the amounts distributable to the Members.

(c) **Transfer of or Change in LLC Interests.** The Tax Matters Member is authorized to adopt any convention or combination of conventions likely to be upheld for federal income tax purposes regarding the allocation of items of Company income, gain, loss, deduction and expense with respect to a transferred LLC Interest. A transferee of an LLC Interest in the Company shall succeed to the Capital Account of the transferor Member to the extent it relates to the transferred LLC Interest.

6.3 **Tax Allocations.**

(a) **General Rules.** Except as otherwise provided in Section 6.3(b), for each Fiscal Year, items of Company income, gain, loss, deduction and expense shall be allocated, for federal, state and local income tax purposes among the Members in the same manner as the Net Income (and items thereof) or Net Loss (and items thereof) of which such items are components were allocated pursuant to Section 6.2.
(b) **Section 704(c) of the Code.** Income, gains, losses and deductions with respect to any property (other than cash) contributed or deemed contributed to the capital of the Company shall, solely for income tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Fair Market Value at the time of the contribution or deemed contribution in accordance with Section 704(c) of the Code and the Treasury Regulations promulgated thereunder. Such allocations shall be made in such manner and utilizing such permissible tax elections as determined in good faith by the Tax Matters Member, following consultation with the Initial Member. In the event of a revaluation of Property pursuant to the definition of Book Value, subsequent allocations of income, gains, losses or deductions with respect to such Property shall take account of any variation between the Book Value and Fair Market Value of such Property, as so determined from time-to-time, in accordance with Section 704(c) of the Code and the Treasury Regulations promulgated thereunder. Such allocations shall be made in such manner and utilizing such permissible tax elections as determined in good faith by the Tax Matters Member, following consultation with the Initial Member. For the avoidance of doubt, any losses recognized by the Company that are attributable to property acquired by the Company pursuant to the Contribution Agreement and that are deferred pursuant to Section 707(b)(1) or Section 267(a) of the Code shall, solely for income tax purposes, be allocated to the Initial Member.

(c) **Capital Accounts Not Affected.** Allocations pursuant to this Section 6.3 are solely for federal, state and local tax purposes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or allocable share of Net Income (or items thereof) or Net Loss (or items thereof).

(d) **Tax Allocations Binding.** The Members acknowledge that they are aware of the tax consequences of the allocations made by this Section 6.3 and hereby agree to be bound by the provisions of this Section 6.3 in reporting their respective shares of items of Company income, gain, loss, deduction and expense.

6.4 **Determinations by Tax Matters Member.** All matters concerning the computation of Capital Accounts, the allocation of items of Company income, gain, loss, deduction and expense and the adoption of any accounting procedures not expressly provided for by the terms of this Agreement shall be determined by the Tax Matters Member in good faith, following consultation with the Initial Member. Following such consultation, such determinations shall be final and conclusive as to all the Members. Without in any way limiting the scope of the foregoing, if and to the extent that, for income tax purposes, any contribution to or distribution by the Company or any payment by any Member or by the Company is recharacterized, the Tax Matters Member may, in good faith following consultation with the Initial Member, specially allocate items of Company income, gain, loss, deduction or expense and/or make correlative adjustments to the Capital Accounts of the Members in a manner so that the net amount of income, gain, loss, deduction and expense realized by each relevant party (after taking into account such special allocations) and the net Capital Account balances of the Members (after taking into account such special allocations and adjustments) shall, as nearly as possible, achieve the fundamental purpose of Section 6.2(a), such that the Capital Account balances correspond to the amounts distributable to the Members, as if such recharacterization had not occurred.
6.5 **Priority of Payments.** Each calendar month the amounts deposited in the Distribution Account under the Custodial and Paying Agency Agreement shall be distributed by the Paying Agent in the order of the Priority of Payments.

6.6 **Distributions.**

(a) **No Right to Withdraw.** No Member shall have the right to withdraw capital or demand or receive distributions or other returns of any amount in its Capital Account, except as expressly provided in this Agreement.

(b) **Ordinary Distributions.**

(i) **Timing.** Amounts available for distribution to the Members with respect to their respective LLC Interests, if any, shall be distributed to the Members on a monthly basis by the Paying Agent out of the Distribution Account in the manner set forth in the Custodial and Paying Agency Agreement.

(ii) [Reserved]:

(iii) **Incentive Threshold Event.** The "Incentive Threshold Event" shall occur as of a Distribution Date if (A) the aggregate distributions made to the Private Owner pursuant to the Priority of Payments as of such Distribution Date is equal to or greater than the product of two and the Incentive Threshold Base Amount, and (B) the Incentive Threshold as of such Distribution Date is equal to zero.

(iv) **Incentive Threshold.** The "Incentive Threshold" shall be determined as follows:

(A) as of the Closing Date, the Incentive Threshold shall be equal to the sum of (a) the Transferred LLC Interest Sale Price, (b) the amount funded by the Private Owner into the Interest Reserve Account pursuant to Section 12.10 and (c) the amount funded by the Private Owner into the Liquidity Account pursuant to Section 12.11, the "Incentive Threshold Base Amount"); and

(B) as of any Distribution Date, the Incentive Threshold shall be an amount equal to (1) the sum of (i) the Incentive Threshold as of the preceding Distribution Date (or, in the case of the first Distribution Date, the Closing Date), and (ii) the Threshold Increase Amount, minus (2) the aggregate distributions made to the Private Owner pursuant to the Priority of Payments on such Distribution Date; provided, that, if, as of any Distribution Date, the amount referred to in clause (B)(2) of Section 6.6(b)(iv) is greater than the amount referred to in clause (B)(1) of Section 6.6(b)(iv), then the Incentive Threshold shall be deemed to be zero for such Distribution Date and all subsequent Distribution Dates.
c) **Restrictions on Distributions.** The foregoing provisions of this Article VI to the contrary notwithstanding, no distribution shall be made if such distribution would violate any contract or agreement to which the Company is then a party or any Law or directive of any Governmental Authority then applicable to the Company.

d) **Withholding.** Notwithstanding any other provision of this Agreement, the Manager is authorized to take any action that it determines to be necessary or appropriate to cause the Company to comply with any foreign or United States federal, state or local withholding requirement with respect to any allocation, payment or distribution by the Company to any Member or other Person. All amounts so withheld shall be treated as distributions to the applicable Members under the applicable provisions of this Agreement. If any such withholding requirement with respect to any Member exceeds the amount distributable to such Member under the applicable provisions of this Agreement, or if any such withholding requirement was not satisfied with respect to any amount previously allocated or distributed to such Member, such Member and any successor or assignee with respect to such Member’s LLC Interest hereby agrees to indemnify and hold harmless the Manager and the Company for such excess amount or such withholding requirement, as the case may be.

e) **Record Holders.** Any distribution of Property, whether pursuant to this Article VI or otherwise, shall be made only to Persons that, according to the books and records of the Company, were the holders of record of LLC Interests on the date determined by the Manager as of which the Members are entitled to any such distribution.

f) **Final Distribution.** The Final Distribution following the dissolution of the Company shall be made in accordance with the provisions of Section 9.2.

**ARTICLE VII**

**Accounting, Reporting and Taxation**

7.1 **Fiscal Year.** The books and records of the Company shall be kept on an accrual basis and the fiscal year of the Company shall commence on January 1 and end on December 31 (the “Fiscal Year”).

7.2 **Maintenance of Books and Records.**

a) **Maintenance of Books and Records.** At all times during the continuance of the Company, the Manager shall cause to be kept and maintained (including by the Servicer and any Ownership Entity and including records transferred by the Receiver to the Company in connection with its conveyance of the Mortgage Loans to the Company under the Contribution Agreement), at all times, at the Company’s chief executive office referred to in Section 2.4, a complete and accurate set of files, books and records regarding the Mortgage Loans and the Underlying Collateral, and the Company’s and the relevant secured parties’ interests in the Mortgage Loans and the Underlying Collateral, including records relating to the Collection Account, the Escrow Accounts, the Liquidity Account, the Special Reserve Account and the disbursement of all Mortgage Loan Proceeds. This obligation to maintain a complete and accurate set of records shall encompass all files in the Manager’s or Company’s custody, possession or control pertaining to the Mortgage Loans and the Underlying Collateral, including (except as
required to be held by the Custodian pursuant to the Custodial and Paying Agency Agreement) all 
original and other documentation pertaining to the Mortgage Loans and the Underlying Collateral, 
all documentation relating to items of income and expense pertaining to the Mortgage Loans and 
the Underlying Collateral, and all of the Manager’s (and each Servicer’s and Subservicer’s) 
internal memoranda pertaining to the Mortgage Loans and the Underlying Collateral. The books 
of account shall be maintained in a manner that provides sufficient assurance that: (a) transactions 
of the Company are executed in accordance with the general or specific authorization of the 
Manager consistent with the provisions of this Agreement; and (b) transactions of the Company 
are recorded in such form and manner as will: (i) permit preparation of federal, state and local 
income and franchise tax returns and information returns in accordance with this Agreement and 
as required by Law; (ii) permit preparation of the Company’s financial statements in accordance 
with GAAP and as otherwise set forth herein and the provisions of the reports required to be 
provided hereunder; and (iii) maintain accountability for the Company’s assets.

(b) Retention of Books and Records. The Manager 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 
Closing Date and 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 the Initial Member, the 
FDIC or any of their respective representatives (including any Governmental Authority) and 
agents at the Company’s chief executive office referred to in Section 2.4 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 the Initial Member and the FDIC), in 
each instance upon two (2) Business Days’ prior notice to the Manager. Upon request by the 
Initial Member or the FDIC, the Manager shall promptly send copies (the number of copies of 
which shall be reasonable) of such books and records to such requesting Person or its designee. 
The Manager shall provide the Initial Member and the FDIC with reasonable advance notice of 
the Manager’s intention to destroy or dispose of any documents or files relating to the Mortgage 
Loans and, upon the request of the Initial Member or the FDIC, shall allow such requesting Person 
to recover the same (or copies thereof) from the Company and in the case both the Initial Member 
and the FDIC so request the same, the FDIC shall have the right to recover such documents or 
files, but the Initial Member shall have the right to make copies of such applicable documents or 
files so long as such copies are made while such documents files remain with the Manager or the 
Company (and prior to recovery of the same by the FDIC). The Manager shall also maintain 
complete and accurate records reflecting the status of taxes, ground leases or other recurring 
charges which could become a Lien on any Underlying Collateral. Any expense incurred by the 
Initial Member or the FDIC and any reasonable out-of-pocket expense incurred by the Company 
in connection with the exercise by the Initial Member or the FDIC of its respective rights in this 
Section 7.2(b) to recover or make (or otherwise receive) copies of books, records, documents or 
files shall be borne by such Person so exercising such rights; provided, however, that any expense 
incident to the exercise of such rights pursuant to this Section 7.2(b) as a result of or during 
the continuance of an Event of Default shall in all cases be borne by the Private Owner (except to the 
extent such Event of Default is attributable exclusively to a Manager having been appointed by 
the Initial Member following removal of the Private Owner in such applicable capacity, or to any 
applicable Servicer (and its Subservicers) having been engaged by the Initial Member, the 
Company or the applicable replacement Manager following such removal of the Private Owner as 
Manager, in each case that is not an Affiliate of the Private Owner).
7.3 Financial Statements.

(a) Annual Financial Statements. As soon as practicable following, but no later than ninety (90) days immediately after, the end of each Fiscal Year (commencing with respect to the 2010 Fiscal Year), the Manager shall prepare and deliver to the Initial Member an audited consolidated balance sheet of the Company and the Ownership Entities as at the end of such Fiscal Year, and audited consolidated statements of operations and cash flow of the Company and the Ownership Entities for such Fiscal Year, each prepared in accordance with GAAP and accompanied by the Accountants' report thereon, which shall be certified in the customary manner by the Accountants.

(b) Quarterly Financial Information. As soon as practicable following, but no later than thirty (30) days immediately after, the end of each quarter of each Fiscal Year (other than the last quarter of such Fiscal Year, and commencing with the calendar quarter ending on or about March 30, 2011), the Manager shall prepare and deliver to the Initial Member an unaudited consolidated balance sheet of the Company and the Ownership Entities as at the end of such calendar quarter, and unaudited consolidated statements of operations and cash flow of the Company and the Ownership Entities for such calendar quarter (and, for the first such report, also covering the period from the Closing Date through the end of such calendar quarter), each prepared in accordance with GAAP.

7.4 Additional Reporting and Notice Requirements.

(a) Manager's Duty to the Initial Member and the Secured Parties; Delivery of Certain Notices. In addition to such other reports and access to books, records and reports as are required to be provided under this Agreement, the Manager shall cause to be delivered to the Initial Member and the Purchase Money Note Guarantor such information as is specified in Exhibit B (in addition to the Monthly Report) and such other information relating to the Mortgage Loans, the Underlying Collateral, the Company, the Servicers and any Subservicers as Initial Member or the Purchase Money Note Guarantor may reasonably request from time-to-time and, in any case, shall ensure that Initial Member and the Purchase Money Note Guarantor are promptly advised, in writing, of any matter of which the Manager, any Servicer or any Subservicer becomes aware relating to the Mortgage Loans, the Underlying Collateral, the Collection Account, the Escrow Accounts, the Liquidity Account, the Special Reserve Account or any Borrower or Obligor that materially and adversely affects the interests of the Initial Member hereunder or the Secured Parties. Without limiting the generality of the foregoing, the Manager shall cause to be delivered to the Initial Member and the Purchase Money Note Guarantor information indicating any possible Environmental Hazards with respect to any Underlying Collateral. To the extent that the Initial Member or the Purchase Money Note Guarantor requests information which is dependent upon obtaining such information from a Borrower, Obligor or other third party, the Manager shall cause to be made commercially reasonable efforts to obtain such information but it shall not be a breach by the Manager of this Agreement if the Manager fails to cause such information to be provided to the Initial Member or the Purchase Money Note Guarantor because a Borrower, Obligor or other Person has failed to provide such information after such efforts have been made.
(b) **Monthly Reports.** On or prior to the fifth Business Day immediately preceding the Distribution Date for each month, commencing on the Distribution Date following the calendar month in which the Closing Date occurs, the Company shall deliver or cause the Manager to deliver to the Paying Agent, the Initial Member and the Purchase Money Notes Guarantor the Monthly Report with respect to the relevant Due Period, which Monthly Report shall include the Distribution Date Report specifying the amounts and recipients of all funds to be distributed by the Paying Agent on such Distribution Date; provided, however, that (unless the Company and the Initial Member agree otherwise) the Initial Member will prepare and deliver to the Paying Agent and the Purchase Money Note Guarantor the Monthly Report (including the Distribution Date Report) on behalf of the Company for all Due Periods ending on or before February 28, 2011. Following receipt by the Paying Agent of the Monthly Report (including 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 Monthly Report (including the Distribution Date Report) prepared and delivered by the Manager shall be certified by the chief financial officer (or an equivalent officer) of the Manager. Each Monthly Report prepared and delivered by the Manager shall also include a certification of the Manager that all withdrawals by the Manager from the Collection Account during such Due Period were made in accordance with the terms of this Agreement and the Custodial and Paying Agency Agreement.

(c) **Annual Compliance Certificates.** The Manager shall, and shall cause the Servicer and each Subservicer to, deliver to the Initial Member and the Purchase Money Note Guarantor, on or before March 15 of each year, commencing in the year 2011, an officer's certificate stating, as to the signer thereof, that (i) a review of such party’s activities (in the case of the Manager, for the avoidance of doubt in any capacity under this Agreement) during the preceding calendar year (or other applicable period as set forth below in this Section 7.4(c)) and of its performance under this Agreement (or, as applicable, the Servicing Agreement or any Subservicing 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 (in the case of the Manager, for the avoidance of doubt in any capacity under this Agreement) has fulfilled all of its obligations under this Agreement (or, as applicable, the Servicing Agreement or Subservicing Agreement) in all material respects throughout such year (or other applicable period as set forth below in this Section 7.4(c)) 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. The first such officer’s certificate shall, with respect to any Mortgage Loan, shall cover the period commencing on the Closing Date (and with respect to each Mortgage Loan, including relevant information with respect thereto for the period commencing on the Servicing Transfer Date for such Mortgage Loan) and continuing through the end of the 2010 calendar year. In the event a Servicer or any Subservicer was terminated, resigned or otherwise performed in such capacity for only part of a year (or other applicable period, as the case may be, with respect to the period commencing, with respect to any Mortgage Loan, on the applicable Servicing Transfer Date through the end of the 2010 calendar year), such party shall provide an officer’s certificate pursuant to this Section 7.4(c) with respect to such portion of the year (or other applicable period).

(d) **Annual Compliance Report.** On or before March 15 of each year, commencing in the year 2011, the Manager shall cause each Servicer and Subservicer, each at its...
own expense, 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 this Agreement and that, on the basis of such examination conducted substantially in compliance with either the Uniform Single Attestation Program for Mortgage Bankers or Item 1122 of Regulation AB, such firm is of the opinion that the Manager’s or its Servicers’ or Subservicers’ activities have been conducted in compliance with this Agreement (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.

(e) Audits. Until the later of the date that is ten (10) years after the Closing Date and the date that is three (3) years after the Final Distribution, the Manager shall, and shall cause the Servicer and each Subservicer to, (i) provide any representative of the Initial Member (including any Governmental Authority), during normal business hours and on reasonable notice, with access to all of the books of account, reports and records relating to the Mortgage Loans or any Underlying Collateral, the Servicing Obligations, the Collection Account, the Escrow Accounts, the Liquidity Account, the Special Reserve Account, any account created under the Servicing Agreement, disbursements under the Custodial and Paying Agency Agreement, distributions hereunder or any other matters relating to this Agreement or the rights or obligations hereunder or under the Ancillary Documents; (ii) permit such representatives to make copies of and extracts from the same, (iii) allow Initial Member to cause such books to be audited by accountants selected by the Initial Member, and (iv) allow Initial Member’s representatives to discuss the Company’s, the Manager’s, any Servicer’s and any Subservicer’s affairs, finances and accounts, as they relate to the Mortgage Loans, the Underlying Collateral, the Servicing Obligations, the Collection Account, the Escrow Accounts, the Liquidity Account, the Special Reserve Account or any other matters relating to this Agreement, the Ancillary Documents, or the rights or obligations hereunder and thereunder, with its officers, directors, employees, accountants (and by this provision the Company and the Manager hereby authorizes such accountants to discuss such affairs, finances and accounts with such representatives), Servicers and Subservicers, and attorneys. Any expense incurred by the Initial Member and any reasonable out-of-pocket expense incurred by the Company in connection with the exercise by the Initial Member of its rights in this Section 7.4(e) shall be borne by the Initial Member; provided, however, that any expense incident to the exercise by the Initial Member of its rights pursuant to this Section 7.4(e) as a result of or during the continuance of an Event of Default shall in all cases be borne by the Private Owner (except to the extent such Event of Default is attributable exclusively to a Manager having been appointed by the Initial Member following removal of the Private Owner in such capacity, or to any applicable Servicer (and its Subservicers) having been engaged by the Initial Member, the Company or the applicable replacement Manager following such removal of the Private Owner as Manager, in each case that is not an Affiliate of the Private Owner).

(f) In addition to the foregoing, the Manager shall provide or cause to be provided to the Initial Member, all reports, information (financial or otherwise), certificates and other documents required to be provided by the Company pursuant to the Reimbursement and Security Agreement, and by the Servicer under the Servicing Agreement.
The rights afforded to the Members under this Section 7.4 are in addition to, and not in limitation of, the rights of the Members under Section 18-305(a) of the Act. Section 18-305(c) of the Act shall not apply in relation to the Initial Member.

7.5 Designation of Tax Matters Member. The Private Owner is hereby designated as the "Tax Matters Member" under Section 6231(a)(7) of the Code and under other similar Laws of other relevant jurisdictions, to manage, in consultation with the Initial Member, administrative tax proceedings conducted at the Company level by the Internal Revenue Service or other tax authorities with respect to Company matters. Each Member expressly consents to such designation and agrees that, upon the request of the Tax Matters Member, it will execute, acknowledge, deliver, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent. The Tax Matters Member is specifically directed and authorized to take whatever steps the Tax Matters Member in its sole and absolute discretion deems necessary or desirable to perfect such designation, including, without limitation, filing any forms or documents with the Internal Revenue Service (or other tax authorities) and taking such other action as may from time-to-time be required under the Code, Treasury Regulations or other Laws. The Tax Matters Member shall keep the other Members fully informed as to any tax audits of the Company, including promptly providing the other Members with copies of any correspondence from any taxing authority and permitting the other Member to participate in any conferences or meetings with any taxing authority and in any subsequent administrative or judicial proceedings. The Tax Matters Member shall have the authority, following consultation with the Initial Member, to make any tax elections on behalf of the Company permitted to be made, including the election pursuant to Section 754, under any section of the Code or the Treasury Regulations promulgated thereunder or under other Laws. In the event the Company may be deemed to be a "small partnership" as described in Section 6231(a)(1)(B), each Member consents to the Company's electing to be treated as a partnership to which the provisions of Code Section 6221 et. seq. apply (thereby electing to have Code Section 6231(a)(1)(B)(i) not apply). The Initial Member may, at any time following the occurrence and during the continuation of an Event of Default, remove the Private Owner as the Tax Matters Member, appoint itself (or any other willing Member at the time) as the Tax Matters Member, and serve (or cause such other Member to so serve) in such capacity; provided that such removal shall not relieve the Private Owner as Tax Matters Member of any obligations or liabilities under this Agreement or any Ancillary Document arising, relating to, occurring, or required to have been paid or performed by, the Private Owner as Tax Matters Member in its capacity as such.

