

# **EXHIBIT “F”**

EX-10.1 2 psaandexhibits.htm POOLING & SERVICING AGREEMENT

STRUCTURED ASSET MORTGAGE INVESTMENTS II INC.  
DEPOSITOR

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
TRUSTEE

AND

EMC MORTGAGE CORPORATION  
SERVICER, SPONSOR AND COMPANY

POOLING AND SERVICING AGREEMENT

DATED AS OF AUGUST 1, 2007

STRUCTURED ASSET MORTGAGE INVESTMENTS II INC.  
Structured Asset Mortgage Investments II Trust 2007-AR4  
Mortgage Pass-Through Certificates, Series 2007-AR4

TABLE OF CONTENTS

ARTICLE I DEFINITIONS.....2

ARTICLE II CONVEYANCE OF MORTGAGE LOANS; ORIGINAL ISSUANCE OF CERTIFICATES.....61

Section 2.01. Conveyance of Mortgage Loans to Trustee.....61

Section 2.02. Acceptance of Mortgage Loans by Trustee.....64

Section 2.03. Assignment of Interest in the Mortgage Loan Purchase Agreement and the Subsequent Mortgage Loan Purchase Agreement.....67

Section 2.04. Substitution of Mortgage Loans.....68

Section 2.05. Issuance of Certificates.....69

Section 2.06. Representations and Warranties Concerning the Depositor.....70

Section 2.07. Representations and Warranties of the Company and Sponsor.....71

Section 2.08. Conveyance of Subsequent Mortgage Loans.....74

Section 2.09. Purposes and Powers of the Trust.....77

ARTICLE III ADMINISTRATION AND SERVICING OF MORTGAGE LOANS.....77

Section 3.01. Servicer to Act as Servicer.....77

Section 3.02. REMIC-Related Covenants.....80

Section 3.03. Monitoring of Subservicers.....80

Section 3.04. Fidelity Bond.....81

Section 3.05. Power to Act; Procedures.....81

Section 3.06. Due-on-Sale Clauses; Assumption Agreements.....82

Section 3.07. Release of Mortgage Files.....83

Section 3.08. Documents, Records and Funds in Possession of Servicer To Be Held for Trustee.....84

Section 3.09. Standard Hazard Insurance and Flood Insurance Policies.....84

Section 3.10. Presentment of Claims and Collection of Proceeds.....86

Section 3.11. Maintenance of the Primary Mortgage Insurance Policies.....86

Section 3.12. Trustee to Retain Possession of Certain Insurance Policies and Documents.....86

Section 3.13. Realization Upon Defaulted Mortgage Loans.....87

Section 3.14. Compensation for the Servicer.....87

Section 3.15. REO Property.....87

Section 3.16. Annual Statement as to Compliance; Annual Certification.....89

Section 3.17. Assessments of Compliance and Attestation Reports.....90

Section 3.18. Reports Filed with Securities and Exchange Commission.....92

Section 3.19. UCC.....98

Section 3.20. Optional Purchase of Defaulted Mortgage Loans.....99

Section 3.21. Statements to the Trustee.....99

Section 3.22. Books and Records.....99

Section 3.23. Intention of the Parties and Interpretation.....100

ARTICLE IV ACCOUNTS.....100

Section 4.01. Custodial Account.....100

Section 4.02. Permitted Withdrawals and Transfers from the Custodial Account.....102

Section 4.03. Distribution Account.....103

Section 4.04. Permitted Withdrawals and Transfers from the Distribution Account.....103

Section 4.05. Adjustable Rate Supplemental Fund.....105

the Holder of the Class B-IO Certificates and then paid outside of any 2007-AR4 REMIC to the recipients thereof pursuant to an interest rate cap contract. By accepting their Certificates, the Holders of the Certificates agree so to treat such payments for purposes of filing their income tax returns.

For federal income tax purposes, payment of any interest accrued at a Pass-Through Rate in excess of the Net Rate Cap to the Class A Certificates and Class B Certificates shall be treated as paid outside of any 2007-AR4 REMIC and shall not be part of the entitlement of the REMIC II Regular Interest, the ownership of which is represented by such Class of Certificates receiving such payment.

(b) [Reserved].

(c) On each Distribution Date, amounts received under each Corridor Contract benefiting the Certificateholders and with respect to such Distribution Date will be allocated in the following order of priority:

First, to the Holders of the related Class of Certificates, the payment of any Basis Risk Shortfall Carry-Forward Amount for such Class to the extent not covered by the related Excess Cashflow on such Distribution Date;

Second, from any remaining amounts, to the Holders of the related Class of Certificates, the payment of any Current Interest and Interest Carry Forward Amount for such Class to the extent not covered by Interest Funds or Excess Cashflow on such Distribution Date;

Third, reserved; and

Fourth, to the Class B-IO Certificateholders, any remaining amounts.

On each Distribution Date, amounts on deposit in the Reserve Fund for the benefit of the related Certificates will be allocated first to the Class A-2 Certificates and the Class A-3 Certificates, pro rata, based on the current Realized Losses and any Unpaid Realized Loss Amount for each such Class for such Distribution Date, and then to the Holders of the Class B-IO Certificates.

