

EXHIBIT F

EX-10.1 2 exhibit_10-1.htm POOLING & SERVICING AGREEMENT

EXHIBIT 10.1

STRUCTURED ASSET MORTGAGE INVESTMENTS II INC.,
DEPOSITOR

CITIBANK, N.A.,
TRUSTEE

WELLS FARGO BANK, NATIONAL ASSOCIATION,
MASTER SERVICER AND SECURITIES ADMINISTRATOR

and

EMC MORTGAGE CORPORATION
SPONSOR AND COMPANY

POOLING AND SERVICING AGREEMENT

Dated as of December 1, 2006

STRUCTURED ASSET MORTGAGE INVESTMENTS II INC.,
Bear Stearns ALT-A Trust, Mortgage Pass-Through Certificates

Series 2006-8

ARTICLE I
DEFINITIONS

ARTICLE II
CONVEYANCE OF MORTGAGE LOANS; ORIGINAL ISSUANCE OF CERTIFICATES

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ARTICLE III
ADMINISTRATION AND SERVICING OF MORTGAGE LOANS

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ARTICLE VI
PAYMENTS TO CERTIFICATEHOLDERS

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at any time shall mean the aggregate Stated Principal Balance of all Mortgage Loans in such Loan Group.

Stepdown Date: The earlier to occur of (i) the Distribution Date on which the aggregate Certificate Principal Balance of the Class I-A Certificates has been reduced to zero and (ii) the later to occur of (a) the Distribution Date in January 2010 and (b) the first Distribution Date on which the sum of the aggregate Certificate Principal Balance of the Class I-M-1, Class I-M-2, Class I-B-1, Class I-B-2, and Class I-B-3 Certificates and the Overcollateralization Amount divided by the Stated Principal Balance of the Mortgage Loans for such Distribution Date is greater than or equal to 19.00%.

Subordinate Certificate Writedown Amount: With respect to the Group II Subordinate Certificates and as to any Distribution Date, the amount by which (i) the sum of the Certificate Principal Balances of the Group II Certificates (after giving effect to the distribution of principal and the allocation of applicable Realized Losses in reduction of the Certificate Principal Balances of the Group II Certificates on such Distribution Date) exceeds (y) the aggregate Stated Principal Balances of the Group II Mortgage Loans on the Due Date related to such Distribution Date. With respect to the Group III Subordinate Certificates and as to any Distribution Date, the amount by which (i) the sum of the Certificate Principal Balances of the Group III Certificates (after giving effect to the distribution of principal and the allocation of applicable Realized Losses in reduction of the Certificate Principal Balances of the Group III Certificates on such Distribution Date) exceeds (y) the aggregate Stated Principal Balances of the Group III Mortgage Loans on the Due Date related to such Distribution Date.

Subordinate Certificates: The Group I Subordinate Certificates, the Group II Subordinate Certificates and the Group III Subordinate Certificates.

Subordinate Optimal Principal Amount: The Group II Subordinate Optimal Principal Amount or the Group III Subordinate Optimal Principal Amount, as applicable.

Subordinate Percentage: The Group II Subordinate Percentage or the Group III Subordinate Percentage, as applicable.

Subordinate Prepayment Percentage: The Group II Subordinate Prepayment Percentage or the Group III Subordinate Prepayment Percentage, as applicable.

Subsequent Recoveries: As of any Distribution Date, amounts received during the related Prepayment Period by the Master Servicer (net of any related expenses permitted to be reimbursed pursuant to Section 4.05) or surplus amounts held by the Master Servicer to cover estimated expenses (including, but not limited to, recoveries in respect of the representations and warranties made by the Sponsor or Master Funding pursuant to the Mortgage Loan Purchase Agreement) specifically related to a Liquidated Mortgage Loan or the disposition of an REO Property prior to the related Prepayment Period that resulted in a Realized Loss, after liquidation or disposition of such Mortgage Loan.