7.6 Tax Information.

(a) Within ninety (90) days after the end of each Fiscal Year, the Tax Matters Member shall send, or cause to be sent to, each Person who was a Member at any time during the Fiscal Year then ended a Schedule K-1 and such Company tax information as the Tax Matters Member reasonably believes shall be necessary for the preparation by such Person of its United States federal, state and local tax returns in accordance with any Law. The Tax Matters Member may, at its option and with prior notice to the Initial Member, extend the date when such Schedule K-1 is due by a period no longer than forty-five (45) days prior to the extended due date of the federal tax return for such Fiscal Year. Such information shall include a statement showing such
Person’s share of distributions, income, gain, loss, deductions and expenses and other relevant items of the Company for such Fiscal Year. Promptly upon the request of any Member (or any former Member, for tax years during which such Person was a Member), the Tax Matters Member will furnish to such Member (or former Member):

(i) United States federal, state and local income tax returns or information returns, if any, filed by the Company; and

(ii) at the sole cost and expense of the requesting Member, such other information as such Member may reasonably request for the purpose of applying for refunds of withholding taxes.

(b) For each Due Period, no later than three Business Days prior to the Distribution Date, the Company shall prepare and deliver or cause the Manager to prepare and deliver to the Initial Member a report which shall specify the information with respect to each Mortgage Loan that is sold or otherwise disposed of by the Company so as to enable the Company (and each Member) to comply with allocation provisions of Section 704(c) of the Code, as determined as of the close of business on the applicable Determination Date and certified by an Authorized Representative (who shall be the chief financial officer (or an equivalent officer)) of the Company (the “Tax Allocation Report”). Such report shall be delivered with the Schedule K-1s provided for in Section 7.6(a).

7.7 Business Plan. As promptly as possible, but in no event later than 120 days after the Closing Date, the Manager shall deliver to the Initial Member a written plan (a “Business Plan”) detailing the strategy to be used by it to manage and dispose of the assets of the Company including all of the Mortgage Loans and for achieving the Company’s purposes with respect thereto, in conformity with the Servicing Standard, based, to the extent appropriate, on information gathered by the Company with respect to the Mortgage Loans. The Manager shall meet with the Initial Member as reasonably requested by the Initial Member from time-to-time during the thirty (30) Business Days following the Initial Member’s receipt of the Business Plan, to review and discuss such Business Plan, including changes thereto suggested by the Initial Member. Within thirty (30) Business Days following expiration of such review period, the Manager shall deliver to the Initial member a final version of the Business Plan reflecting such changes as the Manager considers to be appropriate in light of its discussions with the Initial Member during such review period. The Manager shall thereafter review and revise the Business Plan as the circumstances may require, and in any event provide periodic updates to such Business Plan to the Initial Member, commencing in January 31 of 2012, and on an annual basis thereafter, with each such periodic update to be delivered as part of the Monthly Reports due at such time pursuant to Section 7.4(b). Upon reasonable notice by the Initial Member, the Company shall make its personnel who are familiar with the Business Plan available during normal business hours for the purposes of discussing the Business Plan with representatives of the Initial Member and responding to questions therefrom.

(a) The Business Plan will set forth a strategy for the disposition of the Mortgage Loans addressed thereby, which strategy may consist of one or more of the following:

(i) the pay-off of Mortgage Loans at a discount; (ii) modifications of the related Note and/or

FDIC SFR 2010-3 (Final)
A&R Limited Liability Company Operating Agreement
Pool Nos. 24020 and 24021
13235439.7
Mortgage, including reductions in the Mortgage Loan interest rate, reductions in the principal balance and rescheduling of principal payments; (iii) foreclosure upon the related Underlying Collateral (or acquisition thereof by deed in lieu of foreclosure) and subsequent sale thereof; (iv) assumptions of Mortgage Loans by new Borrowers; (v) repairs to Underlying Collateral, with a view towards selling such Underlying Collateral or the Mortgage Loan secured thereby; (vi) sale of a Mortgage Loan, either singly or in pools, before or after restructuring; and (vii) any other method of work-out, rehabilitation and disposition consistent with the Servicing Standard and other general duties of the Company specified in this Agreement.

(b) The Business Plan will set forth a strategy for the disposition of any Acquired Property, which strategy may consist of one or more of the following: (i) the sale or leasing of the Acquired Property in whole or in parts, or in pools; (ii) making repairs to and, if applicable, completion of construction of the Acquired Property or making changes to the Acquired Property so that it may be used for uses other than its current use, with a view toward selling the Acquired Property; (iii) rehabilitation or improvement and, if applicable, completion of construction of the Acquired Property, with a view toward selling the Acquired Property; (iv) continued leasing or sales activity with respect to the Acquired Property available for leasing or sale (in whole or in part) at the time it is transferred to an Ownership Entity; and (v) maintenance, landscaping and general upkeep of the Acquired Property.

(c) The Business Plan shall include projected financial statements, including statements of income, assets, and cash flows for the Company. Projected cash flows must carry through to the termination date of the Company, providing monthly projections for the first 24 months and quarterly projections thereafter. The cash flow projections must reflect gross projected cash inflows, cash outflows, and net funds distributable to the Members.

ARTICLE VIII
Restrictions on Disposition of LLC Interests

8.1 Limitations on Disposition of LLC Interests. Except as otherwise provided in this Article VIII, the Private Owner shall not, directly or indirectly, Dispose of or permit to be Disposed of, all or any part of its LLC Interest or any of its rights or interests under this Agreement, provided, however that the Private Owner may make a direct, outright transfer of its entire (but not less than its entire) LLC Interest if, and only if, (a) (i) the transferee is a single Person that is a Qualified Transferee, (ii) such transferee delivers to the Initial Member a Purchaser Eligibility Certification and the representations and warranties made by such transferee therein shall be true and correct both before and after giving effect to such transfer of the LLC Interest, and (iii) the Private Owner first obtains the prior written consent of the Initial Member and if a Purchase Money Note is outstanding, the Purchase Money Note Guarantor, to such transfer, or (b) such Disposition is done by or at the direction of the Initial Member pursuant to Sections 3.13 or 3.14. The Private Owner shall not Dispose of less than all of its LLC Interest. Transfers by the Private Owner satisfying the foregoing criteria are hereinafter referred to as “Permitted Dispositions.”

8.2 Change of Control. The Private Owner shall not permit any Change of Control to occur with respect to the Private Owner unless (i) it first obtains the prior written consent of the
Initial Member, and if a Purchase Money Note is outstanding, the Purchase Money Note Guarantor, and (ii) following such Change of Control, the Private Owner would be a Qualified Transferee. Without limitation of the preceding sentence, the Private Owner shall provide the Initial Member, and if a Purchase Money Note is outstanding, the Purchase Money Note Guarantor, with immediate notice at the address specified in Section 13.6, of the occurrence of any Change of Control with respect to the Private Owner. Furthermore, the Private Owner may not directly or indirectly sell or pledge (or engage in any transaction with a similar effect) any interest in the Private Owner’s LLC Interest without the prior written consent of the Initial Member, and if a Purchase Money Note is outstanding, the Purchase Money Note Guarantor.

8.3 Additional Provisions Relating to Permitted Dispositions. Except as otherwise expressly provided in this Section 8.3, the following provisions shall apply to each Permitted Disposition under this Article VIII:

(a) In the event the Private Owner proposes to make a Permitted Disposition, the Private Owner shall be required to pay any and all filing and recording fees, fees of counsel and accountants and other out-of-pocket costs and expenses reasonably incurred by the Initial Member and/or the Company in connection with such Permitted Disposition.

(b) The transferee in a Permitted Disposition shall deliver to the Company, with a copy to the Initial Member, an agreement, in form and substance reasonably satisfactory to the Initial Member, by which such transferee shall (i) agree to become a party to and be bound by this Agreement as the “Private Owner,” (ii) agree (if the transferor Member, prior to such transfer, also was the Manager) to be appointed as the “Manager”, and without limitation of the generality of the foregoing, agree to perform when due all of the obligations of the Private Owner and the Manager (if the transferor Member, prior to such transfer, also was the Manager) under this Agreement, and (iv) represent and warrant that it complies with the requirements set forth in Article X.

(c) In connection with each Permitted Disposition, the Private Owner and the transferee shall deliver to the Company and the Initial Member such other documents and instruments as the Initial Member reasonably may request and which are required to effect the Permitted Disposition and to substitute the transferee as a Member.

8.4 Effect of Permitted Dispositions.

(a) Upon consummation of any Permitted Disposition:

(i) the transferee shall be admitted as a member of the Company and be deemed to be a party to this Agreement as the “Private Owner” and, if the transferor Member, prior to such transfer, also was the Manager, such transferee shall be appointed as the Manager (in the place of the transferor Member);

(ii) the transferred LLC Interest shall continue to be subject to all the provisions of this Agreement, and the transferee Member shall have the same status as the Private Owner had at the time of consummation of such Permitted Disposition and, without limiting the generality of the foregoing, any outstanding
breach, misrepresentation, violation or default (with respect to this Agreement or any Ancillary Document) by any direct or indirect predecessor to the transferee as the Member, or by any Affiliate of any such predecessor Member, shall be deemed to constitute an outstanding breach, misrepresentation, violation or default as the case may be, by the transferee Member; and

(iii) subject to Section 8.4(b) and the last sentence of Section 13.8, the transferor Member shall cease to be a member of the Company (and accordingly, except as expressly otherwise provided in Section 8.4(b) or the last sentence of Section 13.8, shall cease to be responsible for the payment or performance of any of the obligations or liabilities under this Agreement of the Private Owner, in any capacity hereunder).

(b) No Permitted Disposition (and no resulting withdrawal or resignation of the transferor Member from the Company) shall:

(i) relieve the transferor Member of any of the obligations or liabilities of the transferor Member, in any capacity, under this Agreement or any Ancillary Document required to have been paid or performed prior to the consummation of such Permitted Disposition (or of any liability it may have arising out of any breach, misrepresentation, violation or default by the transferor Member prior to such consummation);

(ii) result in the termination of, relieve the transferor Member (or any of its Affiliates) of, or otherwise affect, any of the obligations or liabilities of the transferor Member, in any capacity, or its Affiliates under, any Related Party Agreement (such Related Party Agreements to continue in effect in accordance with their respective terms), except to the extent expressly provided in such Related Party Agreement; or

(iii) dissolve the Company.

8.5 Effect of Prohibited Dispositions. Any attempted or purported Disposition of the LLC Interest of the Private Owner (or any portion thereof) not strictly in accordance with the terms of this Agreement shall be void ab initio and of no force or effect whatsoever. The Private Owner shall not be entitled, and hereby specifically waives any right, to receive Company distributions during (i) the period between any attempted or purported Disposition of the LLC Interest of the Private Owner (or any portion thereof) not strictly in accordance with the terms of this Agreement and the express rescission of such attempted or purported Disposition by the Private Owner and (ii) during any period when a Member is in violation of Section 8.2, provided that all such omitted Company distributions shall (subject to Section 8.6) be made to the Private Owner (without interest) forthwith after the end of the relevant suspension period.

8.6 Distributions After Disposition. Distributions with respect to an LLC Interest made on or after the effective date of the Permitted Disposition of such LLC Interest shall be made to the transferee Member with respect to such LLC Interest, regardless of when such distributions accrued on the books of the Company.
8.7 Transfers by the Initial Member. Notwithstanding anything to the contrary contained in this Agreement, except as provided by applicable Law, there shall be no restriction on the Initial Member’s ability to Dispose of the LLC Interest held by it, directly or indirectly, to any Person and the Private Owner shall have no right to purchase or right-of-first-refusal in connection with any such sale; provided, that, the Initial Member may not assign the consent and voting rights associated with its LLC Interest in the Company to more than one Person (for the avoidance of doubt, except as expressly provided above, the foregoing restriction shall not otherwise limit the Initial Member’s right to Dispose of any interest associated with its LLC Interest in the Company) and provided, further, that in the event the Initial Member determines to sell the LLC Interest held by it through an auction process, the Private Owner shall be entitled to participate in such auction on the same terms that apply generally to other participants in the auction. At the election of the Person then constituting the “Initial Member” under this Agreement, the transferee in any direct Disposition of any portion of the LLC Interest of the Initial Member shall, upon delivery to the Company, with a copy to the Private Owner, of an agreement by which such transferee shall agree to become a party to and be bound by this Agreement as the “Initial Member,” be admitted as a member of the Company and be deemed to be a party to this Agreement as the “Initial Member”, and thereupon, subject to the last sentence of Section 13.8, the transferor Member shall cease to be a member of the Company (and accordingly, except as expressly otherwise provided in the last sentence of Section 13.8, shall cease to be responsible for the payment or performance of any of the obligations or liabilities under this Agreement of the Initial Member).

8.8 Resignation; Dissolution.

(a) The Private Owner shall not withdraw or resign from the Company, except (i) in connection with a Permitted Disposition made in accordance with the applicable provisions of this Article VIII or (ii) with the prior written consent of the Initial Member.

(b) The Private Owner covenants that it shall not allow a Dissolution Event to occur with respect to itself.

(c) Section 18-304 of the Act shall not apply to the Company. Nothing in this Section 8.8(c) shall limit the terms of Section 9.1 hereof.

(d) Except as is otherwise expressly provided in this Agreement, no Member shall be entitled to receive any payment pursuant to Section 18-604 of the Act.

8.9 Applicable Law Withdrawal. If, as a result of applicable Law, the ownership of an LLC Interest by a Member becomes illegal or is likely to become illegal or the applicable Law more likely than not requires divestiture of such Member’s LLC Interest, or the applicable Law requires the Company to register as an investment company under the Investment Company Act, then the Manager and the Member shall use their respective commercially reasonable efforts to avoid a violation of any such applicable Law by a Member or the need for the Company to register as an investment company. These steps may include, depending on the provisions of such applicable Law, (i) arranging for the sale of the Member’s LLC Interest to a third party upon terms reasonably satisfactory to the Member in a transaction that complies with Articles FDIC SFR 2010-3 (Final) A&R Limited Liability Company Operating Agreement Pool Nos. 24020 and 24021 13235439.7
VIII and X; (ii) making any appropriate applications to the relevant Governmental Authority, (iii) prohibiting such Member from making further Capital Contributions, and converting its LLC Interest into a special interest with no voting or similar rights but with only an economic right (identical to its prior rights as a Member), or (iv) permitting the Member to withdraw from the Company in exchange for a “payment” to such Member equal to the value of its LLC Interest at the time of withdrawal, such value to be determined by a third party appraiser mutually agreeable to the Manager and all Members. The aforesaid “payment” shall be made in cash unless the Manager determines that the payment in cash would be economically detrimental to the Company, in which case such payment may be made in kind, subject to the applicable Law. The timing of any such withdrawal must be mutually agreeable to the Member and the Manager taking proper account of the effective date of the applicable Law or registration requirement that is the basis for the withdrawal or other remedy provided herein and the need of the Manager for a reasonable period of time to find a solution to the illegality or requirement for divestiture or registration. Such illegality, divestiture or registration requirement must be established by (x) an opinion of counsel (which counsel shall be reasonably satisfactory to the Manager and the Initial Member) substantially to the effect that the ownership of the LLC Interest more likely than not will result in such illegality or requirement for registration or divestiture or (y) upon a ruling or order from a Governmental Authority.

ARTICLE IX
Dissolution and Winding-Up of the Company

9.1 Dissolution. A dissolution of the Company shall take place upon the first to occur of the following:

(a) the agreement by all Members to dissolve the Company (it being understood and agreed that neither Member, acting alone, shall have the right unilaterally to dissolve the Company);

(b) the sale of all or substantially all of the Company Property (other than cash and cash equivalent instruments), including as an entirety or substantially as an entirety; or

(c) notice to such effect to the Private Owner from the Initial Member at any time after the occurrence of a Dissolution Event or an Insolvency Event with respect to the Private Owner or any Person that Controls the Private Owner; or

(d) exercise of the Clean-Up Call and liquidation of all remaining Mortgage Loans and Acquired Property of the Company in accordance with Section 12.17.

9.2 Winding-Up Procedures. If a dissolution of the Company pursuant to Section 9.1 occurs, subject to the Company’s compliance with its obligation under the other agreements to which it is a party, the other terms and conditions of this Agreement or the Ancillary Documents, the Manager shall proceed as promptly as practicable to wind up the affairs of the Company in an orderly and businesslike manner. A final accounting shall be made by the Manager. As part of the winding up of the affairs of the Company, the following steps will be taken:
(a) The assets of the Company shall be sold except to the extent that some or all of the assets of the Company are retained by the Company for distribution to the Members as hereinafter provided.

(b) The Company shall comply with Section 18-804(b) of the Act.

(c) Distributions of the assets of the Company after a dissolution of the Company shall be conducted as follows:

(i) first, to creditors, but excluding Members who are creditors (other than the Initial Member, to the extent it continues to hold the Purchase Money Note), to the extent otherwise permitted by Law (and, to the extent permitted, in accordance with the Priority of Payments), in satisfaction of liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof);

(ii) second, to Members or former Members who are creditors, to the extent otherwise permitted by Law, in satisfaction of liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof) other than liabilities for which reasonable provision for payment has been made and liabilities for distributions to Members and former Members under Section 18-601 of the Act;

(iii) third, to Members and former Members in satisfaction of liabilities (if any) for distributions under Section 18-601 of the Act; and

(iv) finally, to the Members in the manner set forth in Section 6.6(b).

(d) Upon dissolution, the Manager, may, with the consent of all Members, (i) liquidate all or a portion of the Company assets and apply the proceeds of such liquidation in the manner set forth in Section 9.2(c) and/or (ii) hire independent appraisers to appraise the value of the Company assets not sold or otherwise disposed of or determine the Fair Market Value of such assets, and allocate any unrealized gain or loss determined by such appraisal to the Members' respective Capital Accounts as though the properties in question had been sold on the date of distribution and, after giving effect to any such adjustment, distribute said assets in the manner set forth in Section 9.2(c), provided that the Manager shall in good faith attempt to liquidate sufficient Company assets to satisfy in cash the debts and liabilities described in Section 9.2. If a Member shall, upon the advice of counsel, determine that there is a reasonable likelihood that any distribution in kind of an asset would cause such Member to be in violation of any Law, such Member and the Manager shall each use its best efforts to make alternative arrangements for the sale or transfer into an escrow account of any such distribution on mutually agreeable terms.

9.3 Termination of the Company.

Upon the dissolution of the Company and the completion of the winding up process set forth in Section 9.2, the Manager (or such other Person or Persons as the Act may require or permit) shall cause the cancellation of the Certificate and any filings made as provided
in clause (c) of Section 4.3 and shall take (or cause to be taken) such other actions as may be necessary to terminate the Company.

ARTICLE X
Qualified Transferees

10.1 Qualified Transferees. Each Member, other than the Initial Member (including, for the avoidance of doubt, the Initial Member’s Successors and transferees), shall at all times be in compliance with the following (and any proposed transferee of any LLC Interest in compliance with the following shall be deemed a "Qualified Transferee"):

(a) Organization; Good Standing; Licenses. Such Member (i) is a Single Purpose Entity duly organized, validly existing and in good standing under the Laws of the state of its organization, (ii) has qualified or will qualify to do business as a foreign corporation, partnership or other entity and will remain so qualified, and is and will remain in good standing, in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary and in which failure to so qualify would have a material adverse effect upon such Member or its ability to perform its obligations hereunder, (iii) has full power to own its property, to carry on its business as presently conducted, and to enter into and perform its obligations under this Agreement, (iv) has all licenses or other governmental approvals necessary to perform its obligations hereunder; (v) except with respect to the Private Owner either (y) has a net worth calculated in accordance with GAAP of not less than $5,000,000, excluding the value of the LLC Interest of such Member or (z) holds demand notes in the aggregate principal amount of $5,000,000 from its Specified Parents, and (vi) in the case of the Private Owner, as of the Closing Date, is wholly owned and Controlled by its Specified Parent.

(b) Authorization; No Violation. The execution and delivery by such Member of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary action. Neither the execution and delivery of this Agreement, nor the consummation of the transactions herein contemplated, nor compliance with the provisions hereof, will conflict with or result in a breach of, or constitute a default under, (i) any of the provisions of any Law binding on such Member or its properties, (ii) the constituent documents of such Member, or (iii) any of the provisions of any indenture, mortgage, contract or other instrument to which such Member is a party or by which it is bound or result in the creation or imposition of any Lien upon any of its property pursuant to the terms of any such indenture, mortgage, contract or other instrument.