All Corridor Contract Payment Amounts made with respect to Current Interest and Interest Carry Forward Amounts will be treated, for federal income tax purposes, as reimbursable advances ("Class B-IO Advances") made from the Class B-IO Certificateholders. The Class B-IO Advances will be paid back to the Class B-IO Certificateholders pursuant to Section 6.01(a)

(d) On each Distribution Date, all amounts transferred from the Class XP Reserve Account representing Prepayment Charges in respect of the Prepayment Charge Loans received during the related Prepayment Period will be withdrawn from the Distribution Account and distributed by the Trustee as follows: (I) with respect to the Class XP Certificates, (i) to the Class XP-2 Certificates, all Prepayment Charges received on the Hard Prepayment Charge Loans and the Combination Prepayment Charge Loans (to the extent not waived by the Servicer as set forth herein), and (ii) to the Class XP-1 Certificates, all other Prepayment Charges received on the Mortgage Loans (to the extent not waived by the Servicer as set forth herein), and (II) to the Class XP Certificates, all Prepayment Charges received on Mortgage Loans (to the extent not waived by the Servicer as set forth herein). Amounts transferred to the Class XP Reserve Account shall not be available for distribution to the holders of any other Class of Certificates.

(e) The expenses and fees of the Trust shall be paid by each of the 2007-AR4 REMICs, to the extent that such expenses relate to the assets of each of such respective 2007-AR4 REMICs, and all other expenses and fees of the Trust shall be paid pro rata by each of the 2007-AR4 REMICs.

Section 6.02. Allocation of Losses and Subsequent Recoveries. (a) On or prior to each Determination Date, the Servicer shall determine the amount of any Realized Loss in respect of each Mortgage Loan that occurred during the immediately preceding calendar month. Any Realized Losses with respect to the Mortgage Loans shall be applied on the Distribution Date in the month following the month in which such loss was incurred and, in the case of the principal portion thereof, after giving effect to distributions made on such Distribution Date, as provided for in Section 6.01, in reduction of the Current Principal Amount of the Class or Classes of Certificates to the extent provided in the definition of Applied Realized Loss Amount.

(b) In addition, in the event that the Servicer receives any Subsequent Recoveries, the Servicer shall deposit such funds into the Custodial Account pursuant to Section 4.01(a)(ii). If, after taking into account such Subsequent Recoveries, the amount of a Realized Loss is reduced, the amount of such remaining Subsequent Recoveries will be applied to increase the Current Principal Amount of the Class of Subordinate Certificates with the highest payment priority to which Applied Realized Loss Amounts have been allocated, but not by more than the amount of Applied Realized Loss Amounts previously allocated to that Class of Subordinate Certificates. The amount of any remaining Subsequent Recoveries will be applied to sequentially increase the Current Principal Amount of the Subordinate Certificates, beginning with the Class of Subordinate Certificates with the next highest payment priority, up to the amount of such Applied Realized Loss Amounts previously allocated to such Class or Classes of Certificates. Holders of such Certificates will not be entitled to any payments in respect of Current Interest on the amount of such increases for any Interest Accrual Period preceding the Distribution Date on which such increase occurs. Any such increases shall be applied to the Current Principal Amount of each Subordinate Certificate of such Class in accordance with its respective Fractional Undivided Interest.

Section 6.03. Payments. (a) On each Distribution Date, other than the final Distribution Date, the Trustee shall distribute to each Certificateholder of record as of the immediately preceding Record Date the Certificateholder's pro rata share of its Class (based on the aggregate Fractional Undivided Interest represented by such Holder's Certificates) of all amounts required to be distributed on such Distribution Date to such Class. The Trustee shall calculate the amount to be distributed to each Class and, based on such amounts, the Trustee shall determine the amount to be distributed to each Certificateholder. The Trustee's calculations of payments shall be based solely on information provided to the Trustee by the Servicer. The Trustee shall not be required to confirm, verify or recompute any such information but shall be entitled to rely conclusively on such information.

(b) Payment of the above amounts to each Certificateholder shall be made (i) by check mailed to each Certificateholder entitled thereto at the address appearing in the Certificate Register or (ii) upon receipt by the Trustee on or before the fifth Business Day preceding the Record Date of written instructions from a Certificateholder by wire transfer to a United States dollar account maintained by the payee at any United States depository institution with appropriate facilities for receiving such a wire transfer; provided, however, that the final payment in respect of each Class of Certificates will be made only upon presentation and surrender of such respective Certificates at the office or agency of the Trustee specified in the notice to Certificateholders of such final payment.

Section 6.04. Statements to Certificateholders. (a) On each Distribution Date, concurrently with each distribution to Certificateholders, the Trustee shall make available to the parties hereto, the Swap Counterparty, the Grantor Trustee (with respect to the Grantor Trust Certificates) and each Certificateholder via the Trustee's internet website as set forth below, the following information, expressed with respect to clauses (i) through (vii) in the aggregate and as a Fractional Undivided Interest representing an initial Current Principal