Substitute Mortgage Loan: A mortgage loan tendered to the Trustee pursuant to the related Servicing Agreement, the Mortgage Loan Purchase Agreement or Section 2.04 of this Agreement, as applicable, in each case, (i) which has an Outstanding Principal Balance not greater nor materially less than the Mortgage Loan for which it is to be substituted; (ii) which has a Mortgage Interest Rate and Net Rate not less than, and not materially greater than, such Mortgage Loan; (iii) which has a maturity date not materially earlier or later than such Mortgage Loan and not later than the latest maturity date of any Mortgage Loan; (iv) which is of the same property type and occupancy type as such Mortgage Loan; (v) which has a Loan-to-Value Ratio not greater than the Loan-to-Value Ratio of such Mortgage Loan; (vi) which is current in payment of principal and interest as of the date of substitution; (vii) as to which the payment terms do not vary in any material respect from the payment terms of the Mortgage Loan for which it is to be substituted and (viii) which has a Gross Margin, Periodic Rate Cap and Maximum Lifetime Mortgage Rate no less than those of such Mortgage Loan, has the same Index and interval between Interest Adjustment Dates as such Mortgage Loan, and a Minimum Lifetime Mortgage Rate no lower than that of such Mortgage Loan.

Substitution Adjustment Amount: The amount, if any, required to be paid by the Mortgage Loan Seller to the Securities Administrator for deposit in the Distribution Account pursuant to Section 2.04 in connection with the substitution of a Mortgage Loan.

Tax Administration and Tax Matters Person: The Securities Administrator and any successor thereto or assignee thereof shall serve as tax administrator hereunder and as agent for the Tax Matters Person. The Holder of the largest percentage interest of each Class of Residual Certificates shall be the Tax Matters Person for the related 2006-8 REMIC, as more particularly set forth in Section 9.12 hereof.

Termination Purchase Price: The price, calculated as set forth in Section 10.01, to be paid in connection with the repurchase of the Mortgage Loans pursuant to Section 10.01.

Trigger Event: With respect to any Distribution Date, an event that exists if (i) the percentage obtained by dividing (x) the aggregate Stated Principal Balance of the Group I Mortgage Loans that are 60 or more days Delinquent (including for this purpose any such Mortgage Loans in bankruptcy or foreclosure and the Group I Mortgage Loans with respect to which the related Mortgaged Property has been acquired by the Trust) by (y) the aggregate Stated Principal Balance of the Group I Mortgage Loans in the mortgage pool, in each case, as of the close of business on the last day of the prior calendar month, exceeds 36.75% of the Current Specified Enhancement Percentage or (ii) the aggregate amount of Realized Losses on the Group I Mortgage Loans since the Cut-off Date as a percentage of the aggregate Stated Principal Balance of the Group I Mortgage Loans as of the Cut-off Date exceeds the applicable percentage set forth below:

Months	Percentage
37 - 48	0.70%
49 - 60	1.20%
61 - 72	1.70%
73 - 84	2.00%
84+	2.05%

Trust Fund or Trust: The corpus of the trust created by this Agreement, consisting of the Mortgage Loans and the other assets described in Section 2.01(a).

Trustee: Citibank, N.A., or its successor in interest, or any successor trustee appointed as herein provided.

2006-8 REMIC: Any of REMIC I, REMIC II, REMIC III, REMIC IV and REMIC V.

Uncertificated Interest: With respect to each REMIC Regular Interest on each Distribution Date, an amount equal to one month's interest at the related Uncertificated Pass-Through Rate on the Uncertificated Principal Balance of such REMIC Regular Interest. In each case, for purposes of the distributions, Uncertificated Interest will be reduced by the interest portion of any Realized Losses and Net Interest Shortfalls allocated, with respect to the REMIC III Regular Interests, to such REMIC Regular Interests pursuant to the definition of REMIC III Realized Losses and, with respect to the REMIC I Regular Interests, REMIC II Regular Interests, REMIC IV Regular Interests and REMIC V Regular Interest, to the Related Classes of Certificates.

Uncertificated Pass-Through Rate: With respect to any Distribution Date and REMIC Interest, the pass-through rate of each such REMIC Interest set forth in Section 5.01(c).

Uncertificated Principal Balance: The amount of any REMIC Regular Interest outstanding as of any date of determination. As of the Closing Date, the Uncertificated Principal Balance of each REMIC I Regular Interest shall equal the amount set forth in Section 5.01(c)(i) as its Initial Uncertificated Principal Balance. On each Distribution Date, the Uncertificated Principal Balance of each REMIC I

Prepayment Charge: With respect to any Mortgage Loan, the charges or premiums, if any, due in connection with a full or partial prepayment of such Mortgage Loan in accordance with the terms thereof and described in the Mortgage Loan Schedule.

Prepayment Charge Loan: Any Group I Mortgage Loan or Group II Mortgage Loan for which a Prepayment Charge may be assessed and to which such Prepayment Charge and the Class I-XP Certificates and the Class II-XP Certificates, respectively, are entitled, as indicated on the Mortgage Loan Schedule.