(c) Governmental Approvals. All actions, approvals, consents, waivers, exemptions, variances, franchises, orders, permits, authorizations, rights and licenses required to be taken, given or obtained, as the case may be, by or from any Governmental Authority or agency that are necessary in connection with the execution and delivery by such Member of this Agreement and the consummation of the transactions contemplated hereby and the performance of its obligations hereunder, have been duly taken, given or obtained, as the case may be, are in full force and effect, are not subject to any pending proceedings or appeals (administrative, judicial or otherwise) and either the time within which any appeal therefrom may be taken or review thereof may be obtained has expired or no review thereof may be obtained or appeal therefrom taken.
(d) **No Litigation.** On the date such Member becomes a party to this Agreement, there is no action, suit, proceeding or investigation pending or threatened against such Member before any Governmental Authority.

(e) **No Violation of Orders, Decrees, etc.** Such Member is not in default with respect to any order or decree of any Governmental Authority or any Law.

(f) **Third Party Consents.** No consents, approvals, waivers or notifications of stockholders, creditors, lessors or other nongovernmental persons are required to be obtained by such Member in connection with the execution and delivery of this Agreement and the consummation of all the transactions herein contemplated and the performance of its obligations hereunder.

(g) **Owners Accredited Investors.** All of the equity owners of such Member are "accredited investors," as that term is defined in Rule 501 under the Securities Act.

(h) **Knowledge and Experience.** Such Member, either by itself or through its advisers and principals, has such knowledge and experience in the origination, servicing, sale and/or purchase of performing and non-performing or distressed loans, and loans secured by residential and commercial properties, as well as financial and business matters, as to enable such Member to utilize the information made available to it with respect to the LLC Interest acquired by it and the Mortgage Loans to evaluate the merits and risks of a purchase of the LLC Interest acquired by it and, indirectly, the Mortgage Loans, and to make an informed decision with respect thereto.

(i) **Economic Risks.** Such Member acknowledges, understands and represents that it is able to bear the economic risks associated with the acquisition and ownership of the LLC Interest acquired by it and, indirectly, the Mortgage Loans, including the risk of a total loss of its investment in the Company and, indirectly, the Mortgage Loans and/or the risk that it may be required to hold the LLC Interest and, indirectly, the Mortgage Loans for an indefinite period of time.

(j) **No Representations.** Such Member hereby acknowledges that, except as is otherwise expressly provided in this Agreement, the Transferred LLC Interest Sale Agreement, or the Contribution Agreement, none of the Initial Member or the FDIC or any Affiliate of either, or any of their respective officers, directors, employees, agents or contractors, makes or has made any representation or warranty regarding the Company, the LLC Interest or the Mortgage Loans or the value of any Underlying Collateral.

(k) **Due Diligence.** Such Member acknowledges and agrees that, whether or not information is available with respect to the LLC Interest or the Mortgage Loans and whether or not it chooses to review any information that is or was made available to it regarding the LLC Interest or the Mortgage Loans, such Member, by itself or through its advisers or principals, has the ability and shall be responsible for making its own independent investigation and evaluation of the LLC Interest and the Mortgage Loans and the economic, credit or other risks involved in an acquisition of the LLC Interest and, indirectly, the Mortgage Loans. Except as is otherwise expressly provided in this Agreement, none of the Initial Member or the FDIC or any Affiliate of...
either, or any of their respective officers, directors, employees, agents or contractors, makes or has
made any representation or warranty as to the completeness or accuracy of any information
provided.

(i) No Securities. Such Member acknowledges and agrees that (i) neither the
offer nor the sale of the LLC Interest (and, indirectly, the Mortgage Loans) is intended to
constitute an offer or sale of a "security" within the meaning of the Securities Act or any
applicable federal or state securities Laws, (ii) no inference that any of the LLC Interest or the
Mortgage Loans is a "security" under such federal or state securities Laws shall be drawn from
any of the certifications, representations or warranties made by any Person in this Agreement,
(iii) it is not contemplated that any filing will be made with the Securities and Exchange
Commission or pursuant to the "Blue Sky'' or securities Laws of any jurisdiction, and (iv) if any
of the LLC Interest or the Mortgage Loans is a security, such may not be resold or otherwise
transferred by such Member except in accordance with any and all applicable securities and Blue
Sky Laws.

(m) Resales. Such Member is acquiring the LLC Interest (and, indirectly, the
Mortgage Loans) for its own account and not with a view toward resale in a distribution within the
meaning of the Securities Act.

(n) Resales in Compliance with Law. Such Member will not (i) offer, pledge,
sell or otherwise dispose of the LLC Interest (or any interest therein) or any Mortgage Loan (or
any interest therein or evidence thereof) to, or (ii) solicit any offer to buy or accept a transfer,
pledge or other disposition of the LLC Interest (or any interest therein) or any Mortgage Loan (or
any interest therein or evidence thereof) from, or (iii) otherwise approach or negotiate with respect
to the LLC Interest (or any interest therein) or any Mortgage Loan (or any interest therein or
evidence thereof) with, any person or entity in any manner, or take any other action, that would
(A) not comply with Article VIII, or (B) render the transfer to such Member of the LLC Interest or
any interest in any Mortgage Loan a violation of any Law relating to the issuance, regulation,
registration or disposition of securities, nor will it so act, nor will it authorize any person or entity
to so act, in any manner with respect to the LLC Interest (or any interest therein) or any Mortgage
Loan (or interest therein or evidence thereof).

(o) Acquisition in Compliance with Law. Such Member's acquisition of the
LLC Interest and the resulting indirect investment in the Mortgage Loans will comply with all
applicable Laws, including any and all Laws and/or restrictions imposed on resale of the LLC
Interest and the Mortgage Loans by federal and state securities or Blue Sky Laws.

(p) Independent Evaluation. Such Member has made an independent
evaluation of the Company and its assets (including the Mortgage Loans and related Mortgage
Loan files and/or any electronic data made available to it pertaining to the Mortgage Loans held
by the Company). Such Member also has conducted such other investigations as it deems
appropriate, including searches of Uniform Commercial Code, title, court, bankruptcy and other
public records. Such Member agrees and represents that it is entering into this Agreement solely
on the basis of its own investigations and its judgment as to the value of the LLC Interest and the
nature, validity, enforceability, collectability and value of the Mortgage Loans and all other facts
material to their ownership, including with respect to the legal matters and risks relating to the collection and enforcement, and the performance of any obligations under any of the Mortgage Loans in any jurisdiction. Such Member further acknowledges that no officer, director, employee, agent, representative or contractor of the Initial Member or any of its Affiliates has been authorized to make any statements or representations other than those specifically contained in this Agreement or the Contribution Agreement.

(q) **Embargoed Person.** Such Member certifies, represents and warrants that (a) no consideration that such Member or any of its Affiliates contributes hereunder or under the Ancillary Documents in connection with any transaction regarding any assets will have been derived from or related to any activity that is deemed criminal under United States Law; (i) neither it nor any of its Affiliates or Direct Owners is an Embargoed Person; (iii) neither it nor any of its Affiliates or Direct Owners engages in any dealings or transactions, or is otherwise "associated with" (as defined in 31 C.F.R. 594.101, "et seq."), any Embargoed Person; and (iv) if and to the extent such Member or any of its Affiliates are required by Law to maintain an anti-money laundering compliance program under applicable anti-money laundering Laws and regulations, including without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56)) such compliance programs are currently being maintained. For purposes of the foregoing certifications, representations and warranties, such certifications, representations and warranties shall be based upon a due inquiry and investigation; provided, however, that for purposes of determining whether any of the same with respect to indirect ownership are true, the undersigned shall not be required to make an investigation into the ownership of publicly-traded securities (including securities of open-end investment companies registered under the Investment Company Act of 1940, as amended) or the ownership of assets by a collective investment fund that holds assets for employee benefit plans or retirement arrangements.

(r) **ERISA Plan Asset.** The assets of such Member (including any successor to or transferee of such Member) are not deemed to be "plan assets" within the meaning of Section 3(42) of ERISA and the "plan asset" regulations set forth in 29 C.F.R. Section 2510.3-101 as promulgated under ERISA, modified to the extent applicable by Section 3(42) of ERISA (the "Plan Asset Regulation").

(s) **Purchase Eligibility.** Each of such Members and any Person that, together with its Affiliates, directly or indirectly holds 25% or more of the equity interests of such Member is and remains capable of truthfully making the representations and warranties in the Purchaser Eligibility Certification.

(t) **Qualified Purchaser.** Such Member is a "qualified purchaser" within the meaning of Section 3(c)(7) of the Investment Company Act.

**ARTICLE XI**

**Manager Liability**

11.1 Liability of the Manager.
(a) Except as otherwise specifically provided in this Agreement (including in the other subsections of this Section 11.1), the duties (including fiduciary duties) and obligations owed to the Company and Initial Member by the Manager shall be as provided in Section 3.1(b) hereof.

(b) The Manager may rely, and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(c) The Manager may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the opinion of such Persons as to matters that the Manager reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

(d) The Manager shall not be liable to the Company or the Members for its good faith reliance on the provisions of this Agreement.

(e) The limitations and exculpation afforded by each provision of this Section 11.1 are cumulative and not exclusive. Nothing in this Section 11.1 is intended, or shall be deemed, to permit conduct that would otherwise constitute misappropriation of a trade secret of the Company under applicable Law or conduct that, even disregarding the terms hereof otherwise would be actionable by the Company or any Member.

ARTICLE XII
Servicing of Mortgage Loans

12.1 Servicing.

(a) Appointment and Acceptance as Servicer. Effective as of the Closing Date, but subject to Section 3.3 of the Contribution Agreement (with which the Manager agrees to comply as though such provision was set forth herein), the Manager is hereby appointed (and hereby accepts the appointment) with full authority and responsibility, in its own name, to act as the servicer for the Mortgage Loans and any Underlying Collateral. Until such time as the Company is dissolved and liquidated pursuant to Article IX, and except as otherwise provided in Section 12.4 and subject to the interim servicing being provided by the Initial Member pursuant to Section 3.3 of the Contribution Agreement, the Manager shall, with respect to each Mortgage Loan, from and after the Servicing Transfer Date with respect thereto, be responsible for (and hereby assumes responsibility for) servicing, administering, managing and disposing of the Mortgage Loans and the Underlying Collateral in accordance with the Servicing Standard set forth in Section 12.2, and in the Servicing Agreement and the other provisions of this Article XII, including the provisions of Section 12.3 (which require that servicing be performed through one or more Qualified Servicers). Without in any way limiting the foregoing, but subject to Section 3.3 of the Contribution Agreement, the Manager shall cause the Mortgage Loans (including, for all purposes under this Article XII, the related Underlying Collateral) to be

FDIC SFR 2010-3 (Final)
A&R Limited Liability Company Operating Agreement
Pool Nos. 24020 and 24021
13235439.7
serviced as follows: (a) such Mortgage Loan shall, except as provided in the immediately
following subsection (b), be serviced by the Servicer(s) appointed in accordance with Section 12.3
below, and (b) following the replacement of the Servicer as a result of an Event of Default, the
Mortgage Loans shall be serviced by the Servicer appointed by the Initial Member in accordance
with Section 12.4 below. All servicing of Mortgage Loans following the Closing Date shall be
performed in accordance with the terms of the Contribution Agreement and this Article XII.

(b) Servicing and Subservicing Agreement Requirements. Except as is
otherwise agreed in writing by the Initial Member, each Servicing Agreement (and any
Subservicing Agreement with any Subservicer) shall, among other things,

(i) provide for the servicing of the Mortgage Loans and management
of the Underlying Collateral by the Servicer (or Subservicer) in accordance with
the Servicing Standard and the other terms of this Agreement;

(ii) be terminable upon no more than thirty (30) days prior notice if an
Event of Default or any default under the Servicing Agreement (or Subservicing
Agreement) has occurred;

(iii) provide that the Manager (in its individual capacity) and the Initial
Member (and, in the case of any Subservicing Agreement, the Servicer) shall be
entitled to exercise termination rights under the relevant Servicing Agreement or
Subservicing Agreement (it being understood that the Initial Member shall only
exercise such termination rights as contemplated or permitted in this Agreement);

(iv) provide that the Servicer (or any Subservicer) and the Manager (in
its individual capacity) acknowledge that the Servicing Agreement (or
Subservicing Agreement) constitutes a personal services agreement between the
Manager (in its individual capacity) and the Servicer (or between the Servicer and
the Subservicer, as applicable);

(v) provide that (A) each of the Company, the Purchase Money Note
Guarantor, (if any Purchase Money Note is outstanding) and the FDIC are third
party beneficiaries thereunder to the extent of any rights expressly granted to such
Person under the Servicing Agreement or Subservicing Agreement and is entitled
to enforce the Servicing Agreement or Subservicing Agreement, as applicable,
with respect to such rights, (B) the Initial Member and, in the case of any
Subservicing Agreement, the Manager (in its individual capacity) is a third party
beneficiary thereunder; and further provide that in no event shall any amendment
or waiver to any such Servicing Agreement or Subservicing Agreement limit or
affect any rights of any such third party beneficiary thereunder without the
express written consent of such third party beneficiary;

(vi) provide that (A) upon the removal of the Private Owner as the
Manager or the occurrence of an Event of Default, the Initial Member (and any
successor Manager) may exercise all of the rights of the Manager thereunder and
cause the termination or assignment of the same to any other Person, without
penalty or payment of any fee, and (B) upon the occurrence of any default under the Servicing Agreement, the Initial Member (and any successor Manager) may exercise all of the rights of (1) the Manager under such Servicing Agreement and cause the termination or assignment of the same to any other Person, without penalty or payment of any fee, and (2) the Servicer under the Subservicing Agreement and cause the termination or assignment of the Subservicing Agreement to any other Person, without penalty or payment of any fee (it being understood that the Initial Member shall only exercise the foregoing rights as contemplated or permitted in this Agreement);

(vii) provide that the Initial Member, the Manager, the Purchase Money Note Guarantor (if a Purchase Money Note is outstanding) and the Company (and each of their respective representatives) shall each have access to and the right to review, copy and audit the books and records of each Servicer and any Subservicers and that all Servicers and all Subservicers shall make available their respective officers, directors, employees, accountants and attorneys to answer the Initial Member’s, the Manager’s, the Purchase Money Note Guarantor’s and the Company’s (and each of their respective representatives’) questions or to discuss any matter relating to the Servicer’s or Subservicer’s affairs, finances and accounts, as they relate to the Mortgage Loans, the Underlying Collateral, the Collection Account or any other accounts established or maintained pursuant to this Agreement, the Custodial and Paying Agency Agreement, the Servicing Agreement or any Subservicing Agreement, or any matters relating to the Servicing Agreement or any Subservicing Agreement or the rights or obligations thereunder;

(viii) provide that all Mortgage Loan Proceeds are to be deposited into the Collection Account on a daily basis (without reduction or setoff) within two Business Days of receipt and that under no circumstances are funds, other than Mortgage Loan Proceeds and interest and earnings thereon and the proceeds of Excess Liquidity Advances to be commingled in the Collection Account;

(ix) provide that the Servicer or Subservicer shall not sell, transfer or assign its rights under the Servicing Agreement or Subservicing Agreement, as applicable, other than Servicer’s rights to delegate to Subservicers certain responsibilities thereunder as and to the extent permitted by this Agreement, and that any prohibited sale, transfer or assignment shall be void ab initio;

(x) provide that (A) the Servicer or Subservicer consents to the immediate termination of the Servicer or Subservicer, as applicable, upon the occurrence of a termination event under the Servicing or Subservicing Agreement, as applicable, and upon the occurrence of any Insolvency Event with respect to the Servicer or Subservicer or any of their respective Related Parties, as applicable, and (B) the occurrence of any Restricted Servicer Change of Control with respect to the Servicer or of any Insolvency Event with respect to the Servicer or Subservicer or any Related Party thereof constitutes a default under
the Servicing or Subservicing Agreement, as applicable; provided, that, in the
case of the Servicing Agreement, the occurrence of an Insolvency Event with
respect to a Subservicer or Related Party thereof (which is not an Related Party of
the Servicer) may, at the election of the Manager, be subject to a cure period of
not more than thirty (30) days for replacement of the affected Subservicer (in a
manner that will permit the Manager to comply with its obligations hereunder);

(xi) provide that there shall be no right of setoff on the part of the
Servicer or Subservicer against the Mortgage Loan Proceeds (or the Company);

(xii) provide for such other matters as are necessary or appropriate to
ensure that the Servicer or Subservicer is obligated to comply with the Servicing
Obligations of the Manager hereunder;

(xiii) provide a full release and discharge of the Initial Member, the
Company, the Existing Servicers, the FDIC, in relation to any particular Mortgage
Loan, the relevant Failed Bank and any predecessor-in-interest thereof, any
Ownership Entities existing as of the applicable Servicing Transfer Date, and all
of their respective officers, directors, employees, agents, attorneys, contractors
and representatives, and all of their respective successors, assigns and Affiliates
(but excluding, in all cases, the Manager (in its individual capacity)) (any such
Person, a "Prior Servicer" and collectively, the "Prior Servicers"), from any and
all claims (including any counterclaim or defensive claim), demands, causes of
action, judgments or legal proceedings and remedies of whatever kind or nature
that the Servicer had, has or might have in the future, whether known or
unknown, which are related in any manner whatsoever to the servicing of the
Mortgage Loans by the Prior Servicers prior to the applicable Servicing Transfer
Date (other than due to gross negligence, violation of law or willful misconduct of
such Prior Servicer);

(xiv) provide that, to the extent required under Section 12.3(g), that all
Mortgage Loans registered on the MERS® System shall remain registered unless
default, foreclosure or similar legal or MERS requirements dictate otherwise;

(xv) provide that the Servicer or Subservicer shall immediately notify
the Manager and the Initial Member upon becoming aware of any Subservicer or
any Affiliate of the Servicer or of any Subservicer at any time, (A) being or
becoming a partner or joint venturer with any Borrower or Obligor, (B) being or
becoming an agent of any Borrower or Obligor, or allowing any Borrower or
Obligor to be an agent of such Servicer or any Subservicer or of any Affiliate of
the Servicer or any Subservicer, or (C) having any interest whatsoever in any
Borrower or Obligor;

(xvi) provide that the Servicer shall immediately notify the Manager and
the Initial Member of the occurrence of any Change of Control with respect to the
Servicer; and
(xvii) not conflict with the Servicing Standard or any other terms or provisions of this Agreement, the Custodial and Paying Agency Agreement or any of the other Ancillary Documents insofar as such other terms or provisions hereof or thereof are required to be imposed by the Manager (in its individual capacity) on the Servicer (or Subservicers) in the Servicing Agreement (or Subservicing Agreements). Nothing contained in any Servicing Agreement or any Subservicing Agreement shall alter any obligation of the Manager under this Agreement and, in the event of any inconsistency between the Servicing Agreement (or any Subservicing Agreement) and the terms of this Agreement, among the Parties to this Agreement the terms of this Agreement shall control.

