

The Wells Fargo logo consists of the words "WELLS" and "FARGO" stacked vertically in a white, sans-serif font, centered within a dark square background.

Corporate Trust Services  
MAC N9311-163  
625 Marquette Avenue  
Minneapolis, MN 55402

Tel: 612 667 8058  
Fax: 612 667 3464

April 25, 2012

EMC Mortgage Corporation, as Sponsor  
383 Madison Avenue  
New York, NY 10179  
Attn: Bear Stearns Mortgage Funding Trust 2006-AR2

**Re: Repurchase Demand for loans listed in Attachment A; Bear Stearns Mortgage Funding Trust Series 2006-AR2; Reference Number MN-3177**

Ladies and Gentlemen:

Wells Fargo Bank, N.A. ("Wells Fargo") in its capacity as Trustee for the above-referenced deal, is a party to that certain Pooling and Servicing Agreement, dated September 1, 2006 (the "Agreement"). Pursuant to the Agreement and the Mortgage Loan Purchase Agreement (the "MLPA") dated September 29, 2006, EMC Mortgage Corporation ("EMC") as Sponsor and Mortgage Loan Seller made certain representations and warranties relating to the mortgage loans described in the Agreement and the MLPA, including the above-referenced mortgage loans (the "Mortgage Loans").

Based on a review of the representations and warranties made by EMC under the Agreement and the MLPA, Wells Fargo, as Trustee, has determined that EMC is contractually required to repurchase the Mortgage Loans for breaches of the representations and warranties detailed in the attached letter from Ambac Assurance Corporation (see attached).

Based on the foregoing, Wells Fargo, as Trustee, hereby demands that EMC repurchase the Mortgage Loans, in accordance with the terms of the Agreement on or before July 24, 2012. In the event that EMC fails or refuses to repurchase the Mortgage Loans or otherwise does not meaningfully respond to this demand letter, Wells Fargo, as Trustee, may pursue further legal action against EMC for, among other things, the repurchase of the Mortgage Loans.



This demand for the repurchase of the Mortgage Loans is without prejudice to any and all other rights that Wells Fargo, as Trustee has, or may have, against EMC under the Agreement or otherwise. Nothing contained in this letter shall constitute, or be deemed to be, a waiver of any right(s), power(s), or privilege(s) that Wells Fargo, as Trustee, has, or may have, relating to the Mortgage Loans or otherwise has, or may have, under the Agreement or any other related agreement.

Please feel free to contact me directly at 612-667-0892 or joe.j.beacom@wellsfargo.com to discuss, or with any questions relating to, the contents of this letter.

Sincerely,



Joe Beacom  
CTS Account Manager

enclosure

cc

Structured Asset Mortgage Investments II Inc.  
383 Madison Avenue  
New York, NY 10179  
Attn: Vice President-Servicing

EMC Mortgage Corporation, as Servicer  
2780 Lake Vista Drive  
Lewisville, TX 75067  
Attn: BSMF 2006-AR2

Schedule A

See Attached Ambac Letter

Ambac Assurance Corporation  
One State Street Plaza  
New York, New York 10004

*A member of Ambac Financial Group, Inc.*

Mark G. Young  
First Vice President and  
Assistant General Counsel  
212-208-3203 Fax: 212-208-3558  
myoung@ambac.com

URGENT MATERIAL ENCLOSED

VIA FEDEX

April 9, 2012

**Ambac**

Wells Fargo Bank, National Association  
as Trustee  
9062 Old Annapolis Road  
Columbia, Maryland 21045  
Attention: Corporate Trust Group, Bear Stearns Mortgage Funding Trust 2006-AR2

Re: Bear Stearns Mortgage Funding Trust 2006-AR2  
Mortgage Pass-Through Certificates, Series 2006-AR2

Ladies and Gentlemen:

Reference is hereby made to (i) that certain Mortgage Loan Purchase Agreement (the "MLPA") entered into in connection with the above-referenced transaction (the "Transaction"), dated September 29, 2006, between EMC Mortgage Corporation ("EMC"), as Mortgage Loan Seller, and Structured Asset Mortgage Investments II Inc. ("SAMI II"), as Purchaser; and (ii) that certain Pooling and Servicing Agreement (the "PSA") entered into in connection with the above-referenced Transaction, dated as of September 1, 2006, among SAMI II, as Depositor, EMC, as Servicer, Sponsor and Company, and Wells Fargo Bank, National Association, as Trustee.

This notice is issued in connection with Section 2.03(b) of the PSA.

Ambac Assurance Corporation ("Ambac"), as Certificate Insurer, on its own behalf and as manager for the Segregated Account of Ambac Assurance Corporation, hereby officially notifies you of its discovery of breaches by EMC of one or more of the representations and warranties contained in Section 7 of the MLPA with respect to the Mortgage Loans identified in Appendix A attached hereto, which breaches materially and adversely affect the value of the interests of Certificateholders (as such term is defined in the PSA) or the Trustee in the related Mortgage Loans. The foregoing breaches are described with specificity in Appendix A with respect to each Mortgage Loan identified therein.

Accordingly, Ambac hereby requests that the Trustee give notice to EMC and the other requisite parties of the foregoing breaches, as soon as possible, in accordance with the terms of Section 7 of the MLPA and Section 2.03(b) of the PSA.

**Ambac**

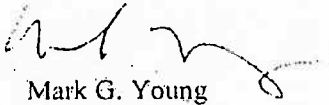
The claims made and sums demanded pursuant to this letter are without prejudice to any additional claims or demands with respect to indemnification, expense reimbursement, breaches of representations or warranties, breaches of other provisions of any documents relating to the Transaction, claims in tort, or otherwise that Ambac or any other party may make with respect to any matter relating to the Transaction. Ambac is continuing its investigation of the Transaction, including of the loans set forth in Appendix A, and will communicate additional issues or concerns if, as and when it considers it appropriate to do so. Nothing contained in this letter shall bind, prejudice or estop Ambac to any extent whatever or be construed as an admission by Ambac. All rights and remedies of Ambac and of every other person or entity that might be benefited or otherwise affected by Ambac's exercise of rights and remedies in this letter are completely reserved.

Kindly direct all communications with Ambac relating to the foregoing as follows:

Ambac Assurance Corporation  
One State Street Plaza  
New York, NY 10004  
Attention: Risk Management; Consumer Asset-Backed  
Securities (BSMF 2006-AR2) (Policy # AB1034BE)  
Telephone: (212) 668-0340  
Facsimile: (212) 363-1459

With a copy to: Mark G. Young, Esq.  
First Vice President &  
Assistant General Counsel

Very truly yours,

  
Mark G. Young  
First Vice President and  
Assistant General Counsel

cc: Structured Asset Mortgage Investments II Inc.  
as Depositor  
383 Madison Avenue  
New York, New York 10179  
Attention: Vice President-Servicing

Structured Asset Mortgage Investments II Inc.  
as Purchaser

383 Madison Avenue  
New York, New York 10179  
Attention: Baron Silverstein

EMC Mortgage Corporation  
as Servicer, Sponsor and Mortgage Loan Seller  
2780 Lake Vista Drive  
Lewisville, Texas 75067  
Attention: Bear Stearns Mortgage Funding 2006-AR2

**Ambac**

EMC Mortgage Corporation  
as Company and Sponsor  
383 Madison Avenue  
New York, New York 10179  
Attention: Vice President-Servicing

EMC Mortgage LLC  
2780 Lake Vista Drive  
Lewisville, Texas 75067  
Attention: Legal Department