Prepayment Interest Shortfall: With respect to any Distribution Date, for each Mortgage Loan that was the subject of a partial Principal Prepayment or a Principal Prepayment in full during the related Prepayment Period (other than a Principal Prepayment in full resulting from the purchase of a Group I Mortgage Loan pursuant to Section 2.02, 2.03, 3.21 or 10.01 hereof), the amount, if any, by which (i) one month's interest at the applicable Net Rate on the Stated Principal Balance of such Group I Mortgage Loan immediately prior to such prepayment or in the case of a partial Principal Prepayment on the amount of such prepayment exceeds (ii) the amount of interest paid or collected in connection with such Principal Prepayment less the sum of (a) any Prepayment Charges and (b) the related Servicing Fee.

Prepayment Period: With respect to the Mortgage Loans for which EMC is the Servicer and with respect to any Distribution Date and (i) Principal Prepayments in full, the period from the sixteenth day of the calendar month preceding the calendar month in which such Distribution Date occurs through the close of business on the fifteenth day of the calendar month in which such Distribution Date occurs, and (ii) Liquidation Proceeds, Realized Losses and partial Principal Prepayments, the prior calendar month; and in the case of the Mortgage Loans for which EMC is not the Servicer, such period as is provided in the related Servicing Agreement with respect to the related Mortgage Loans.

Primary Mortgage Insurance Policy: Any primary mortgage guaranty insurance policy issued in connection with a Mortgage Loan which provides compensation to a Mortgage Note holder in the event of default by the obligor under such Mortgage Note or the related Security Instrument, if any or any replacement policy therefor through the related Interest Accrual Period for such Class relating to a Distribution Date.

Principal Distribution Amount: With respect to each Distribution Date, an amount equal to the excess of (i) sum of (a) the Principal Funds for such Distribution Date and (b) any Extra Principal Distribution Amount for such Distribution Date over (ii) any Overcollateralization Release Amount for such Distribution Date.

Principal Funds: the sum, without duplication, of

1. the Scheduled Principal collected on the Group I Mortgage Loans during the related Due Period or advanced on or before the related servicer advance date,
2. prepayments in respect of the Group I Mortgage Loans exclusive of any Prepayment Charges, collected in the related Prepayment Period,
3. the Stated Principal Balance of each Group I Mortgage Loan that was repurchased by the Depositor or the related Servicer during the related Due Period,
4. the amount, if any, by which the aggregate unpaid principal balance of any Substitute Mortgage Loans is less than the aggregate unpaid principal balance of any deleted mortgage loans delivered by the related Servicer in connection with a substitution of a Group I Mortgage Loan during the related Due Period,
5. all Liquidation Proceeds collected during the related Prepayment Period (or in the case of Subsequent Recoveries, during the related Due Period) on the Group I Mortgage Loans, to the extent such Liquidation Proceeds relate to principal, less all related Nonrecoverable Advances relating to principal reimbursed during the related Due Period, and
6. the principal portion of the purchase price of the assets of the Trust allocated to Loan Group I upon the exercise by EMC or its designee of its optional termination right with respect to the Group I Mortgage Loans, minus
7. any amounts payable to or required to be reimbursed to EMC, the Depositor, any Servicer, the Master Servicer, any Custodian, the Trustee or the Securities Administrator and allocated to Loan Group I, as provided in the Agreement.

Principal Prepayment: Any payment (whether partial or full) or other recovery of principal on a Mortgage Loan which is received in advance of its scheduled Due Date to the extent that it is not accompanied by an amount as to interest representing scheduled interest due on any date or dates in any month or months subsequent to the month of prepayment, including Insurance Proceeds and Repurchase Proceeds, but excluding the principal portion of Net Liquidation Proceeds received at the time a Mortgage Loan becomes a Liquidated Mortgage Loan.

Private Certificates: The Class I-B-3, Class B-IO, Class I-XP, Class II-B-4, Class II-B-5, Class II-B-6, Class II-XP, Class III-B-4, Class III-B-5 and Class III-B-6 Certificates.

Prospectus: The prospectus, dated December 27, 2006, as supplemented by the prospectus supplement dated December 28, 2006 (as the same may be supplemented from time to time), relating to the offering of the Offered Certificates.

Protected Account: An account established and maintained for the benefit of Certificateholders by each Servicer with respect to the related Mortgage Loans and with respect to REO Property pursuant to the related Servicing Agreement.