12.2 Servicing Standard. The Manager shall perform the Servicing Obligations: (i) in the best interests and for the benefit of the Initial Member and the Company, (ii) in accordance with the terms of the Mortgage Loans (and related Mortgage Loan Documents), (iii) in accordance with the terms of this Agreement and the other Ancillary Documents, (iv) in accordance with all applicable Law, and (v) to the extent consistent with the foregoing terms, in the same manner in which a prudent servicer would service and administer similar loans and in which a prudent servicer would manage and administer similar properties for its own portfolio or for other Persons, whichever standard is higher, but using no less care and diligence than would be customarily employed by a prudent servicer following customary and usual standards of practice of prudent mortgage lenders, loan servicers and asset managers servicing, managing and administering similar loans and properties on an arms’ length basis, provided that, with respect to each Mortgage Loan and related Underlying Collateral, in the absence of a customary and usual standard of practice, the Company shall comply with the applicable Fannie Mae Guidelines, if any, with respect to similar loans and properties in similar situations. The Manager shall cause its Servicing Obligations with respect to the Mortgage Loans and the Underlying Collateral to be performed without regard to (w) any relationship that the Company, the Manager, or any Servicer or Subservicer, or any of their respective Affiliates may have to any Borrower, Obligor or other obligor, or any of their respective Affiliates, including any other banking or lending relationship, (x) the Company’s, the Manager’s, or any Servicer’s or Subservicer’s, obligation to make disbursements and advances with respect to the Mortgage Loans and Underlying Collateral, (y) any relationship that the Servicer or any Subservicer may have to each other or to the Company, the Manager or any of their respective Affiliates, or any relationship that any of their respective Affiliates may have to the Company, the Manager or any of their respective Affiliates (other than the contractual relationship evidenced by this Agreement or the Servicing Agreement or any Subservicing Agreement), and (z) the Manager’s, or any Servicer’s or Subservicer’s, right to receive compensation (including the Management Fee and any Interim Management Fee) for its services under this Agreement, the Servicing Agreement or any Subservicing Agreement. Without limiting the generality of the foregoing, the Manager’s Servicing Obligations hereunder shall include the following:

(a) discharging in a timely manner each and every obligation which the Mortgage Loan Documents provide is to be performed by the lender thereunder, on its own behalf and on behalf of the Company and the Initial Member and in the case of REO Property, which the Mortgage Loan Documents that were applicable to the Underlying Collateral before it became REO Property provided were to be performed by the borrower thereunder in respect of such
Underlying Collateral (not including payment of debt service under the applicable Mortgage Loan Documents), together with such additional obligations as are required of the Company under this Agreement or the Servicing Agreement in respect of such REO Property;

(b) incurring costs (including Servicing Expenses and Pre-Approved Changes) in accordance with the provisions of the Mortgage Loan Documents, and in the case of REO Property, in accordance with the Mortgage Loan Documents that were applicable to the REO Property before it became an REO Property (not including payment of debt service under the applicable Mortgage Loan Documents) and otherwise in accordance with the Reimbursement and Security Agreement;

(c) causing to be maintained for the Underlying Collateral (including any Acquired Property) with respect to each Mortgage Loan with respect to which an Ownership Entity or the Borrower has failed to maintain required insurance with extended coverage as is customary in the area in which the Underlying Collateral is located and in such amounts and with such deductibles as the Manager may, in the exercise of its reasonable discretion, determine are prudent and as required under this Agreement and the Reimbursement and Security Agreement;

(d) ensuring compliance with the terms and conditions of each insurer under any hazard policy and preparing and presenting claims under any policy in a timely fashion in accordance with the terms of the policy;

(e) supervising and coordinating the construction, ownership, management, leasing and preservation of the Acquired Property as well as all other matters involved in the administration, preservation and ultimate disposition of the Acquired Property as would be taken by a prudent asset manager managing properties similar to the Acquired Property and as required of the Company under this Agreement, and the Reimbursement and Security Agreement;

(f) administering the making of advances to Borrowers under the Mortgage Loans pursuant to and in accordance with the provisions herein and in the Custodial and Paying Agency Agreement governing the making of Funding Draws;

(g) to the extent consistent with the foregoing, seeking to maximize the timely and complete recovery of principal and interest on the Mortgage Loans and otherwise to maximize the value of the Mortgage Loans and the Underlying Collateral;

(h) except as otherwise set forth in this Agreement, making decisions under, and enforcing and performing in accordance with, the Mortgage Loan Documents all loan administration, inspections, review of financial data and other matters involved in the servicing, administration and management of the Mortgage Loans and the Underlying Collateral;

(i) ensuring that all filings required to maintain perfection in any Underlying Collateral remain up to date and in force, including Uniform Commercial Code financing statements;

(j) ensuring that each Borrower (or in the case of REO Property, the applicable Ownership Entity) is diligently performing all applicable construction work using all
commercially reasonable efforts in accordance with the requirements of the applicable Mortgage Loan Documents (in the case of REO Property) and herein; and

(k) providing the Servicers and Subservicers with copies of such Ancillary Documents (or portions thereof) as are necessary for the Servicers or Subservicers to be familiar with in order to perform their respective obligations provided for in this Agreement, the Servicing Agreements or the Subservicing Agreements, as applicable.

12.3 Servicing of Mortgage Loans.

(a) Appointment of the Servicers. The Manager (in its individual capacity) has entered into one or more Servicing Agreements dated the date hereof to provide for the servicing and administration and management of the Mortgage Loans and Underlying Collateral by one or more Qualified Servicers named therein (each, together with other Qualified Servicers, a "Servicer"). Each Servicer, at all times during which it acts as Servicer, shall continue to satisfy the definition of Qualified Servicer. With respect to the Interim Servicing Period, and subject to the provisions of Section 3.3 of the Contribution Agreement, each Mortgage Loan shall at all times be serviced (and any Underlying Collateral managed) by or through at least one Servicer (including any Subservicers engaged by the Servicer as permitted hereunder) and the performance of all day-to-day Servicing Obligations of the Manager shall be conducted by or through one or more Servicers (including any Subservicers permitted hereunder). Subject to the other terms and conditions of this Agreement, any Servicer may be an Affiliate of the Private Owner or of the Manager. Each Servicer may engage or retain one or more Subservicers, including Affiliates of the Private Owner or of the Manager, to perform certain of its duties under the Servicing Agreement, as it may deem necessary and appropriate, by entering into a Subservicing Agreement with each such Subservicer, provided that any Subservicer meets (and at all times continues to meet) the requirements set forth in the definition of Qualified Servicer and the terms of the applicable Subservicing Agreement comply with the terms of this Agreement and the applicable Servicing Agreement. The costs and fees of the Servicers (and any Subservicers) shall be borne exclusively by the Manager in its individual capacity without any right of reimbursement from the Company or the Initial Member (it being understood that the Manager will receive the Interim Management Fee and the Management Fee, as applicable, in accordance with Section 12.5 hereof). Under no circumstances shall the Manager transfer, or permit to be transferred, to any Servicer or any other Person any ownership interest in the servicing to the Mortgage Loans or any right to transfer or sell the servicing to the Mortgage Loans (other than in connection with the sale of any Mortgage Loan), and no Servicer shall be permitted to assign, pledge or otherwise transfer to any Subservicer or other Person or purport to assign, pledge or otherwise transfer any interest in the servicing to the Mortgage Loans (other than in connection with the sale of any Mortgage Loan), and any purported assignment, pledge or other transfer in violation of this provision shall be void ab initio and of no effect.

(b) Manager Liable for Servicer and Subservicers. Notwithstanding anything to the contrary contained herein, the use of any Servicer or any Subservicer shall not release the Manager from any of its Servicing Obligations or other obligations under this Agreement, and the Manager shall remain responsible and liable for all acts and omissions of each Servicer and each Subservicer as fully as if such acts and omissions were those of the Manager. All actions of each
Servicer or any Subservicer performed pursuant to the Agreement or any Subservicing Agreement shall be performed as an agent of the Manager or, in the case of Subservicers, the Servicer.

(c) Copies of the Servicing and Subservicing Agreements. Copies of all fully executed Servicing Agreements and Subservicing Agreements, including all supplements and amendments thereto, shall be provided to the Initial Member and the Purchase Money Note Guarantor if any Purchase Money Note is outstanding promptly after execution.

(d) Regulation AB Requirements. The Manager shall cause each Servicer to (A) have in place policies and procedures to comply with the provisions of Section 1122(d)(1)(i) through (iv) of Regulation AB, (B) comply with the provisions of Sections 1122(d)(2)(i) through (vii), 1122(d)(3)(i) through (iv), and 1122(d)(4)(i) through (xv) of Regulation AB (regardless of whether any such requirements apply, by their terms, only to companies registered or required to file reports with the Securities and Exchange Commission) and (C) complies with any other rules promulgated by the Securities and Exchange Commission or the FDIC relating to servicer obligations in connection with securitizations.

(e) The Manager shall cause each Servicer to ensure that each Subservicer (A) has in place policies and procedures to comply with the provisions of Section 1122(d)(1)(i) through (iv) of Regulation AB, and (B) complies with the provisions of Sections 1122(d)(2)(i) through (vii), 1122(d)(3)(i) through (iv), and 1122(d)(4)(i) through (xv) of Regulation AB (regardless of whether any such requirements apply, by their terms, only to companies registered or required to file reports with the Securities and Exchange Commission).

(f) Servicer and Subservicer Fees. No Servicer or Subservicer shall be paid any fees or indemnified out of any Mortgage Loan Proceeds (or funds in the Collection Account, the Liquidity Account, the Special Reserve Account or any other Company account), it being understood that all fees and related costs of liabilities of the Servicers and Subservicers shall be the sole responsibility of the Manager (without any right of reimbursement from the Company or the Initial Member).

(g) Fidelity Bond; E&O Insurance. The Manager, Servicer and each Subservicer shall maintain insurance coverage having such limits as described below: Such insurance coverage shall, unless otherwise indicated below, name the Company and the Purchase Money Note Guarantor as an insured:

(i) Errors & Omissions Liability with limits of not less than $10,000,000 per claim and $10,000,000 in the aggregate. The Manager shall be notified immediately upon the reduction of or potential reduction of 50% of the limits applicable to the Servicer and each Subservicer. The Manager may require that the Servicer and each Subservicer purchase additional coverage to provide full coverage to the required limits as stated above. “Potential reduction of 50%” shall mean any knowledge by the Servicer or Subservicer, as applicable, that a claim or the sum of all claims, current or initiated after the effective date of the policy would reduce the limits by 50%.
(ii) Directors & Officers Liability with limits of not less than $10,000,000 per claim and $10,000,000 in the aggregate.

(iii) Crime Insurance or a Fidelity Bond in an amount of not less than $10,000,000 per claim and $10,000,000 in the aggregate, covering employee theft, forgery & alteration, wire/funds transfer, computer fraud, and client coverage. Such coverage shall insure all employees or any other persons authorized by Servicer or Subservicer to handle any funds, money, documents and papers relating to any Mortgage Loan, and shall protect the Servicer or Subservicer, as applicable, against losses arising out of theft, embezzlement, fraud, misplacement, and other similar causes. Each Member of the Company and the Purchase Money Note Guarantor shall each be named as a loss payee with respect to claims arising out of assets handled under this Agreement or any applicable Servicing Agreement or Subservicing Agreement.

(iv) As to the Company, the Manager shall obtain General Liability Insurance with limits of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate, including coverage for products/completed operations, advertising and personal injury. All Members of the Company shall be named as additional insureds. The policy shall include a Waiver of Subrogation in favor of the Manager and the Company.

(v) Auto Liability with a combined single limit of not less than $1,000,000 to provide coverage for any owned, hired, or non-owned vehicles.

(vi) Workers compensation in such amount as required by the states in which the Servicer or Subservicer, as applicable, operates, including coverage for Employer’s Liability in an amount not less than, $1,000,000. The policy shall include a Waiver of Subrogation in favor of the Manager and the Company.

(vii) Umbrella Liability in an amount of not less than $10,000,000 per each occurrence and in the aggregate.

All such policies shall be written with carriers having a minimum insurer rating of A- VIII from A.M. Best and A from Standard & Poor’s. All such policies shall have a minimum notice of cancellation of thirty (30) days, except for non-payment of premium whereby a ten (10) day notice of cancellation is acceptable. The applicable insurance certificates shall show each of the Manager, the Purchase Money Note Guarantor and the Company, as the case may be, as certificate holder, or as otherwise designated by the language in clauses (i)-(vii) above.

The Manager shall provide (or shall cause each Servicer and Subservicer to provide) the Purchase Money Note Guarantor, and the Initial Member with certificates evidencing all such policies on the Closing Date (and, with respect to each Mortgage Loan, on or before the applicable Servicing Transfer Date with respect thereto) and each anniversary of the Closing Date thereafter, and otherwise upon request of the Purchase Money Note Guarantor, or the Initial Member. Copies of fidelity bonds and insurance policies required to be maintained pursuant to this Section 12.3(g) shall be made available to the Purchase Money Note Guarantor and the Initial Member.
Guarantor, and the Initial Member or their respective representatives on the Closing Date (and, with respect to each Mortgage Loan, on or before the applicable Servicing Transfer Date with respect thereto), and shall otherwise be made available to any of the Purchase Money Note Guarantor, and the Initial Member and their respective representatives upon request.

(h) **MERS Requirements.** In the event that any of the Mortgage Loans are registered on the MERS® System, and unless and until no Mortgage Loan so remains registered on the MERS® System in accordance herewith, (i) the Manager shall cause the Servicer to be (or become) a member of MERS on or before the initial Servicing Transfer Date, and 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), and (ii) the Servicer shall maintain (or register, as applicable) such Mortgage Loan on the MERS® System and execute and deliver on behalf of the Company (including, as applicable, on behalf of the Manager, in turn on behalf of the Company) any and all instruments of assignment and other comparable instruments with respect to such assignment or re-recording of a mortgage securing a Mortgage Loan in the name of MERS, solely as nominee for the Company and its successors and assigns. With respect to each Mortgage Loan that is registered on the MERS® System, (A) the Servicer shall be designated as the "servicer" and the Company shall be designated as the "investor" with respect to such Mortgage Loan, and, if applicable, the Manager may cause or permit an applicable Subservicer to be designated as the "subservicer" with respect to such Mortgage Loan (provided, that the Manager may, as determined in accordance with the Servicing Standard and so long as each applicable designee is and remains a MERS member in good standing, (i) designate the Company as the "investor" with respect to any such Mortgage Loan, and (ii) designate the Manager as the "servicer" with respect to any such Mortgage Loan, in which case the Servicer shall be designated as the "subservicer" with respect thereto), and (B) no other Person shall be identified on the MERS® System as having any interest in such Mortgage Loan unless otherwise consented to by the Initial Member (or required pursuant to the Electronic Tracking Agreement). All Mortgage Loans registered on the MERS® System shall remain registered on the MERS® System unless default, foreclosure or similar legal or MERS requirements dictate otherwise; provided, however, that if the Manager determines, in accordance with the Servicing Standard and other applicable provisions herein and in the Ancillary Documents, to remove any or all such Mortgage Loans so registered with MERS from the MERS® System, the Manager shall have the right to cause such removal so long as, with respect to any such Mortgage Loan to be so removed, (A) the applicable mortgage (or other Underlying Collateral Document) and rights to Underlying Collateral for such Mortgage Loan that are so registered in the name of MERS are duly transferred and assigned to the Company (with all applicable recordings or filings with respect thereto being duly made) so as to cause the Company to have the full benefit of its applicable security (or other) interest in all such Underlying Collateral, (B) for any such removal occurring on or before the applicable Servicing Transfer Date, the same is accomplished in accordance with the applicable requirements (and delivery of the applicable notice) in Section 3.1(c) of the Contribution Agreement, and (C) for any such removal prior to the Purchase Money Note Maturity Date, the Company shall have duly delivered to the Collateral Agent such documents and otherwise taken such actions (including execution and recordation of applicable assignments in accordance with the Reimbursement and Security Agreement), in each case so as to cause all such Underlying Collateral to be and remain subject to
the first priority security interest granted under the Reimbursement and Security Agreement. The Servicer shall provide the Manager and the Initial Member with such reports from the MERS® System as the Manager or the Initial Member, from time-to-time, may request, including to allow the Manager and the Initial Member to verify the Persons identified on the MERS® System as having any interest in any of the Mortgage Loans and to confirm that the Mortgage Loans required to be registered on the MERS® System are so registered. For so long as any Mortgage Loans remain registered with MERS, the same shall be subject to an Electronic Tracking Agreement in the form of Exhibit B to the Servicing Agreement, and, to the extent any such Mortgage Loans are so registered with MERS as of the Closing Date, the Servicer, the Manager, the Collateral Agent and the Initial Member shall execute such Electronic Tracking Agreement on the Closing Date and deliver the same to MERS. Without limiting the foregoing, upon the request of the Manager or the Initial Member, the Servicer 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 Mortgage Loans registered on the MERS® System and provide the results to the Manager and the Initial Member and, if requested by the Manager or the Initial Member (and subject to any applicable provisions of the Electronic Tracking Agreement), 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.

12.4 Removal of the Servicer.

(a) Removal of the Servicer. Upon the occurrence of an Event of Default, in addition to any other rights it may have pursuant to this Agreement, any Ancillary Document or applicable Law (including the Uniform Commercial Code), whether at law or in equity and whether pursuant to statute or regulation or otherwise, the Initial Member shall have the right to take, in the Initial Member’s sole and absolute discretion and the Manager’s expense, one or more of the following actions: (i) upon notice in writing to the Manager (effective at such time as is specified in such notice), to act on behalf of the Manager (in its individual capacity) to terminate the existing Servicer (and any Subservicers) and to cause the Manager (in its individual capacity) to enter into a new Servicing Agreement with a servicer (a “successor Servicer”) selected by the Initial Member (in its sole and absolute discretion), and (ii) upon notice in writing to the Manager (effective at such time as is specified in such notice), to remove the Private Owner as the Manager and appoint a successor Manager (which successor Manager may be the Initial Member) in the sole and absolute discretion of the Initial Member, whereupon (without limitation of Section 13.5), such successor Manager shall immediately succeed to all, or such portion as the Initial Member and successor Manager agree, of the rights and obligations of the Private Owner as the Manager of the Company, and, in such case, the Initial Member shall further have the right (A) to terminate the Servicer (in its sole and absolute discretion), and cause or permit the successor Manager selected by the Initial Member (and/or the Company directly, as determined by the Initial Member in its sole and absolute discretion) to enter into a Servicing Agreement with a successor Servicer, such Servicing Agreement to be between the applicable successor Manager (and/or the Company) and the successor Servicer chosen by the Initial Member, or (B) to retain the existing Servicer and cause or permit the successor Manager (and/or the Company directly, as determined by the Initial Member in its sole and absolute discretion) to enter into a new Servicing Agreement between such successor Manager (and/or the Company) and the Servicer (or to effect an assignment of the existing Servicing Agreement from the existing Manager (in its individual
capacity) to such successor Manager (and/or the Company). None of the Initial Member, any successor Manager or the Company shall have any obligation to assume any obligations or liabilities of the removed Manager (in its individual capacity) under or in connection with any Servicing Agreement. Notwithstanding the foregoing, the Initial Member shall not exercise its right to terminate a Servicer that is not an Affiliate of the Manager or of the Private Owner in the absence of (1) an Event of Default attributable in whole or in part to the failure by the Servicer or any of its Subservicers to perform any material obligation under its applicable Servicing Agreement or Subservicing Agreement, (2) an Event of Default as described in clause (b) or clause (g) of the definition thereof with respect to the Servicer or any Related Party thereof or any of its Subservicers or any Related Party thereof, (3) an Event of Default resulting from the failure of the Servicer or any of its Subservicers at any time to meet the criteria of a Qualified Servicer, (4) an Event of Default as described in clause (e) of the definition thereof, to the extent relating to such Servicer or any of its Subservicers, or (5) any other Event of Default that consists of a breach of a servicing obligation under this Agreement. Subject to the foregoing, the Manager hereby consents to the immediate termination of the Servicer upon the occurrence of any Event of Default. For the avoidance of doubt, the rights of the Initial Member in this Section 12.4 are in addition to, and can be exercised independently of the rights of the Initial Member in Sections 3.2, 3.13, and 3.14; and in any event all rights and remedies of the Initial Member under this Agreement with respect to or following an Event of Default shall be cumulative, and any or all thereof may be exercised instead of or in addition to each other or any other remedies available to the Initial Member, whether under this Agreement, any Ancillary Document or otherwise. Notwithstanding the foregoing, if any Purchase Money Notes is outstanding, the Purchase Money Note Guarantor shall have the same rights under this Section 12.4(a) as the Initial Member.

(b) Appointment of Successor Servicer. If the Initial Member or the Purchase Money Note Guarantor exercises its right to act on behalf of the Manager, in its individual capacity, to appoint a successor Servicer, the costs and expenses associated with such successor Servicer (including any servicing fees) shall be borne by the Manager (and not the Company or the Initial Member), and no termination or other fee shall be due to the Manager or the Servicer or any Subservicer in connection with or as a result of any such action; provided, that, if the Initial Member or the Purchase Money Note Guarantor has also exercised its right to remove the Manager (such that such removed Manager no longer has rights to the Management Fee), then, with respect to servicing fees of such successor Servicer (but not costs and expenses in connection with the replacement of the Servicer with such successor Servicer) such removed Manager shall be responsible only for the portion of such fees that, as of any particular Distribution Date, are in excess of the Management Fee payable to the successor Manager on such Distribution Date.

(c) Removal of the Manager: Management Fee. If the Initial Member exercises its right pursuant to this Section 12.4 to remove the Private Owner as the Manager and appoint a successor Manager, (i) the successor Manager selected by the Initial Member shall immediately succeed to all, or such portion as the Initial Member and successor Manager agree, of the rights and obligations of the Private Owner as the Manager of the Company, and all references in this Agreement to the Private Owner, in its capacity as Manager of the Company, shall be deemed to be references to the successor Manager so appointed by the Initial Member, (ii) without limitation of Section 13.5, the Initial Member shall have the right to determine, in its sole and absolute discretion, the extent, terms and conditions of the appointment of any such successor
Manager, including as to compensation (whether from the Initial Member or the Company), indemnification by the Company, term of appointment and removal rights, in each case without the necessity for any consent from the Private Owner or any other Person, and (iii) the successor Manager appointed by the Initial Member shall be entitled to be paid the Management Fee (or such portion thereof as the Initial Member and the successor Manager agree) in accordance with the terms of this Agreement and the Custodial and Paying Agency Agreement. The removal of the Private Owner as the Manager shall not relieve the Private Owner of (x) any of the liabilities and/or obligations of the Private Owner as Manager to the extent required under the terms of this Agreement to have been paid and/or performed prior to such removal or (y) any liability the Private Owner may have arising out of any act or omission by the Private Owner as Manager. No successor to the Private Owner as Manager shall have any liability or obligation for any of the matters described in clause (x) or (y) of the preceding sentence, except as may be otherwise specified pursuant to any modification to this Agreement pursuant to Section 13.5. In connection with any such removal of the Manager, the Initial Member and any successor Manager selected by the Initial Member are each hereby authorized and empowered, as attorney-in-fact or otherwise, to execute and deliver, on behalf of and at the expense of the removed Manager (in its individual capacity), any and all documents and other instruments and to do or take any and all acts necessary or appropriate to effect the termination and replacement of such Manager and the Servicer and, in the event the Initial Member decides to retain a new Servicer, to enter into a new Servicing Agreement between the successor Manager (and/or the Company) and the Servicer or to effect an assignment of the existing Servicing Agreement from the removed Manager (in its individual capacity) to the successor Manager (and/or the Company). Notwithstanding the foregoing, if the Purchase Money Note is outstanding, the Purchase Money Note Guarantor shall have the same rights under this Section 12.4(c) as the Initial Member.

(d) **Cooperation To Facilitate Transfer.** In the event any of the Manager, a Servicer or a Subservicer is terminated pursuant to the provisions of this Article XII, the Manager (in its individual capacity) shall, and shall cause any Servicer, and any Subservicer, to, provide the Initial Member and any successor Manager or Servicer in a timely manner with all documents, records and data (including electronic documents, records and data) requested by the Initial Member or any successor Manager or Servicer to enable such Person to assume the responsibilities as Manager under this Agreement and any applicable Servicing Agreement, and to cooperate with the Initial Member in effecting the termination of any Servicer or Subservicer or the Manager's rights as "Manager" under this Agreement, including, in each case subject to applicable requirements in the Custodial and Paying Agency Agreement and the Reimbursement and Security Agreement, (x) the transfer within one (1) Business Day to such account as the Initial Member may specify of all cash amounts which, at the time, shall be or should have been credited to the Collection Account or are thereafter received with respect to any Mortgage Loans or Acquired Property, and (y) the transfer of all lockbox accounts with respect to which payments or other amounts with respect to the Mortgage Loans are directed or the redirection of all such payments and other amounts to such account as the Initial Member may specify, and (z) the assignment to the Initial Member (or the applicable successor Manager or Servicer as indicated by the Initial Member) of the right to access all such lockbox accounts, the Collection Account and any other account into which Mortgage Loan Proceeds or Borrower escrow payments are deposited or held. The Manager, in its individual capacity, shall be liable for all costs and expenses incurred by the Initial Member or the Company (x) associated with the complete transfer

---

*FDIC SFR 2010-3 (Final)*  
*A&R Limited Liability Company Operating Agreement*  
*Pool Nos. 24020 and 24021*  
*13235-4397*
of the servicing data, (y) 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 the
Initial Member and any successor Manager and successor Servicer (and Subservicers) to service
the Mortgage Loans and Acquired Property properly and effectively, and (z) to retain and
maintain the services of a successor Manager and/or successor Servicer (and any Subservicers), it
being understood that, as to the compensation to be paid to the successor Manager (and servicing
fees due and payable to any Servicer or Subservicer engaged by or through such successor
Manager), the removed Manager shall be responsible only for the portion of such compensation
and fees that, as of any particular Distribution Date, are in excess of the Management Fee payable
to the successor Manager on such Distribution Date. Within a reasonable time after receipt of a
written request of the Manager (in its individual capacity) for the same, the Initial Member shall
provide reasonable documentation evidencing such costs and expenses, but the Initial Member’s
right to reimbursement of such costs and expenses (and to exercise offset rights under Section
4.6(h) on account thereof) shall not be subject to or contingent upon the provision of such
documentation.

(e) **Power of Attorney.** The Company hereby irrevocably constitutes and
appoints the Initial Member and any officer or agent thereof, with full power of substitution, as its
true and lawful attorney-in-fact for the purposes of this Agreement and allowing the Initial
Member to perfect, preserve the validity, perfection and priority of, and enforce any Lien granted
by this Agreement and, after the occurrence and during the continuance of any Event of Default,
to exercise its rights, remedies and powers and privileges under this Agreement. This appointment
as attorney-in-fact is irrevocable and coupled with an interest until this Agreement is terminated
and the security interests created hereby are released. Without limiting the generality of the
foregoing, but subject at all times to the rights of a secured party under the Reimbursement and
Security Agreement, the Initial Member shall be entitled under this Section 12.4(e) to do any of
the following if an Event of Default has occurred and is continuing: (i) ask, demand, collect, sue
for, recover, receive and give receipt and discharge for amounts due and to become due under and
in respect of any or all of the Mortgage Loans; (ii) file any claims or take any action or proceeding
in any court of law or equity that the Initial Member may reasonably deem necessary or advisable
for the collection or other enforcement of all or any part of the Mortgage Loans, defend any suit,
action or proceeding brought against the Company with respect to any Mortgage Loan, and settle,
compromise or adjust any such suit, action or proceeding; (iii) execute, in connection with any
sale or disposition of the Mortgage Loans, any endorsements, assignments, bills of sale or other
instruments of conveyance or transfer with respect to all or any part of the Mortgage Loans;
(iv) enforce the rights of the Company under any provision of any Servicing Agreement to the
extent permitted thereunder and under the terms of this Agreement; (v) pay or discharge taxes and
Liens levied or placed on the Mortgage Loans; (vi) generally, sell, transfer, pledge and make any
agreement with respect to or otherwise deal with any of the Mortgage Loans as fully and
completely as though the Initial Member were the absolute owner thereof for all purposes; and
(vii) do, at the Initial Member’s option and the Company’s expense, at any time and from time-to-
time, all acts and things that the Initial Member reasonably deems necessary to protect, preserve,
or realize upon the Mortgage Loans and the Initial Member’s security interests in any Secured
Assets and to effect the intent of this Agreement, all as fully and effectively as the Company
might do. Anything in this Section 12.4(e) to the contrary notwithstanding, the Initial Member
agrees that it shall not exercise any right under the power of attorney provided for in this Section 12.4(e) unless an Event of Default shall have occurred and be continuing.

12.5 Interim Management Fee and Interim Servicing Fee; Management Fee. For each Due Period, (a) with respect to any Mortgage Loan for which the Servicing Transfer Date has not occurred as of the first day of such Due Period, the Company shall pay the Interim Management Fee to the Manager and the Interim Servicing Fee to the Initial Member, and (b) for each Mortgage Loan for which the Servicing Transfer Date has occurred as of (or occurs on) the first day of such Due Period, the Company shall pay the Management Fee to the Manager. Each such payment of any Interim Servicing Fee, Interim Management Fee and Management Fee shall be made in the manner described in the Custodial and Paying Agency Agreement (and, as applicable, on the Distribution Date with respect to the applicable Due Period). In the event the Manager is removed and replaced by the Initial Member or the Purchase Money Note Guarantor in accordance with Section 12.4 above, the Management Fee and Interim Management Fee shall thereafter be payable to the Initial Member or successor Manager, as determined by the Initial Member or the Purchase Money Note Guarantor pursuant to such Section 12.4.

12.6 Servicing Expenses. Subject to Section 3.3 of the Contribution Agreement (with respect to the Interim Servicing Period), from and after the Closing Date (and, with respect to each Mortgage Loan, from and after the Servicing Transfer Date with respect thereto), the Manager shall cause the Company to pay, from available Company funds (in the Collection Account, the Liquidity Account or any other applicable Company account the funds of which may be used for such purpose or otherwise through Excess Liquidity Advances funded by the Manager) all amounts due as Servicing Expenses (or, as applicable, Pre-Approved Charges) in a timely manner, and in each case in accordance with the applicable requirements set forth in the Custodial and Paying Agency Agreement (and, as applicable, the Contribution Agreement); provided, however, that anything to the contrary herein or in any Ancillary Document notwithstanding, the Manager shall not have an obligation to fund Excess Liquidity Advances for purposes of the payment by the Company of (i) any Pre-Approved Charges, or (ii) any specific Servicing Expense relating to a Mortgage Loan to the extent that the Manager has reasonably determined in accordance with the Servicing Standard that such Servicing Expense, if so paid, when combined with all unreimbursed previous Servicing Expenses, Funding Draws and Pre-Approved Charges with respect to such Mortgage Loan (and any remaining amounts owing to the Initial member with respect to its servicing of such Mortgage Loans during the Interim Servicing Period pursuant to Sections 2.3, 2.4 and 3.1 of the Contribution Agreement), would not ultimately be recoverable from the Mortgage Loan Proceeds for such Mortgage Loan. All Servicing Expenses (and Excess Liquidity Advances for the funding of the same) shall be reimbursed in accordance with the Custodial and Paying Agency Agreement.

12.7 Use of Mortgage Loan Proceeds.

(a) Permitted Payments. Subject to Section 12.7(b), each month the Mortgage Loan Proceeds shall be utilized and distributed in the manner set forth in the Custodial and Paying Agency Agreement following receipt by the Paying Agent from the Manager of the Distribution Date Report required to be provided under Section 7.4(b).
(b) **Costs That Are Not Reimbursable.** Notwithstanding anything else to the contrary contained herein or in any Ancillary Document, without the prior written consent of the Initial Member (which may be withheld in the Initial Member’s sole and absolute discretion), in no event may the Manager deduct, from the Mortgage Loan Proceeds, or otherwise use Mortgage Loan Proceeds (or funds otherwise on deposit in the Collection Account, Liquidity Account or any other applicable Company account) to reimburse itself or any Servicer or Subservicer or pay for, any of the following (all of which shall be borne by the Manager in its individual capacity) (collectively, the “Excluded Expenses”):

(i) any expenses or costs that are not incurred in accordance with the Servicing Standard or, to the extent applicable, the Fannie Mae Guidelines;

(ii) any expenses or costs that are paid to any Affiliate of the Manager or the Company, or any Affiliate of any Servicer or any Subservicer; provided, Excluded Expenses under this clause (ii) do not include amounts payable to the Servicer pursuant to the Servicing Agreement or to any Subservicer pursuant to any Subservicing Agreement that would be deemed Excluded Expenses under this clause (ii) solely as a result of such Servicer or Subservicer being an Affiliate of the Manager or the Company, so long as such amounts would otherwise constitute Servicing Expenses but for application of this clause (ii);

(iii) any fees or other compensation to or expenses of financial advisers, except to the extent the same are incurred as brokerage fees or sales commissions incurred (x) to market or sell the Mortgage Loans or any Acquired Property in a Bulk Sale, the terms of which Bulk Sale (including the financial adviser’s or broker’s fees) are approved in advance by the Initial Member; and (y) in connection with the marketing or sale of any Acquired Property (including any REO Property) or any portion thereof on an individual basis;

(iv) any fine, tax or other penalty, late fee, service charge, interest or similar charge, costs to release Liens or any other costs or expenses (including legal fees and expenses) incurred by or on behalf of the Company or any Manager (in its capacity as such or in its individual capacity) as a result of the Company’s or any Manager’s or the Servicer’s or any Subservicer’s failure to service any Mortgage Loan or Underlying Collateral properly in accordance with the applicable Mortgage Loan Documents, this Agreement, the Servicing Agreement, any Subservicing Agreement or otherwise, or failure to make a payment in a timely manner, or failure otherwise to act in a timely manner;

(v) any interest on any amounts paid by any Person with respect to any Servicing Expenses or Pre-Approved Charges;

(vi) any overhead or administrative costs (whether or not attributable to the servicing, the subservicing or the management of any Mortgage Loan) incurred by the Company, any Manager or any other Person (including any travel expenses and any expenses incurred by any Manager, the Company or any
Servicer or Subservicer to comply with Section 4.3, Section 7.2, Section 7.3, Section 7.4 and Section 7.5) in each case other than Reimbursable Company Administrative Expenses;

(vii) any servicing, management or similar fees paid to the Servicer, any Subservicer or any other Person;

(viii) any expenses incurred by the Company, the Manager or any other Person (x) to become a MERS member or to maintain the Company, the Manager or such other Person as a MERS member in good standing, or (y) to remove any Mortgage Loan from the MERS® System in connection with any voluntary removal by or at the direction of the Manager (as permitted in Section 12.3(g) hereof), it being understood that any such removal dictated by default, foreclosure or similar legal or MERS requirements shall not be considered a voluntary removal for purposes of this clause; or

(ix) any amounts subject to the indemnity obligations of the Private Owner under Section 4.6 of this Agreement or of the Servicer under Section 8.2 of the Servicing Agreement.

12.8 Collection Account. On the Closing Date, the Manager shall cause the Company to establish and maintain the Collection Account with the Paying Agent in accordance with the Custodial and Paying Agency Agreement. The Collection Account (and all funds therein) shall be subject to the security interest granted under the Reimbursement and Security Agreement and to the Account Control Agreement under the Custodial and Paying Agency Agreement.

12.9 Distribution Account. On the Closing Date, the Manager shall cause the Company to establish the Distribution Account with the Paying Agent in accordance with the Custodial and Paying Agency Agreement. The Distribution Account (and all funds therein) shall be subject to the security interest granted under the Reimbursement and Security Agreement and to the Account Control Agreement under the Custodial and Paying Agency Agreement.

12.10 Interest Reserve Account.

(a) Establishment of Interest Reserve Account. On the Closing Date, the Manager shall cause the Company to establish the Interest Reserve Account with the Paying Agent for the exclusive purpose of (a) making interest payments on the Purchase Money Notes, to the extent there are insufficient funds in the Distribution Account to make such payments on any Distribution Date, and (b) to reimburse the Purchase Money Notes Guarantor for any payments pursuant to the Purchase Money Notes Guaranty in accordance with the terms hereof and the Custodial and Paying Agency Agreement. The Interest Reserve (and all funds therein) shall be subject to the security interest granted under the Reimbursement and Security Agreement and to the Account Control Agreement under the Custodial and Paying Agency Agreement.

(b) Funding the Interest Reserve Account. On the Closing Date, the Initial Member and the Private Owner shall deposit into the Interest Reserve Account, pro rata based on

74
their respective Percentage Interests, an amount equal to the Interest Reserve Target Amount as of the Closing Date.

(c) **Use of the Interest Reserve Account.** The Manager or the Initial Member (in relation to its interim servicing obligations) may direct the Company to withdraw funds from the Interest Reserve Account only to make payments in accordance with Section 3.4 of the Custodial and Paying Agency Agreement. The Manager shall not permit withdrawals from the Interest Reserve Account for any other purpose; provided, that in connection with the Final Distribution, the Paying Agent shall allocate and distribute the funds on deposit in the Interest Reserve Account in accordance with, and subject to, the terms of the Custodial and Paying Agency Agreement.

(d) **Permitted Investments.** Funds in the Interest Reserve Account shall be invested in Permitted Investments in accordance with the Custodial and Paying Agency Agreement.

12.11 **Liquidity Account.**

(a) **Establishment of Liquidity Account.** On the Closing Date, the Manager shall cause the Company to establish the Liquidity Account with the Paying Agent for the exclusive purpose of holding a reserve to cover Operating Expenses to the same extent, and in the same order of priority, as are applicable to Mortgage Loan Proceeds in accordance with the terms hereof and the Custodial and Paying Agency Agreement. The Liquidity Account (and all funds therein) shall be subject to the security interest granted under the Reimbursement and Security Agreement and to the Account Control Agreement under the Custodial and Paying Agency Agreement.

(b) **Funding the Liquidity Account.** On the Closing Date, the Initial Member and the Private Owner shall deposit into the Liquidity Account, pro rata based on their respective Percentage Interests, an amount equal to the Liquidity Account Cap as of the Closing Date.

(c) **Use of the Liquidity Account.** The Manager or the Initial Member (in relation to its interim servicing obligations) may direct the Company to withdraw funds from the Liquidity Account only to cover Operating Expenses in accordance with Section 3.5 of the Custodial and Paying Agency Agreement or as otherwise agreed to with the Initial Member. The Manager shall not permit withdrawals from the Liquidity Account for any other purpose; provided, that in connection with the Final Distribution the Paying Agent shall allocate and distribute the funds on deposit in the Liquidity Account in accordance with, and subject to, the terms of the Custodial and Paying Agency Agreement. With respect to any Mortgage Loan, on the Servicing Transfer Date, the Initial Member shall be reimbursed from the Liquidity Account or if there are not sufficient funds on deposit in the Liquidity Account, through Excess Liquidity Advances, for an amount equal to all Operating Expenses (and any advance of the Initial Member that is reimbursable pursuant to the Contribution Agreement) paid by it at any time after the Cut-Off Date and on or before such Servicing Transfer Date (to the extent the same have not been otherwise reimbursed pursuant to the Contribution Agreement or Custodial and Paying Agency Agreement).
(d) **Permitted Investments.** Funds in the Liquidity Account shall be invested in Permitted Investments in accordance with the Custodial and Paying Agency Agreement.

12.12 **Certain Servicing and Mortgage Loan Administration Decisions.** The Manager shall have full power and authority, acting alone or through any Servicer or Subservicer, to cause to be done any and all things in connection with the servicing and administration of the Mortgage Loans that the Manager may deem necessary or desirable, and cause to be made all servicing decisions in its reasonable discretion, subject to its obligation to comply with the Servicing Standard and other applicable provisions herein and in the Ancillary Documents. Upon the occurrence of an event of default under any of the Mortgage Loan Documents, but subject to the other terms and conditions of this Agreement (including the Servicing Standard), the Manager 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 interests of the Company in the Mortgage Loan and the Underlying Collateral, (ii) the declaration and recording of a notice of such default and the acceleration of the maturity of the Mortgage Loan, (iii) the institution of proceedings to foreclose the Mortgage Loan Documents securing the Mortgage Loan pursuant to the power of sale contained therein or through a judicial action, (iv) the institution of proceedings against any Obligor, (v) the acceptance of a deed in lieu of foreclosure, (vi) the purchase of the real property Underlying Collateral at a foreclosure sale or trustee's sale or the purchase of the personal property Underlying 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 Obligor. Notwithstanding any provision to the contrary herein, the Manager shall not, and shall not cause any Servicer or Subservicer to, take any action that is inconsistent with or prohibited by the terms of the Reimbursement and Security Agreement or the Custodial and Paying Agency Agreement without the prior written consent of the Initial Member.

12.13 **Management and Disposition of Underlying Collateral.** Subject to the other terms and conditions of this Agreement (including the Servicing Standard), and the Reimbursement and Security Agreement, the Manager shall have full power and authority, acting alone or through any Servicer and any Subservicer, to cause to be done any and all things in connection with the Manager’s management of any Underlying Collateral or Acquired Property, that the Manager may deem necessary or desirable, and cause to be made all asset management decisions in its reasonable discretion. Notwithstanding the foregoing, prior to the acquisition of any Underlying Collateral that constitutes real property by foreclosure, acceptance of a deed in lieu of foreclosure or through a short sale, the Manager, acting alone or through any Servicer or Subservicer, shall determine the Net Fair Value of such Underlying Collateral and, subsequent to the purchase at a foreclosure sale or upon acceptance of such deed in lieu of foreclosure, shall thereafter cause such Underlying Collateral to be held on the books of the Company at such Net Fair Value.

12.14 **Acquisition of Underlying Collateral.**

(a) If title to any Underlying Collateral that constitutes real property 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 REO Property shall be taken and held in the...
name of an Ownership Entity; provided, however, that for any REO Property with respect to which there exists a physical condition, including, by way of example, an Environmental Hazard, which may subject the Company, the Manager or the Initial Member to liability, a separate Ownership Entity will hold title to each such REO Property.

(b) Nothing in this Article XII or anything else in this Agreement shall be deemed to affirmatively require the Manager to cause the Company to acquire all or any portion of any REO Property with respect to which there exists any Environmental Hazard. Except as otherwise directed by the Manager, the Manager shall not permit the Servicer or any Subservicer to acquire or otherwise cause the Company or any subsidiary or other entity in which the Company owns any interest to acquire all or any portion of any Underlying Collateral having any actual or threatened Environmental Hazard known to the Manager by foreclosure, deed in lieu of foreclosure, power of sale or sale pursuant to the Uniform Commercial Code or otherwise.

(c) Prior to acquisition of title to any commercial REO Property (whether by foreclosure, deed in lieu of foreclosure, by power of sale or by sale pursuant to the Uniform Commercial Code, or otherwise), the Manager shall, and prior to the acquisition of title to any residential REO Property (whether by foreclosure, deed in lieu of foreclosure, by power of sale or by sale pursuant to the Uniform Commercial Code, or otherwise), the Manager may cause to be commissioned with respect to such REO Property 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 deemed to be a Servicing Expense as long as the costs for such Site Assessment were not paid to any Affiliate of the Manager, or any Affiliate of the Servicer or any Subservicer.