QIB: A Qualified Institutional Buyer as defined in Rule 144A promulgated under the Securities Act.

Qualified Insurer: Any insurance company duly qualified as such under the laws of the state or states in which the related Mortgaged Property or Mortgaged Properties is or are located, duly authorized and licensed in such state or states to transact the type of insurance business in which it is engaged and approved as an insurer by the Master Servicer, so long as the claims paying ability of which is acceptable to the Rating Agencies for pass-through certificates having the same rating as the Certificates rated by the Rating Agencies as of the Closing Date.

Rating Agencies: Moody's and S&P.

Realized Loss: Any (i) Bankruptcy Loss or (ii) as to any Liquidated Mortgage Loan, (x) the Outstanding Principal Balance of such Liquidated Mortgage Loan plus accrued and unpaid interest thereon at the Mortgage Interest Rate through the last day of the month of such liquidation, less (y) the related Net Liquidation Proceeds with respect to such Mortgage Loan and the related Mortgaged Property that are allocated to principal. In addition, to the extent the Master Servicer receives Subsequent Recoveries with respect to any Mortgage Loan, the amount of the Realized Loss with respect to that Mortgage Loan will be reduced to the extent such recoveries are applied to reduce the Certificate Principal Balance of any Class of Certificates on any Distribution Date.

Recognition Agreement: Each of the Bank of America Recognition Agreement, the Chevy Chase Recognition Agreement, the Countrywide Recognition Agreement, the Everhome Recognition Agreement, the GMAC Recognition Agreement, the HSBC Recognition Agreement, the IndyMac Recognition Agreement, the PHH Recognition Agreement, the U.S. Bank Recognition Agreement and the Wells Fargo Recognition Agreement.

Record Date: For each Class of Group I Certificates, the Business Day preceding the applicable

the Accrued Certificate Interest owed to each such Class;

second, to the Class III-A-1 Certificates and Class III-A-2 Certificates, any Basis Risk Shortfall Carry Forward Amounts due to such Class (in accordance with paragraph (C) below), pro rata, based on the Basis Risk Shortfall Carry Forward Amounts owed to each such Class, to the extent such amounts were deducted from the Accrued Certificate Interest on the Class III-X-1 Certificates for such Distribution Date;

third, to the Class III-A-1, Class III-A-2 and Class III-X-1 Certificates, any Accrued Certificate Interest thereon remaining undistributed from previous Distribution Dates, pro rata, based on the undistributed Accrued Certificate Interest owed to such Class, to the extent of remaining Available Funds for Loan Group III; and

fourth, to the Class III-A-1 Certificates and the Class III-A-2 Certificates, in reduction of the Certificate Principal Balances of each such Class, pro rata, based on the respective Certificate Principal Balances thereof, the Senior Optimal Principal Amount with respect to the Senior Certificates in Loan Group III for such Distribution Date, to the extent of remaining Available Funds for Loan Group III, until each such Certificate Principal Balance has been reduced to zero.

(B) On each Distribution Date on or prior to the Group III Cross-Over Date, an amount equal to the sum of the remaining Available Funds for Loan Group III after the distributions set forth in paragraph (A) above, will be distributed sequentially to the Class III-B-1, Class III-B-2, Class III-B-3, Class III-B-4, Class III-B-5 and Class III-B-6 Certificates, in that order, in each case up to an amount equal to and in the following order: (a) the Accrued Certificate Interest thereon for such Distribution Date, (b) any Basis Risk Shortfall Carry Forward Amounts due to such Class (in accordance with paragraph (C) below), to the extent such amounts were deducted from the Accrued Certificate Interest on the Class III-X-1 Certificates for such Distribution Date, (c) any Accrued Certificate Interest thereon remaining undistributed from previous Distribution Dates and (d) such Class's Allocable Share, as applicable, for such Distribution Date, in each case, to the extent of remaining Available Funds for Loan Group III.

(C) On each Distribution Date, Basis Risk Shortfall Carry Forward Amounts, with respect to the Class III-A-1, Class III-A-2, Class III-B-1, Class III-B-2 and Class III-B-3 Certificates, will be paid from amounts that would otherwise be allocable to pay Accrued Certificate Interest on the Class III-X-1 Certificates, to the extent of funds available.