(d) The Company shall be the sole member of any Ownership Entity. The purposes of each Ownership Entity shall be to hold the REO Property pending sale, to complete construction of such Underlying Collateral and to operate the Underlying Collateral as efficiently as possible in order to minimize financial loss to the Company, and the Purchase Money Note Guarantor and to sell the REO Property as promptly as practicable in a way designed to minimize financial loss to the Company, and the Purchase Money Note Guarantor.

12.15 Administration of REO Properties. The following terms and conditions shall be binding on the Company and the Ownership Entities (and on the Manager's performance of its obligations hereunder) with respect to any REO Properties, in addition to any other terms and conditions concerning the same subject matter set forth in this Agreement and any of the other Ancillary Documents:

(a) Insurance. With respect to each REO Property, the Manager shall cause the applicable Ownership Entity to maintain, with financially sound and reputable insurers, insurance (including, as applicable, public liability insurance, property insurance, flood insurance, boiler and machinery insurance, business interruption or rent insurance and other insurance), in such amounts, with such deductibles, covering such risks and otherwise on such terms and
conditions, in each case as are customarily maintained by property owners for other real property
and structures similar to such REO Property in the area in which such REO Property is located, all
as determined by the Manager in accordance with the Servicing Standard and the provisions of
this Agreement and the Ancillary Documents. All insurance policies shall name the Collateral
Agent, the Manager and the Company as an additional insured, loss payee or mortgagee
thereunder, as applicable, as its interest may appear. Each policy shall provide that such policy
may not be cancelled or materially changed except upon thirty (30) days’ prior written notice to
the Company and to the Collateral Agent, and shall further provide that no act or thing done by
the applicable Ownership Entity shall invalidate any policy as against the Collateral Agent.

(b) **Leasing Covenants.** With respect to each REO Property, the Manager
shall cause the applicable Ownership Entity to (i) perform the obligations that such Ownership
Entity is required to perform under the leases to which it is a party in all material respects and (ii)
enforce, in accordance with commercially reasonable practices for properties similar to the
applicable REO Property, the material obligations to be performed by the tenants under such
leases.

(c) **Zoning.** The Manager shall not permit any Ownership Entity to initiate or
consent to any zoning reclassification of any portion of the REO Property owned by such
Ownership Entity, or use or permit the use of any portion of an REO Property in any manner that
could result in such use (taking into account any applicable variance obtained in accordance with
the Servicing Standard) becoming a non-conforming use under any zoning ordinance or any other
applicable land use law, rule or regulation, without the prior consent of the Initial Member and the
Collateral Agent.

(d) **No Joint Assessment.** The Manager shall not permit any Ownership
Entity to suffer, permit or initiate the joint assessment of REO Property (i) with any other real
property constituting a tax lot separate from such REO Property, or (ii) with any portion of an
REO Property which may be deemed to constitute personal property, or any other procedure
whereby the lien of any taxes which may be levied against such personal property shall be
assessed or levied or charged to such REO Property.

(e) **Maintenance, Repairs and Alterations.** From and after the completion of
any buildings or other improvements at an REO Property, the Manager shall cause the applicable
Ownership Entity to maintain such REO Property in a good and safe condition and repair (subject
to such alterations as the Manager may from time-to-time determine to be appropriate in
accordance with the Servicing Standard and applicable requirements herein and in the Ancillary
Documents) and in accordance with applicable Law.

(f) **Property Management.** All property managers with respect to any REO
Property shall, in their respective property management agreements or by separate agreement,
subordinate their rights under such agreements (including their right to receive management fees)
to the rights and interest of the Collateral Agent under the applicable REO Property (as defined in
the Reimbursement and Security Agreement).
(g) **Ground Leases.** With respect to any REO Property that is leased under a ground or other lease (in each case, a "ground lease"), the Manager shall cause the applicable Ownership Entity to (i) pay all rents and other sums required to be paid by the tenant under and pursuant to the provisions of the applicable ground lease as and when such rent or other charge is payable, and (ii) diligently and timely perform and observe all of the terms, covenants and conditions binding on the tenant under the ground lease. The Manager shall not permit the applicable Ownership Entity to subordinate or consent to the subordination of any ground lease to any mortgage, lease or other interest on or in the ground lessor's interest in the applicable REO Property without the prior consent of the Collateral Agent unless such subordination is required under the provisions of such ground lease.

(h) **Additional Construction Covenants.** In the event the Manager elects to fund the construction of the REO Property (pursuant to Funding Draws for such purpose), then the Manager shall cause each Ownership Entity to pursue with diligence the construction of the REO Property owned by such Ownership Entity (i) in accordance with the construction, construction management (if any) and all other material contracts relating to such construction, and all requirements of Law, all restrictions, covenants and easements affecting such REO Property, and all applicable governmental approvals, (ii) in substantial compliance with the plans and specifications therefor as in existence on the Closing Date and as thereafter modified by the Manager in its business judgment exercised in accordance with the Servicing Standard and applicable provisions in this Agreement and the Ancillary Documents, (iii) in a good and workmanlike manner and free of defects, (iv) in a manner such that such REO Property remains free from any Liens, claims or assessments (actual or contingent) for any material, labor or other item furnished in connection therewith and (v) in conformance with the requirements for Funding Draws.

(i) **REO Property Generally.** Notwithstanding any other provision of this Section 12.15 to the contrary, (i) in operating, managing, leasing or disposing of any REO Property, the Manager shall act in the best interests of the Company, and the members and creditors of the Company (including the FDIC in its various capacities) and in accordance with the Servicing Standard, and (ii) without relieving the Manager of any obligation elsewhere in this Agreement or any Ancillary Document, the Manager shall not be required to act in accordance with a specific provision of this Section 12.15 if such action is (A) not in the best interests of Company and the members and creditors of the Company (including the FDIC in its various capacities), as determined by the Manager in the exercise of its reasonable discretion, or (B) not in accordance with the Servicing Standard.

(j) **Reports.** The Manager shall furnish to the Initial Member and the Collateral Agent such reports regarding the construction, leasing and sales efforts of or relating to the REO Property as the Initial Member or the Collateral Agent shall reasonably request.

12.16 **Releases of Underlying Collateral.** The Manager is authorized to cause the release or assignment of any Lien granted to or held by the Company on any Underlying Collateral upon payment of any Mortgage Loan in full and satisfaction in full of all of the secured obligations with respect to a Mortgage Loan, upon receipt of a discounted payoff as payment in full of a Mortgage Loan, or upon a sale of the Mortgage Loan to any Person, in each
12.17 **Clean-Up Call Rights.**

(a) If, and only if, all amounts owing under the Purchase Money Note have paid in full, and all reimbursement and other obligations to the FDIC under the Reimbursement and Security Agreement have been satisfied in full, each of the Initial Member and the Purchase Money Notes Guarantor shall have the right, exercisable in its sole and absolute discretion, to require the liquidation and sale, for cash consideration, of any remaining Mortgage Loans and Acquired Property held by the Company or any Ownership Entity (the "**Clean-Up Call**") at any time after the earlier to occur of (i) the tenth (10th) anniversary of the Closing Date and (ii) the date on which the then Unpaid Principal Balance is ten percent (10%) or less of the Unpaid Principal Balance as of the Cut-Off Date as set forth on the Mortgage Loan Schedule.

(b) In order to exercise its rights under this Section 12.17, the Initial Member and Purchase Money Notes Guarantor shall give notice in writing to the Manager, setting forth the date by which the remaining Mortgage Loans and Acquired Property are to be liquidated by the Company, which date shall be no less than 150 calendar days after the date of such notice.

(c) The Manager shall proceed expeditiously to cause to be commenced the liquidation of the remaining Mortgage Loans and Acquired Property by means of sealed bid sales to Persons other than Affiliates of the Company, the Servicer or any Subservicer, or Affiliates of the Servicer or any Subservicer. The selection of any financial adviser or other Person, broker or sales agent retained for the liquidation of the remaining Mortgage Loans and Acquired Property pursuant to this Section 12.17 shall be subject to the prior approval of the Initial Member, such approval not to be unreasonably withheld, delayed or conditioned as long as the fees to be charged by such financial adviser or other Person, broker or sales agent are reasonable and such Person is not an Affiliate of the Manager or any Servicer or Subservicer. In the event the remaining Mortgage Loans and Acquired Property are not liquidated by the date specified in the notice provided by the Initial Member pursuant to Section 12.17(b), the Initial Member shall be entitled to liquidate the remaining Mortgage Loans and Acquired Property in its sole and absolute discretion and the Manager shall, and shall cause the Company to, cooperate and assist with such liquidation to the extent reasonably requested by the Initial Member. In the event the Manager or any Affiliate thereof desires to bid to acquire the remaining Mortgage Loans and Acquired Property, then the Initial Member shall be entitled to liquidate the remaining Mortgage Loans and Acquired Property in its discretion. In the event the Initial Member undertakes to liquidate the remaining Mortgage Loans and Acquired Property pursuant to this Section 12.17(c), all costs and expenses incurred by it shall be deducted from the Mortgage Loan Proceeds and retained by the Initial Member and the remaining Mortgage Loan Proceeds shall be distributed in accordance with Section 9.2.

12.18 **Certain Transfer Obligations.** Without limitation of other obligations of the Manager with respect to the Contribution Agreement, the Manager agrees to cause the Company to comply with its obligations under the Contribution Agreement with respect to preparing, furnishing, executing and recording transfer documents with respect to the Mortgage Loans.
(including special warranty deeds to convey the real property subject to any Contract for Deed and any Acquired Property to the Company). Any title curative work with respect to such real property, if required, shall be at the Company’s sole cost and expense.

ARTICLE XIII  
Miscellaneous

13.1 Waiver of Rights of Partition and Dissolution. Each Member (other than the Initial Member) hereby irrevocably waives all rights it may have at any time to maintain any action for division or sale of the Company Property as now or hereafter permitted under any applicable Law. Each Member (other than the Initial Member) hereby waives and renounces its rights to seek a court decree of dissolution or to seek the appointment of a court receiver for the Company as now or hereafter permitted under any applicable Law.

13.2 Entire Agreement; Other Agreements.

(a) This Agreement, together with the Annexes and Exhibits hereto and the Ancillary Documents (and any other agreements expressly contemplated hereby or thereby), constitutes the entire agreement and understanding, and supersedes all other prior agreements and understandings, both written and oral, between the Members or their respective Affiliates or any of them and the Company with respect to the subject matter hereof; provided, that any Confidentiality Agreement between the FDIC and the Private Owner or any Affiliates of the Private Owner (including by way of joinder) with respect to the transaction that is the subject of this Agreement and the Ancillary Documents shall remain in full force and effect to the extent provided therein, except that the Company’s rights under Article VI of the Contribution Agreement shall not be deemed a repurchase option for purposes of Section 2 of any such Confidentiality Agreement. The Members acknowledge that certain agreements or other instruments are being (or were) executed by the Company, the Members and/or Affiliates of the Members simultaneously or otherwise in connection with the execution of this Agreement and that notwithstanding anything to the contrary contained in the foregoing sentence of this Section 13.2, such agreements shall be effective and binding on the parties thereto in accordance with the terms thereof.

(b) By executing this Agreement, the Manager agrees to be bound by the terms of the Ancillary Documents pursuant to which the Manager is expressly required to take or omit from taking certain actions, as in each case, with the same effect as if the Manager were a party to such Ancillary Document.

13.3 Third Party Beneficiaries. Each of the FDIC and the Purchase Money Note Guarantor, is hereby constituted an express third party beneficiary of this Agreement with respect to those provisions of this Agreement which expressly grant rights to such Person, and, as such, each is entitled to enforce such provisions of this Agreement as if such Person were a party hereto; provided that, upon occurrence of the Purchase Money Note Maturity Date (and subject to any rights of the Purchase Money Note Guarantor that, by their terms or nature, survive such date), the Purchase Money Note Guarantor shall cease to have any of the specified rights set forth herein with respect to consents/approvals, exercise remedies following an Event
of Default and receipt of reports and other information with respect to the continued operation of the Business, in each case (i) to the extent relating exclusively to the period following such Purchase Money Note Maturity Date, and (ii) except as to any rights or remedies relating to (or the exercise or non-exercise of which rights or remedies would affect) the repayment of the Purchase Money Note in accordance with the terms hereof and of the Ancillary Documents, as determined by the Purchase Money Note Guarantor in its sole and absolute discretion. Each Person ceasing to constitute the “Initial Member” under this Agreement (as a result of a Disposition of its LLC Interest) shall remain a third-party beneficiary of this Agreement with respect to Section 4.6 and, as such is entitled to enforce Section 4.6 as if such Person remained a party hereto. For the avoidance of doubt, in furtherance and without limitation of the preceding sentence, each Person comprising the “Initial Member” pursuant to the last sentence of Section 4.6(a) may enforce the provisions of Section 4.6 with respect to itself and/or any other Indemnified Party(ies) in relation to itself (in its own name and/or in the name of and/or otherwise on behalf of such other Indemnified Party(ies)). Subject to Section 11.1 and to the immediately preceding sentence, (i) this Agreement is for the benefit solely of, and shall inure solely to the benefit of, the Members and the Company, and (ii) this Agreement is not enforceable by any Person (including any creditor of the Company or of any Member) other than the Members and the Company.

13.4 Expenses. Except as may otherwise be expressly provided herein or in any Ancillary Document, each Member shall pay its own expenses (including legal, accounting investment banker, broker or finder’s fees) incident to the negotiation and execution of this Agreement and the Ancillary Documents, the consummation of the transactions contemplated by Section 2.3 hereof and the performance of its obligations hereunder.

13.5 Waivers and Amendments.

(a) This Agreement may be amended or modified, and the terms hereof may be waived, only by a written instrument signed by all Members, provided, that, following an Event of Default, from time-to-time this Agreement may be amended or modified and/or the terms hereof may be waived, in each case, by a written instrument signed only by the Initial Member as long as such amendment, modification or waiver would not (i) adversely affect the Private Owner’s or the Company’s limited liability status; (ii) adversely affect the Private Owner’s share of the Company’s distributions, income, gains or losses; (iii) impose on the Private Owner any additional obligations or (iv) amend Section 3.13 or this Section 13.5; provided further, that in no event shall any amendment, modification or waiver limit or otherwise adversely affect the rights expressly granted in this Agreement to (x) any Person comprising the “Initial Member” pursuant to the last sentence of Section 4.6(a) (and/or any other Indemnified Party(ies) in relation to such Person) without the express written consent of such Person so comprising the “Initial Member” or (y) a third party beneficiary of this Agreement (to the extent such third party beneficiary is, and remains, a third party beneficiary pursuant to Section 13.5 above) without the express written consent of such third party beneficiary. Except where a specific period for action or inaction is provided herein, no failure on the part of a Member to exercise, and no delay on the part of a Member in exercising, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any waiver on the part of such Member of any such right, power or privilege, or any
single or partial exercise of any such right, power or privilege, preclude any other or further
exercise thereof or the exercise of any other right, power or privilege.

(b) Notwithstanding anything to contrary contained elsewhere in this
Agreement (including without limitation the foregoing Section 13.5(a) or in any Ancillary
Document, but subject to the restrictions in Section 8.4 of the Contribution Agreement and
Section 2.8 of the Custodial and Paying Agency Agreement, as applicable), in order to facilitate
the possible restructuring and or sale of the Purchase Money Note (or any reissuance,
restructuring or sale of any such Purchase Money Note to be issued pursuant to Section 2.8 of the
Custodial and Paying Agency Agreement), the FDIC, without the consent of the Private Owner or
the Company, may at any time that the FDIC is the holder of 100 percent of any Purchase Money
Note or beneficial interest therein cause the Company to replace or reissue the such Purchase
Money Note (or any promissory note reissued in respect thereof) and make related changes,
modifications or amendments to this Agreement and the Ancillary Documents, in each case
subject to the applicable limitations set forth in Section 8.4 of the Contribution Agreement and
Section 2.8 of the Custodial and Paying Agency Agreement, as the case may be; provided,
however, no such change, amendment or modification shall adversely affect in any material
respect (i) the amount or timing of any payments or distributions to the Private Owner or any
permitted successor or assign pursuant to the Priority of Payments (or its share of the Company’s
distributions, income, gains or losses in accordance herewith), or (ii) any other rights or
obligations of, or the need for any advances, contributions or payments from, the Private Owner or
its Affiliates or any permitted successor or assign pursuant to this Agreement or any Ancillary
Document or otherwise. Prior to effecting any such changes, amendments or modifications, the
FDIC shall notify each of the Private Owner and the Company of any such contemplated changes,
amendments or modifications, and each of the Private Owner and the Company agrees that it will
cooperate in good faith with the FDIC in effecting all such changes, amendments or
modifications.

(c) Notwithstanding anything to contrary contained elsewhere in this
Agreement (including without limitation the foregoing Section 13.5(a) or in any Ancillary
Document), this Agreement may be amended or modified by a written instrument signed only by
the Initial Member to the extent determined by the Initial Member in good faith to be necessary or
desirable in order to facilitate any Disposition by the Initial Member of only a portion of its
Interest, or a Disposition by the Initial Member of its entire Interest to more than one Person,
including for more than two Persons being members of the Company, provided that no
such amendment or modification shall (i) adversely affect the Private Owner’s or the Company’s
limited liability status; (ii) adversely affect the Private Owner’s share of the Company’s
distributions, income, gains or losses; (iii) impose on the Private Owner any additional obligations
or (iv) amend Section 3.13 (other than to the extent that such amendment or modification amends
or modifies which member or members of the Company shall constitute the “Initial Member”
hereunder) or this Section 13.5.

(d) Reasonable attorneys fees actually incurred in connection with the
preparation of legal opinions and the review of certificates, closing documents and any
amendments to this Agreement or any Ancillary Documents requested or required by the Initial
Member or the Purchase Money Note Guarantor in connection with the replacement or reissuance
and sale of the Purchase Money Notes shall constitute Reimbursable Company Administrative Expenses. For the avoidance of doubt, no legal fees or expenses associated with changes, clarifications or amendments to documents requested by the Private Owner shall constitute Reimbursable Company Administrative Expenses.

13.6 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, by delivery by hand or by nationally recognized courier service, or by electronic mail (followed up by a hard copy delivered through an alternate manner permitted under this Section 13.6), in each case mailed or delivered to the applicable address or electronic mail address specified in, or in the manner provided in, this Section 13.6. All such notices, requests, demands and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt (or refusal thereof) by the relevant party hereto and (ii) (A) if delivered by hand or by nationally recognized courier service, when signed for (or refused) by or on behalf of the relevant party hereto, and (B) if delivered by electronic mail (which form of delivery is subject to the provisions of this paragraph), when delivered and capable of being accessed from the recipient’s office computer, provided that any notice, request, demand or other communication that is received 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. In no event shall a voice mail message be effective as a notice, communication or confirmation hereunder. From time-to-time, any party may designate a new address for purposes of notice to it hereunder by notice to such effect to the other parties hereto in the manner set forth in this Section 13.6.

If to the Company, to:

2010-3 SFR Venture, LLC
5032 Parkway Plaza Blvd.
Charlotte, NC 28217
Attention: Peter Schancupp
E-mail:
Telephone No.:
Facsimile No.: (redacted)

with a copy to:

Phillip Kardis, II
K&L Gates LLP
1601 K Street, NW
Washington, DC 20006
E-mail:
Telephone No.:
Facsimile No.: (redacted)
If to the Initial Member, to:

Assistant Director Structured Transactions
c/o Federal Deposit Insurance Corporation
550 17th Street, NW (Room F-7014)
Washington, D.C. 20429-0002
Attention: Ralph Malami
Email Address: RMalami@fdic.gov

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, VA 22226
Attention: David Gearin
Email Address: DGearin@fdic.gov

If to the Private Owner (including in its role as Manager and/or Tax Matter Member), to:

SFR 2010-3 Acquisition LLC
5032 Parkway Plaza Blvd.
Charlotte, NC 28217
Attention: Peter Schancupp
E-mail: [REDACTED]
Telephone No.: [REDACTED]
Facsimile No.: [REDACTED]

with a copy to:

Phillip Kardis, II
K&L Gates LLP
1601 K Street, NW
Washington, DC 20006
E-mail: [REDACTED]
Telephone No.: [REDACTED]
Facsimile No.: [REDACTED]

13.7 Counterparts: Facsimile Signatures.

(a) This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall together constitute one and the same instrument. It shall not be necessary for any counterpart to bear the signature of all parties hereto.
(b) 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.

13.8 Successors and Assigns. Except as otherwise specifically provided in this Agreement (including in Article VIII), this Agreement shall be binding upon and inure to the benefit of the Members and the Company and their respective Successors and assigns. Without limitation of Section 8.4, this Agreement, as in effect on the date that any particular Person shall cease to be Member, shall continue to bind such Person in relation to the period during which it was Member.

13.9 Compliance With Law; Severability.

(a) Compliance With Law. Except as otherwise specifically provided herein, each party to this Agreement shall obey and comply with all applicable Laws, as they may pertain to such party's performance of its obligations hereunder.

(b) 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 13.9(b) 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 13.11.
13.10 Power of Attorney.

(a) The Private Owner does hereby constitute and appoint the Manager as its true and lawful representative and attorney-in-fact, in its name, place and stead to make, execute, sign, acknowledge, deliver or file any certificate, document or other instrument that the Private Owner is required to execute and deliver pursuant to clause (a), (b), (c) or (d) of Section 4.3 hereof. The foregoing notwithstanding, the Manager shall not have any right, power or authority to amend or modify this Agreement. The power of attorney granted hereby is coupled with an interest and shall (i) survive and not be affected by the subsequent death, incapacity, disability, dissolution, termination or bankruptcy of the Private Owner granting the same or the transfer of all or any portion of the Private Owner’s LLC Interest and (ii) extend to the Private Owner’s Successors, assigns and legal representatives.

(b) The Company hereby grants to the Manager a limited power of attorney to execute all documents on its behalf in accordance with the Servicing Standard set forth above and as may be necessary to effectuate the Manager’s obligations under Article XII until such time as the Company revokes said limited power of attorney. Revocation of the limited power of attorney shall take effect upon (i) the receipt by the Manager of written notice thereof from the Initial Member, or (ii) removal of the Manager in accordance with the terms of this Agreement; provided, however, in the event of such removal, the power of attorney granted hereunder shall thereafter automatically be vested in the successor or replacement Manager appointed in accordance with this Agreement.

13.11 Governing Law. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF DELAWARE, 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. In the event of a direct conflict between the provisions of this Agreement and any mandatory, non-waivable provision of the Act, such provision of the Act shall control to the extent necessary to eliminate such direct conflict. Nothing in this Agreement shall require any unlawful action or inaction by any Person.

13.12 Jurisdiction; Venue and Service.

(a) Each of the Private Owner (for the avoidance of doubt, in any capacity, including as a Member and/or as the Manager) and the Company, in each case on behalf of itself and its Affiliates, hereby irrevocably and unconditionally:

(i) consents to the jurisdiction of the United States District Court for the Southern District of New York and to the jurisdiction of the United States District Court for the District of Columbia for any suit, action or proceeding against it (in the case of the Private Owner and for the avoidance of doubt, in any capacity, including as a Member and/or as the Manager) or any of its Affiliates commenced by the Initial Member arising out of, relating to, or in connection with this Agreement or any Ancillary Document, and waives any right to:
(A) remove or transfer such suit, action or proceeding to any other court or dispute-resolution forum (other than the Court in which the Initial Member files the action, suit or proceeding) without the consent of the Initial Member;

(B) assert that venue is improper in either the United States District Court for the Southern District of New York or the United States District Court for the District of Columbia; or

(C) assert that the United States District Court for the Southern District of New York or the United States District Court for the District of Columbia is an inconvenient forum.

(ii) consents to the jurisdiction of the Chancery Court of the State of Delaware for any suit, action or proceeding against it (in the case of the Private Owner and for the avoidance of doubt, in any capacity, including as a Member and/or as the Manager) or any of its Affiliates commenced by the Initial Member arising out of, relating to, or in connection with this Agreement or any Ancillary Document, and waives any right to:

(A) remove or transfer such suit, action or proceeding to any other court or dispute-resolution forum without the consent of the Initial Member);

(B) assert that venue is improper in the Chancery Court of the State of Delaware; or

(C) assert that the Chancery Court of the State of Delaware is an inconvenient forum.

(iii) agrees to bring any suit, action or proceeding by it (in the case of the Private Owner and for the avoidance of doubt, in any capacity, including as a Member and/or as the Manager) or any of its Affiliates against the Initial Member arising out of, relating to, or in connection with this Agreement or any Ancillary Document in only the United States District Court for the Southern District of New York or the United States District Court for the District of Columbia, and waives any right to remove or transfer such suit, action or proceeding to any other court or dispute-resolution forum without the consent of the Initial Member, and agrees to consent thereafter to transfer of the suit, action or proceeding to either the United States District Court for the Southern District of New York or the United States District Court for the District of Columbia at the option of the Initial Member; and

(iv) agrees, if the United States District Court for the Southern District of New York and the United States District Court for the District of Columbia both lack jurisdiction to hear a suit, action or proceeding falling within Section 13.12(a)(iii), to bring that suit, action or proceeding in only the Chancery Court of Delaware.
Court of the State of Delaware, and waives any right to remove or transfer such suit, action or proceeding to any other court or dispute-resolution forum without the consent of the Initial Member.

(b) Each of the Private Owner (in any capacity, including as a Member and/or as the Manager) and the Company, in each case on behalf of itself and its Affiliates, hereby irrevocably and unconditionally agrees that any final judgment entered against it in any suit, action or proceeding falling within Section 13.12(a) may be enforced in any court of competent jurisdiction;

(c) Subject to the provisions of Section 13.12(d), each of the Private Owner (in any capacity, including as a Member and/or as the Manager) and the Company, in each case on behalf of itself and its Affiliates, and the Initial Member, hereby irrevocably and unconditionally agrees that service of all writs, process and summonses in any suit, action or proceeding pursuant to Section 13.12(a) or Section 13.12(b) may be effected by the mailing of copies thereof by registered or certified mail, postage prepaid, to it at its address for notices pursuant to Section 13.6 (with copies to such other Persons as specified therein); provided, however, that nothing contained in this Section 13.12(c) shall affect the right of any party to serve process in any other manner permitted by Law;

(d) Nothing in this Section 13.12 shall constitute consent to jurisdiction in any court by the FDIC (in any capacity, including as the Initial Member), other than as expressly provided in Section 13.12(a)(iii) and Section 13.12(a)(iv), or in any way limit the FDIC’s (in any capacity, including as the Initial Member) right to remove, transfer, seek to dismiss, or otherwise respond to any suit, action, or proceeding against it (in any capacity, including as the Initial Member) in any forum.

13.13 Waiver of Jury Trial. EACH OF THE PRIVATE OWNER AND THE COMPANY, FOR ITSELF AND ITS AFFILIATES, AND THE INITIAL MEMBER, 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 OR THE ANCILLARY DOCUMENTS AND AGREES THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers or agents thereunto duly authorized on the date first above written.

FEDERAL DEPOSIT INSURANCE CORPORATION, IN ITS SEPARATE CAPACITIES AS RECEIVER FOR EACH OF THE FAILED BANKS, as Initial Member

By: 
Name: Ralph Malami
Title: Attorney-in-Fact

2010-3 SFR VENTURE, LLC

By: Federal Deposit Insurance Corporation, in its separate capacities as receiver for each of the Failed Banks

By: 
Name: Ralph Malami
Title: Attorney-in-Fact

SFR 2010-3 ACQUISITION LLC, as Private Owner

By: RoundPoint SFR 2010-3 Acquisition LLC, its managing member

By: 
Name: 
Title: 

FDIC 2010-3
Amended and Restated Limited Liability Company Operating Agreement
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers or agents thereunto duly authorized on the date first above written.

FEDERAL DEPOSIT INSURANCE CORPORATION, IN ITS SEPARATE CAPACITIES AS RECEIVER FOR EACH OF THE FAILED BANKS, as Initial Member

By: ________________________________
    Name: Ralph Malami
    Title: Attorney-in-Fact

2010-3 SFR VENTURE, LLC

By: Federal Deposit Insurance Corporation, in its separate capacities as receiver for each of the Failed Banks

By: ________________________________
    Name: Ralph Malami
    Title: Attorney-in-Fact

SFR 2010-3 ACQUISITION LLC, as Private Owner

By: RoundPoint SFR 2010-3 Acquisition, LLC, its managing member

By: ________________________________
    Name: Shaun Ahmed
    Title: Secretary
### Annex I

**Member Schedule**

<table>
<thead>
<tr>
<th>Member</th>
<th>Percentage Interests</th>
<th>Capital Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Member</td>
<td>60%</td>
<td>$65,026,640.51(^1)</td>
</tr>
<tr>
<td>Private Owner</td>
<td>40%</td>
<td>$43,351,093.68(^2)</td>
</tr>
</tbody>
</table>

\(^1\) Equal to the sum of (a) $63,330,799.00 (the value of the Initial Member's LLC Interest as of the Closing Date), (b) $791,632.50 (the Initial Member's Interest Reserve Account contribution) and (c) $904,209.01 (the Initial Member's Liquidity Account contribution).

\(^2\) Equal to the sum of (a) $42,220,532.67 (the amount paid for Private Owners's LLC Interest), (b) $527,755.00 (the Private Owner's Interest Reserve Account contribution) and (c) $602,806.01 (the Private Owner's Liquidity Account contribution).
EXHIBIT A

FORM OF

CERTIFICATE OF FORMATION
OF
2010-3 SFR VENTURE, LLC

Pursuant to and in accordance with the provisions of Section 18-201 of the Delaware Limited Liability Company Act, the undersigned hereby certifies that:

FIRST, the name of the limited liability company is 2010-3 SFR VENTURE, LLC (the “Company”).

SECOND, the address of the registered office of the Company in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of the registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation of the Company on this [___] day of [___________], 2010.

By: ____________________________ 
Name: [____________]
Title:  Authorized Person
EXHIBIT B

INFORMATION; FORM OF MONTHLY REPORT

[Attached]
COLLECTIONS

<table>
<thead>
<tr>
<th>COLLECTIONS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>(+) Principal collections</td>
<td></td>
</tr>
<tr>
<td>(+) Interest collections</td>
<td></td>
</tr>
<tr>
<td>(+) Loan sale proceeds, including short sales</td>
<td></td>
</tr>
<tr>
<td>(+) Mortgage insurance claim proceeds</td>
<td></td>
</tr>
<tr>
<td>(+) REO liquidation proceeds</td>
<td></td>
</tr>
<tr>
<td>(+) Servicing Expenses Recovered</td>
<td></td>
</tr>
<tr>
<td>(+) Other Loan Proceeds (including late fees and penalties)</td>
<td></td>
</tr>
<tr>
<td>(+) Any payments made pursuant to Article VI of the Reimbursement and Security Agreement</td>
<td></td>
</tr>
<tr>
<td>(+) Indemnity Payments made under Custodial Agreement</td>
<td></td>
</tr>
<tr>
<td>(+) Interest and earnings from Collection Account</td>
<td></td>
</tr>
<tr>
<td><strong>GROSS COLLECTIONS</strong></td>
<td></td>
</tr>
</tbody>
</table>

Other deposits to Collection Account

<table>
<thead>
<tr>
<th>Deposits to Collection Account</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(+) Transferred from Liquidity Account to pay Operating Expenses</td>
<td></td>
</tr>
<tr>
<td>(+) Excess Liquidity Advances made by Manager</td>
<td></td>
</tr>
<tr>
<td>(+) Excess Interest Reserve Amount - required release of funds from Interest Reserve Account</td>
<td></td>
</tr>
<tr>
<td>(+) Transferred from the Interest Reserve Account for PMN interest shortfall or Guaranty payment</td>
<td></td>
</tr>
<tr>
<td><strong>GROSS FUNDS AVAILABLE</strong></td>
<td></td>
</tr>
</tbody>
</table>

Less authorized disbursements from Collection Account

<table>
<thead>
<tr>
<th>Authorized Disbursements</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(-) Servicing Expenses paid</td>
<td></td>
</tr>
<tr>
<td>(-) Pre-Approved Charges</td>
<td></td>
</tr>
<tr>
<td>(-) Funding Draws</td>
<td></td>
</tr>
<tr>
<td>(-) Reimbursement of Excess Liquidity Advances made by Manager</td>
<td></td>
</tr>
<tr>
<td><strong>NET FUNDS AVAILABLE</strong></td>
<td></td>
</tr>
</tbody>
</table>

Required Liquidity Account release to/(replenishment from) the Collection Account, on Business Day immediately preceding the Distribution Date

<table>
<thead>
<tr>
<th>Required Liquidity Account release to/(replenishment from) the Collection Account</th>
<th></th>
</tr>
</thead>
</table>

**DISTRIBUTIONS DUE TO DISTRIBUTION ACCOUNT**

Distributions pursuant to Priority of Payments in the Custodial Agreement

<table>
<thead>
<tr>
<th>Distribution</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Custodian and Payment Agent Fees and Expenses (and any indemnity payments under Section 13.1(a) of Custodial Agreement)</td>
<td>(1)</td>
</tr>
<tr>
<td>Interim Servicing Fee to Initial Member</td>
<td>(1)</td>
</tr>
<tr>
<td>Interim Management Fee to Manager</td>
<td>(2)</td>
</tr>
<tr>
<td>Management Fee to Manager</td>
<td>(3)</td>
</tr>
<tr>
<td>Purchase Money Note Guaranty Fee</td>
<td>(3)</td>
</tr>
<tr>
<td>Interest due on Purchase Money Note</td>
<td>(3)</td>
</tr>
<tr>
<td>Reimbursement due Note Guarantor</td>
<td>(3)</td>
</tr>
<tr>
<td>Interest Reserve Account Deposit Amount</td>
<td></td>
</tr>
<tr>
<td>Principal due on Purchase Money Note</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL DISTRIBUTIONS DUE</strong></td>
<td></td>
</tr>
</tbody>
</table>

**NET DISTRIBUTABLE CASH TO MEMBERS (if positive)**

|$        |
CASHFLOW AND DISTRIBUTION REPORT

<table>
<thead>
<tr>
<th>DISTRIBUTION TO MEMBERS</th>
<th>DISTRIBUTION TO MEMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution to Initial Member (pro rata at respective LLC interest)</td>
<td>$ -</td>
</tr>
<tr>
<td>Distribution to Private Owner (pro rata at respective LLC interest)</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL DISTRIBUTIONS TO MEMBERS</td>
<td>$ -</td>
</tr>
</tbody>
</table>

**INTERIM SERVICING FEE CALCULATION**

Adjusted UPB, beginning of Due Period (with respect to each Mortgage Loan for which the Servicing Transfer Date has not occurred as of first day in Due Period) $ -

- Times interim servicing fee rate $ -
- Times number of days in Due Period/360 $ -
- Interim Servicing Fee due to Initial Member $ -

**INTERIM MANAGEMENT FEE CALCULATION**

Adjusted UPB, beginning of Due Period (with respect to each Mortgage Loan for which the Servicing Transfer Date has not occurred as of first day in Due Period) $ -

- Times Management Fee rate 0.25%
- Times number of days in Due Period/360 $ -
- Interim Management Fee due to Manager $ -

**MANAGEMENT FEE CALCULATION**

Adjusted UPB, as of first day of Due Period (with respect to each Mortgage Loan for which the Servicing Transfer Date has occurred as of first day in Due Period) $ -

- Times Management Fee rate 0.50%
- Times number of days in Due Period/360 $ -
- Management Fee due to Manager $ -

(1) Applicable only to the Interim Servicing Period with respect to each Mortgage Loan. Includes any deferred and unpaid fees from previous Due Periods.

(2) Applicable to Due Periods following the Interim Servicing Period with respect to each Mortgage Loan. Includes any deferred and unpaid fees from previous Due Periods.

(3) Applicable only if Purchase Money Notes are guaranteed by FDIC Corporate at some later date.

**ALLOCATION OF INTEREST AND PRINCIPAL PROCEEDS**

Part I - Calculation of amount payable for items in Section 5.1(b)(i) through (vii) of the Custodial Agreement

| Gross Collections | $ - |
| Less Principal collections | - |
| Less Loan Sale proceeds, including short sales | - |
| Less Mortgage insurance claim proceeds | - |
| Less REO liquidation proceeds | - |
| Excess Liquidity Advances made by Manager | - |
| Required Liquidity Account release (on Business Day prior to Distribution Date) transferred from Interest Reserve Account | - |
| Interest Proceeds available | - |

Items payable first from Interest Proceeds, then Principal Proceeds

Payable pursuant to Section 3.1 of the Custodial Agreement:

- Servicing Expenses
- Pre-Approved Charges
- Excess Liquidity Advances made by Manager

On Business day prior to Distribution Date:

- Required Liquidity Account replenishment
Payable pursuant to Section 5.1(b) of the Custodial Agreement:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Custodian and Paying Agent Fees</td>
<td></td>
</tr>
<tr>
<td>Interim Servicing Fee to Initial Member</td>
<td></td>
</tr>
<tr>
<td>Interim Management Fee to Manager</td>
<td></td>
</tr>
<tr>
<td>Management Fee to Manager</td>
<td></td>
</tr>
<tr>
<td>Purchase Money Note Guaranty Fee</td>
<td></td>
</tr>
<tr>
<td>Interest due on Purchase Money Note</td>
<td></td>
</tr>
<tr>
<td>Reimbursement due Note Guarantor</td>
<td></td>
</tr>
<tr>
<td>Interest Reserve Account Deposit Amount</td>
<td></td>
</tr>
</tbody>
</table>

Subtotal, amounts due from Interest Proceeds: $  

Excess (Shortfall) before Recategorized Interest Proceeds: $  

Less: Recategorized Interest Proceeds with respect to Prior Distribution Dates (up to amount of Excess Interest on previous row): $  

Remaining Interest Proceeds: $  

### Part II - Allocation

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal collections on loans</td>
<td></td>
</tr>
<tr>
<td>Loan Sale proceeds, including short sales</td>
<td>$</td>
</tr>
<tr>
<td>Mortgage insurance claim proceeds</td>
<td></td>
</tr>
<tr>
<td>REO liquidation proceeds</td>
<td></td>
</tr>
<tr>
<td>Less Funding Draws</td>
<td></td>
</tr>
<tr>
<td>Principal Proceeds Available</td>
<td></td>
</tr>
</tbody>
</table>

(-) Shortfall in Interest Proceeds for current Due Period (current period Recategorized Interest Proceeds): $  

(+) Recategorized Interest Proceeds, with respect to any prior Distribution Date: $  

Net Principal Proceeds for Allocation (not less than zero): $  

Principal due on Purchase Money Note, until Notes reduced to zero: $  

### Recategorized Interest Proceeds

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recategorized Interest Proceeds, with respect to any prior Distribution Date: $</td>
<td></td>
</tr>
</tbody>
</table>

(-) Excess Interest Proceeds for current Due Period, up to amount of Recategorized Interest Proceeds: $  

(+) Interest Shortfall for current Due Period, up to amount of Principal Proceeds Available: $  

Recategorized Interest Proceeds after this Distribution: $  
<table>
<thead>
<tr>
<th>[Insert Month and Year]</th>
<th>For the Period from [Insert Date Range]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LOANS</strong></td>
<td># ASSETS</td>
</tr>
<tr>
<td>Unpaid principal balance, [insert date]</td>
<td>-</td>
</tr>
<tr>
<td>(-) Payments received (regular and curtailments)</td>
<td>-</td>
</tr>
<tr>
<td>(-) Paid-in-full loans</td>
<td>-</td>
</tr>
<tr>
<td>(-) Short sale proceeds</td>
<td>-</td>
</tr>
<tr>
<td>(-) Mortgage insurance proceeds</td>
<td>-</td>
</tr>
<tr>
<td>(-) UPB, transfers to REO</td>
<td>-</td>
</tr>
<tr>
<td>(+) Balance capitalized on loan modifications</td>
<td>-</td>
</tr>
<tr>
<td>(+) Commitments funded</td>
<td>-</td>
</tr>
<tr>
<td>(-) Principal charge-offs</td>
<td>-</td>
</tr>
<tr>
<td>Unpaid principal balance, [insert date]</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>REO</strong></th>
<th># ASSETS</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPB of REO properties, [insert date]</td>
<td>-</td>
<td>$</td>
</tr>
<tr>
<td>(+) UPB on REO transfers in</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(+) Capitalized post-acquisition costs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(-) Net liquidation proceeds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(+/-) Realized Gain (Losses)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>UPB of REO properties, [insert date]</td>
<td>-</td>
<td>$</td>
</tr>
</tbody>
</table>

Total Assets, end of Due Period

(1) With respect to Acquired Property (REO), the Unpaid Principal Balance (UPB) is equal to the Net Fair Value (estimated sales price less cost to sell) of the Acquired Property, per the Agreement of Common Definitions.
### Monthly Roll Forward

[insert date]

<table>
<thead>
<tr>
<th>Escrow Advances</th>
<th>Other Recoverable Servicing Advances</th>
<th>(1) Total Non-Recoverable Servicing Expenses Paid</th>
<th>Total Servicing Expenses Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, [insert date]</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>(+) Payments/Advances</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(-) Advance Recoveries</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance, [insert date]</td>
<td>$(2)</td>
<td>$(2)</td>
<td>$</td>
</tr>
</tbody>
</table>

(1) Servicing Expenses, as defined in the LLC Operating Agreement, are authorized to be paid by withdrawal of funds from the Collection Account. For reporting purposes, Servicing Expenses may be broken out into additional and/or different fields at the discretion of the Manager, sufficient to determine the appropriateness of the payments under the definition of Servicing Expenses.