(D) On each Distribution Date, any Available Funds for Loan Group III remaining after payment of interest and principal to the Group III Certificates entitled thereto, as set forth in this Section 6.02(e), will be distributed to the Residual Certificates; provided, that if on any Distribution Date there are any Available Funds for Loan Group III remaining after payment of interest and principal to the Group III Certificates entitled thereto, such amounts will be distributed to the other Classes of Group III Senior Certificates, pro rata, based upon their respective Certificate Principal Balances or Notional Amount, until all amounts due to all Classes of Group III Senior Certificates have been paid in full and then to any Group III Subordinate Certificates (unless otherwise described herein), before any remaining Available Funds are distributed in accordance with this paragraph to the Residual Certificates. It is not anticipated that there will be any significant amounts remaining for such distribution.

(f) No Accrued Certificate Interest will be payable with respect to any Class of Certificates after the Distribution Date on which the Certificate Principal Balance of such Certificate has been reduced to zero.

(g) If on any Distribution Date the Available Funds for the Group III Senior Certificates is less than the Accrued Certificate Interest on the related Senior Certificates for such Distribution Date prior to reduction for Net Interest Shortfalls and the interest portion of Realized Losses, the shortfall will be allocated to the holders of the Class of Senior Certificates on a pro rata basis in accordance with the amount of Accrued Certificate Interest for that Distribution Date absent such shortfalls. In addition, the amount of any interest shortfalls will constitute unpaid Accrued Certificate Interest and will be distributable to holders of the Certificates entitled to such amounts on subsequent Distribution Dates, to the extent of the applicable Available Funds remaining after current interest distributions as required herein. Any such amounts so carried forward will not bear interest. Shortfalls in interest payments will not be offset by a reduction in the servicing compensation of the Master Servicer or otherwise, except to the extent of applicable Compensating Interest Payments.

(h) The expenses and fees of the Trust shall be paid by each of the 2006-8 REMICs, to the extent that such expenses relate to the assets of each of such respective 2006-8 REMICs, and all other expenses and fees of the Trust shall be paid pro rata by each of the 2006-8 REMICs.

Section 6.03. Allocation of Losses and Subsequent Recoveries on the Group I Certificates.

(a) On or prior to each Determination Date, the Master Servicer shall determine the amount of any Realized Loss in respect of each Group I Mortgage Loan that occurred during the immediately preceding calendar month, based on information provided by the related Servicer. Any Realized Losses with respect to the Group I Mortgage Loans shall be applied on each Distribution Date after the distributions provided for in Section 6.01, in reduction of the Certificate Principal Balance of the Class or Classes of Group I Certificates to the extent provided in the definition of Applied Realized Loss Amount.

(b) In addition, in the event that the Master Servicer or the Securities Administrator receives any Subsequent Recoveries from a Servicer, the Master Servicer shall deposit such funds into the Distribution Account pursuant to Section 4.01(c)(ii). If, after taking into account such Subsequent Recoveries, the amount of a Realized Loss is reduced, the amount of such Subsequent Recoveries will be applied to increase the Certificate Principal Balance of the Class of Group I 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 Group I Certificates. The amount of any remaining Subsequent Recoveries, first, will be applied to sequentially increase the Certificate Principal Balance of the Group I Certificates, beginning with the Class I-A-1 Certificates and then the Class I-A-2 Certificates, and then any remaining Subsequent Recoveries will be applied to the Group I Subordinate Certificates starting with the Group I Subordinate Certificate with the highest payment priority, in each case, up to the amount of such Applied Realized Loss Amount, to the extent not covered by Excess Spread and Overcollateralization, previously allocated to such Class or Classes. Notwithstanding the foregoing, any Subsequent Recoveries will be allocated to the Group I Senior Certificates to the extent of any Applied Realized Loss Amounts before being applied to the Group I Subordinate Certificates. Holders of such Group I 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 Certificate Principal Balance of each Group I Certificate of such Class in accordance with its respective Fractional Undivided Interest.

Section 6.04. Allocation of Losses and Subsequent Recoveries on the Group II Certificates and the Group III Certificates. (a) On or prior to each Determination Date, the Master Servicer shall determine the amount of any Realized Loss in respect of each Group II Mortgage Loan and Group III Mortgage Loan that occurred during the immediately preceding calendar month, based on information provided by the related Servicer.

(b) (i) With respect to any Group II Certificates on any Distribution Date, the principal portion of each Realized Loss on a Group II Mortgage Loan shall be allocated as follows:

first, to the Class II-B-6 Certificates until the Certificate Principal Balance thereof has been reduced to zero;