(2) Loan servicing system should include fields to capture and report balances in each category, and the category totals should agree to asset-level detail tapes provided by the Manager as of each month-end.
**LIQUIDITY ACCOUNT**

**Monthly Roll Forward**
(insert date)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance after activity for previous Due Period</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>(+) Interest and earnings on Liquidity Account</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Transfers to Collection Account:</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>(-) Payment of Operating Expenses</td>
<td>$</td>
<td>(1)</td>
</tr>
<tr>
<td>(-) Release of excess funds at the time of the Final Distribution</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Balance, as of the Determination Date</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>(+/-) Replenishment (release) of Liquidity Account from/to Collection</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Account (on the Business Day immediately prior to the Distribution Date)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, after replenishment (release) for current Due Period</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

(1) Operating Expenses means any Servicing Expenses or Pre-Approved Charges.

**Liquidity Account Cap**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPB of the Mortgage Loans as of the Determination Date</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Times 0.25%</td>
<td>0.25%</td>
<td></td>
</tr>
<tr>
<td>Liquidity Account Cap</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

**Calculation of Required Liquidity Account Replenishment (Release)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity Account Cap</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Liquidity Account Balance prior to replenishment (release)</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Required Liquidity Account replenishment (release)</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>
### Monthly Roll Forward

**[Insert date]**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, after activity for previous Due Period</td>
<td>$</td>
</tr>
<tr>
<td>Advanced by Manager to Collection Account for payments:</td>
<td>-</td>
</tr>
<tr>
<td>(+) Servicing Expenses</td>
<td>-</td>
</tr>
<tr>
<td>(+) Pre-Approved Charges</td>
<td>-</td>
</tr>
<tr>
<td>(-) Reimbursements from Cash Flow</td>
<td>-</td>
</tr>
<tr>
<td>Balance, after activity for current Due Period</td>
<td>$</td>
</tr>
</tbody>
</table>

### Special Reserve Account

**Monthly Roll Forward**

**[Insert date]**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of Due Period</td>
<td>$</td>
</tr>
<tr>
<td>(+) Proceeds from draw on Letter of Credit</td>
<td>-</td>
</tr>
<tr>
<td>(-) Payment of expenses in connection with Event of Default</td>
<td>-</td>
</tr>
<tr>
<td>Balance, end of Due Period</td>
<td>$</td>
</tr>
</tbody>
</table>

### Funding Draws

**Monthly Report**

**[Insert date]**

<table>
<thead>
<tr>
<th>Loan Number / Purpose of Funding Draw</th>
<th>Amount of Funding Draw</th>
<th>Current UPB</th>
<th>Unfunded Commitment</th>
<th>Date of Draw</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Funding Draws for current Due Period**

$
ADDITIONAL SECURITY REPORT

[insert date]

Amount of Additional Security (in each case as of the end of the Due Period)

Undrawn Amount under Qualifying Letters of Credit: $ -
[and/or]
Balance in Private Owner Pledged Account: $ -

Additional Security amount equal to or in excess of $______? YES/NO

In the event of any Additional Security consisting of a Qualifying Letter of Credit, for each such Qualifying Letter of Credit:
A. Capital category of Issuing Bank as of the end of the Due Period pursuant to the standards in 12 U.S.C. § 1831o (b)(1), or applicable replacement legislation:
B. Is such Issuing Bank a Qualified Issuer? YES/NO
### Monthly Roll Forward

**[insert date]**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Note - NG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchase Money Note Monthly Roll</strong></td>
<td></td>
<td>Maturity</td>
</tr>
<tr>
<td>(+) Note balance, previous Distribution Date</td>
<td>$</td>
<td>[insert date]</td>
</tr>
<tr>
<td>(-) Principal payments from current distributions</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td><strong>Purchase Money Note balance, as of current Distribution Date</strong></td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td><strong>Calculation of Interest Due on Purchase Money Note</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Money Note balance on Determination Date</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>[insert rate]</td>
<td></td>
</tr>
<tr>
<td>Accrual Period (days), 30/360 basis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest due on Purchase Money Note</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td><strong>Interest Reserve Account Monthly Roll</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance after activity for previous Due Period</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>(+) Deposit from Initial Member at closing</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>(+) Deposit from Private Owner at closing</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>(+) Interest and earnings on Interest Reserve Account Balance, as of Determination Date</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>(+) Interest Reserve Deposit Amount from current distributions</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>(-) Excess Interest Reserve Amount - release to Collection Account</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>(-) Interest payment shortfall due on Purchase Money Notes</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>(+) Reimbursement due Note Guarantor</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance, after activity for current Due Period</strong></td>
<td>$</td>
<td>-</td>
</tr>
</tbody>
</table>

### Calculation of Interest Reserve Deposit Amount

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Note - NG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PMN balance as of the last day of the Due Period</strong></td>
<td>$</td>
<td>[insert rate]</td>
</tr>
<tr>
<td>Times Purchase Money Note Interest Rate</td>
<td>[A]</td>
<td>$</td>
</tr>
<tr>
<td>Interest Reserve Target</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Interest Reserve Account Balance as of the Determination Date</td>
<td>[B]</td>
<td>-</td>
</tr>
<tr>
<td>Required Interest Reserve Account replenishment (release)</td>
<td>[A] - [B]</td>
<td>$</td>
</tr>
<tr>
<td><strong>Interest Reserve Deposit Amount - replenishment pursuant to cash waterfall, on Distribution Date</strong></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td><strong>Excess Interest Reserve Amount - release to Collection Account</strong></td>
<td>$</td>
<td>-</td>
</tr>
</tbody>
</table>

**Applicable only if Purchase Money Notes are guaranteed by FDIC Corporate at some later date**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Note - NG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Calculation of Note Guaranty Fee</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Money Note balance on Determination Date</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Times 1/12</td>
<td>1%</td>
<td>-</td>
</tr>
<tr>
<td>Note Guaranty Fee due</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td><strong>Note Guarantor Payments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(+) Balance, beginning of Due Period</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>(+) Draws, current month</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>(-) Repayments, current month</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance, end of Due Period</strong></td>
<td>$</td>
<td>-</td>
</tr>
</tbody>
</table>
### INCENTIVE THRESHOLD TRACKING REPORT

**[insert date]**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate Cash Distributions to Private Owner, as of preceding Distribution Date</td>
<td>$</td>
</tr>
<tr>
<td>(+) Current month distribution to Private Owner pursuant to Priority of Payments</td>
<td></td>
</tr>
<tr>
<td><strong>Aggregate Cash Distributions to Private Owner, as of the current Distribution Date</strong></td>
<td>$</td>
</tr>
<tr>
<td><strong>Incentive Threshold Base Amount</strong></td>
<td></td>
</tr>
<tr>
<td>Transferred LLC Interest Sale Price</td>
<td></td>
</tr>
<tr>
<td>Required Special Reserve Amount [Pre-funded option]</td>
<td></td>
</tr>
<tr>
<td><strong>$</strong></td>
<td></td>
</tr>
</tbody>
</table>

### INCENTIVE THRESHOLD EVENT

Occurs as of a Distribution Date if:

(a) the aggregate distributions made to the Private Owner pursuant to the Priority of Payments are equal to or greater than 2 times the Incentive Threshold Base Amount and

(b) the Incentive Threshold as of such Distribution Date is equal to zero.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Aggregate cash distributions to Private Owner</strong></td>
<td>$</td>
</tr>
<tr>
<td><strong>Incentive Threshold Base Amount * 2</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Distributions Remaining to Incentive Threshold Event</strong></td>
<td>$</td>
</tr>
<tr>
<td><strong>Incentive Threshold, as of the preceding Distribution Date</strong></td>
<td>$</td>
</tr>
<tr>
<td>(+) Threshold Increase Amount (1.8769% per month)</td>
<td></td>
</tr>
<tr>
<td>(-) Current distributions to Private Owner pursuant to the Priority of Payments</td>
<td></td>
</tr>
<tr>
<td><strong>Incentive Threshold, as of the current Distribution Date</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

**Incentive Threshold Event met?** Y/N
**Withdrawals from Collection Account**

Manager hereby certifies that all withdrawals by the Manager from the Collection Account during the relevant Due Period were made in accordance with the terms of the Amended and Restated Limited Liability Company Operating Agreement and the Custodial Agreement: Y / N

**Delinquency Report**

# and $ by delinquency classification: Current, 30-59 days, 60-89 days, 90+ days, in foreclosure, in bankruptcy, REO

Breakout of > 60 day delinquencies by collateral type, # and $
Breakout of > 60 day delinquencies by state, # and $

**REO Report**

Listing of REO properties held to include original loan number, date of ownership, description, collateral type, address, UPB (of the loan prior to foreclosure), net book value, listing date, estimated sale date, appraisal amount, original list price, current list price, cumulative Servicing Expenses allocable, broker name, and comments

**Modification Report**

Listing of loans modified, to include borrower name, loan balance and terms before modification, loan balance and terms after modification. Show amounts of principal forgiven, if any, and principal forbearance amounts, if any.

**Liquidation Report**

Listing of loans and REO properties liquidated, to include borrower name, UPB, net liquidation proceeds, cumulative Servicing Expenses, realized loss amount

**Short Sale Report**

Listing of loans for which short sales were accepted, to include borrower name, UPB, payoff accepted, realized loss amount

**Judgment Report**

Listing of Judgments obtained, to include borrower name, Judgment amount, current month and cumulative payments received, remaining balance
**Significant Litigation Report**

Company and/or Servicer with respect to assets subject to this Agreement, the actions taken to defend such claim, and an estimate of the projected exposure for: a) any claim in which the Company or Servicer expects to incur more than $10,000 in Servicing Expenses to defend such claim, b) any claim in which multiple plaintiffs have joined in filing an action against the Company and/or Servicer or the same law firm has filed individual claims on behalf of more than one plaintiff, and c) any claim(s) regardless of the dollar amount naming: (i) any Failed Bank, or (ii) FDIC (in any capacity) as defendant(s). Activity should be updated quarterly.

**Environmental Exposure Report**

Provide a report identifying any assets in which the Site Assessment identified an Environmental Hazard together with information on the nature of the hazard, additional tests performed, and the cost of correcting the hazard identified in the Site Assessment.

**Bank Statements**

For accounts held at the Custodian, provide bank statements showing activity and ending balance for the current Due Period.

**MONTHLY LOAN-LEVEL DETAIL REPORTS**

**Monthly Loan Trial Balance and Activity Report**

PROVIDE A MONTHLY LOAN-LEVEL REPORT IN EXCEL WITH THE FOLLOWING FIELDS:

- Current Loan Number
- Prior Servicer Loan Number
- P&I Constant
- Note Rate
- Next Due or Paid-Thru Date
- Payoff Date (if applicable)
- Principal Balance, end of prior month
- Principal collections - regular
- Principal collections - payoffs
- Principal proceeds – loan sales
- Principal Write-Off Amount
- Other Non-Cash Principal Adjustment
- Transfer to REO
- Principal Balance, end of current month
- Escrow balance
- Other Advances Balance
- Interest collections - regular
- Interest collections - payoffs
- Interest collections – loan sales
OTHER REPORTS

Non-Cash Interest Adjustment
Late Charges
Pre-Payment Penalty Paid
Other Fee Income

**Servicing System Data Download – To Initial Member**

Provide a monthly loan-level data download using the LLC data specification and template published by the FDIC for LLC reporting. This specification and template may be modified from time to time by the Initial Member.
The LLC data specification and template may be accessed at the following link:

**SEMIANNUAL REPORT – TO INITIAL MEMBER (in January and July of each year, commencing January 2011)**

**Projected Cash Flows**

Excel model of projected cash flows by month, as of June 30 and December 31 of each year, in format substantially consistent with the Cashflow and Distribution Report included in this Monthly Report.

**ANNUAL REPORT – TO INITIAL MEMBER (in April of each year, commencing April 2011)**

**Business Plan**

Updated Business Plan, as required pursuant to Section 7.7 of the Amended and Restated Limited Liability Company Agreement.

**AS AVAILABLE – TO INITIAL MEMBER**

Custodial Report or an updated Loan Schedule and Exception List (in each case as defined in the Custodial Agreement) from the Custodian/Paying Agent, as provided to the Company.
FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is made and entered into as of [____] by and between [____], a [____] ("Transferor"), and [____], a [____] ("Transferee").

RECITALS

WHEREAS, the Transferor, is the owner of a limited liability company membership interest (the "LLC Interest") in 2010-3 SFR Venture, LLC, a Delaware limited liability company (the "Company");

WHEREAS, the LLC Interest represents a [____] percent ([____]% "Percentage Interest" in the Company (as defined in that certain Amended and Restated Limited Liability Company Operating Agreement, effective as of [____], 2010, by and among the Federal Deposit Insurance Corporation, in its capacity as receiver for the Failed Banks defined therein (the "Initial Member"), Transferor and the Company (the "LLC Operating Agreement");

WHEREAS, the ownership and other rights associated with the LLC Interest are set forth in the LLC Operating Agreement;

WHEREAS, pursuant to Section 3.13 of the LLC Operating Agreement, Transferor granted the Initial Member a first priority security interest in the LLC Interest in order to secure certain obligations of Transferor as more fully described in the LLC Operating Agreement;

WHEREAS, an Event of Default (as defined in the LLC Operating Agreement) has occurred and is continuing, and the Initial Member has elected, pursuant to the LLC Operating Agreement, to foreclose on its security interest in the LLC Interest and effect the assignment contemplated hereby;

NOW THEREFORE, in consideration of the mutual agreements contained herein and in the LLC Operating Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Assignment and Assumption. Transferor hereby assigns and transfers the LLC Interest to Transferee, and Transferee hereby accepts and assumes the LLC Interest and agrees to be bound by the LLC Operating Agreement, as amended from time-to-time, to the extent it relates to such LLC Interest.

2. Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one
or more counterparts have been signed by each of the parties and delivered (including by telecopy) to the other party.

3. **No Third Party Beneficiaries.** This Agreement shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement is not intended to confer upon any other person any rights or remedies hereunder.

4. **Governing Law.** The laws of the State of Delaware will govern the validity, performance and enforcement of this Agreement, without giving effect to the principles of conflict of laws of the State of Delaware or any other jurisdiction.

**IN WITNESS WHEREOF,** the parties hereto have duly executed this Agreement effective as of the date first above written.

**TRANSFEROR:**

[____]

By: [____]
Name: [____]
Title: [____]

**TRANSFEREE:**

[____]

By: [____]
Name: [____]
Title: [____]
FORM OF LETTER OF CREDIT

Federal Deposit Insurance Corporation, in its capacity as Initial Member (as defined below)
[Manager, Capital Markets & Resolutions
c/o Federal Deposit Insurance Corporation
550 17th Street, NW (Room F-7014)
Washington, D.C. 20429-0002
Attention: [______]
Email Address: [_______]
Tel: [______]
Fax: [______]

RE: Irrevocable Transferable Letter of Credit No. [______] for
U.S.$ [______], Dated [__________].

Gentlemen:

We hereby issue our irrevocable transferable Letter of Credit No. [______] (this “Letter of Credit”) in favor of Federal Deposit Insurance Corporation (in any capacity, the “FDIC”), as receiver for the Failed Banks identified in the LLC Operating Agreement defined below, as the Initial Member under such LLC Operating Agreement (including its successors, and its assigns as provided herein, the “Initial Member”), for the account of [______] (the "Private Owner").

This Letter of Credit is issued pursuant to the Amended and Restated Limited Liability Company Operating Agreement dated as of [______], 2010 (as amended or otherwise modified from time-to-time, the “LLC Operating Agreement”), by and among [______], LLC (the “Company”), the Private Owner and the Initial Member.

We undertake to honor from time-to-time your draft or drafts presented to us in accordance herewith not exceeding in the aggregate U.S.$ [______] U.S. Dollars (U.S.$ [______]). All drafts hereunder (i) must be marked "Drawn under irrevocable transferable Letter of Credit No. [______], dated [__________]", (ii) must be accompanied by a typewritten statement signed by a purportedly authorized representative of the Initial Member stating that an “Event of Default” or “LC Reissuance/Extension Failure” has occurred under (and as defined in) the LLC Operating Agreement, and (iii) shall, unless payment is to be made at sight, include the wire transfer instructions for remittance by us of the amount of such draft.

Presentation of drafts drawn hereunder, together with the required statement and applicable wire transfer instructions, may be made at any time on or before the expiry date hereof (i) by physical presentation of such draft at, or overnight delivery of such draft to, our offices located at [include address in New York City or

FDIC SFR 2010-3 (Final)
A&R Limited Liability Company Operating Agreement
Pool Nos. 24020 and 24021
13235439.7 11/29/2010 9:08 PM
Washington, D.C.], [or (ii) by telexcopier (at telexcopier number (____) ______,
Attention:_______], without further need of documentation. Presentation having been so made
at or before 12:00 noon (New York, New York time) on any day other than a Saturday, Sunday
or other day on which all commercial banks in [New York, New York / Washington, D.C.] are
authorized or required by law to be closed ("Banking Day") shall result in payment to the Initial
Member in accordance herewith on the same date. Drafts presented after 12:00 noon (New
York, New York time) or on any day other than a Banking Day, shall result in payment to the
Initial Member in accordance herewith on the next Banking Day.

This Letter of Credit shall expire at 5:00 p.m. (New York, New York time) on the date
that occurs one year after the date hereof; provided, however, that this Letter of Credit will
automatically extend without amendment for additional periods of one year each (in each case
commencing from the expiry date hereof as then in effect), unless we elect not to renew this
Letter of Credit and deliver to the Initial Member written notice of such election at least sixty
(60) days prior to any such expiry date. Any such notice shall be in writing and shall be
delivered in hand with receipt acknowledged, or by certified mail (return receipt requested), to
the Initial Member at its address set forth above (or to such other address for any such notices
which the Initial Member may hereafter specify in a written notice delivered to the undersigned).

Partial and multiple drafts are permitted, and the amount of this Letter of Credit will be
reduced by each such draft honored.

All our charges (including wire transfer fees in connection with any payments by us
hereunder) are for the account of the Private Owner, and in no event shall any such charges
reduce the amount of any draft or payment hereunder.

We agree that we shall have no duty or right to inquire as to the basis upon which the
Initial Member has determined to present to us any draft under this Letter of Credit. We hereby
waive any defense based upon any allegation of fraud.

This Letter of Credit is transferable to any transferee who has succeeded you as the Initial
Member under the LLC Operating Agreement, and may be successively transferred. Any transfer
request must be effected by presenting to us the attached form of Attachment I signed by the
transferor and the transferee together with the original Letter of Credit. Upon our endorsement
of such transfer, the transferee instead of the transferor shall, without necessity of further action,
be entitled to all the benefits of and rights under this Letter of Credit in the transferor's place;
provided that, in such case, any drafts of the Initial Member to be provided hereunder shall be
signed by one who states therein that he is a duly authorized officer or agent of the transferee.

Except as otherwise expressly stated herein, this Letter of Credit is subject to the
International Standby Practices, International Chamber of Commerce Publication No. 590,
including any amendments, modifications or revisions thereof (the "ISP 98"). As to matters not
covered by the ISP 98, and to the extent not inconsistent with the ISP 98, this Letter of Credit
shall be governed by and construed in accordance with the laws of the State of New York,
including without limitation the Uniform Commercial Code as in effect in the State of New York, without regard to principals of conflict of laws.

All of the terms and conditions of this Letter of Credit are contained herein and shall not be altered except by reduction in the amount of this Letter of Credit due to corresponding payments in like amount in compliance with the aforementioned terms. Except as otherwise expressly set forth herein, there are no conditions to this Letter of Credit.

Very truly yours,

By: ____________________________
Name: __________________________
Title: __________________________
ATTACHMENT I TO LETTER OF CREDIT

REQUEST FOR TRANSFER

[Insert Bank Name and Address]

RE: Irrevocable Transferable Letter of Credit No. [_______] for U.S.$[______], Dated [______________].

Gentlemen:

Reference is made to that certain irrevocable transferable Letter of Credit No. [_______], dated [_______] (the “Letter of Credit”), issued by you in favor of [_______] (the “Transferor”), for the account of [_______] (the "Private Owner").

The Transferor has transferred and assigned (and hereby confirms to you said transfer and assignment) all of its rights in and under the Letter of Credit to [name of Transferee] (the “Transferee”) and confirms that the Transferor no longer has any rights under or interest in the Letter of Credit.

The Letter of Credit is returned herewith and we request that you issue an irrevocable transferable letter of credit in the name of the Transferee and providing for notices to be sent to the Transferee at the address set forth below and in all other respects identical to the Letter of Credit.

Transferee hereby certifies that it is a duly authorized transferee under the terms of the Letter of Credit and is accordingly entitled, upon presentation of the drafts (and applicable items) called for therein, to receive payment thereunder.

Notices under the Letter of Credit should be sent to the Transferee as follows: [Name], [Address], [Attention:_______], Email: [_______], Fax: [_______], Tel: [_______].

[NAME OF TRANSFEROR]

By ____________________ 
[Name and Title of Authorized Representative of Transferor]

[NAME OF TRANSFEREE]

By ____________________ 
[Name and Title of Authorized Representative of Transferee]