

# **EXHIBIT “Q”**

EX-10.1 2 greenpoint2006-ar3\_psa.htm GREENPOINT 2006-AR3 PSA

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 April 1, 2006  
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STRUCTURED ASSET MORTGAGE INVESTMENTS II INC.  
GreenPoint Mortgage Funding Trust 2006-AR3,  
Mortgage Pass-Through Certificates, Series 2006-AR3

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Class Z-4 Principal Distribution Amount: For any Distribution Date, the excess, if any, of the Class Z-4 Principal Reduction Amount for such Distribution Date over the principal portion of Realized Losses allocated to the Class Z-4 Regular Interest on such Distribution Date.

Class Z-4 Principal Reduction Amount: The Class Z Principal Reduction Amount for the Class Z-4 Regular Interest as determined pursuant to the provisions of the Appendix 1.

Class Z-4 Regular Interest: The uncertificated undivided beneficial interest in REMIC I which constitutes a REMIC I Regular Interest and is entitled to distributions as set forth herein.

Closing Date: April 28, 2006.

Code: The Internal Revenue Code of 1986, as amended.

Commission or SEC: The U.S. Securities and Exchange Commission.

Compensating Interest Payment: As defined in Section 6.06.

Corporate Trust Office: The designated office of the Trustee, where at any particular time its corporate trust business with respect to this Agreement shall be administered. For the purpose of registration and transfer and exchange only, the Corporate Trust Office of the Trustee shall be located at Sixth Street and Marquette Avenue, Minneapolis, Minnesota 55479, Attention: Corporate Trust Group, GreenPoint Mortgage Funding 2006-AR3. The Corporate Trust Office of the Trustee at the date of the execution of this Agreement for all other purposes is located at 9062 Old Annapolis Road, Columbia, Maryland 21045, Attention: Corporate Trust Group, GreenPoint Mortgage Funding 2006-AR3.

Credit Enhancement Percentage: For any Distribution Date is the percentage obtained by dividing (x) the aggregate Current Principal Amount of the Subordinate Certificates (including the Overcollateralization Amount) thereto by (y) the aggregate Principal Balance of the Mortgage Loans, calculated after taking into account distributions of principal on the Mortgage Loans and distribution of the Principal Distribution Amounts to the holders of the Certificates then entitled to distributions of principal on such Distribution Date.

Coupon Strip: For each Loan Group shall be an amount equal to the lesser of (a) the product of (i) 1.00%, (ii) the aggregate Stated Principal Balance of the Mortgage Loans with original terms to maturity in excess of 30 years in the related Loan Group as of the Due Date occurring in the month prior to such Distribution Date and (iii) one-twelfth and (b) the excess of (i) the Final Maturity Reserve Account Target for such Distribution Date over (ii) the amount on deposit in the Final Maturity Reserve Account immediately prior to such Distribution Date.

Coupon Strip Rate: For each Loan Group, shall equal the related Coupon Strip, if any, payable to the Final Maturity Reserve Account on any Distribution Date, expressed as a per annum rate calculated on the basis of the aggregate Stated Principal Balance of the Mortgage Loans in the related Loan Group as of such Distribution Date.

Cumulative Loss Test Violation: If on any Distribution Date if the aggregate amount of Realized Losses incurred since the Cut-off Date through the last day of the related Due Period divided by the aggregate Principal Balance of the Mortgage Loans as of the Cut-off Date exceeds the applicable percentages set forth below with respect to such Distribution Date:

Distribution Date Occurring in	Percentage
May 2008 through April 2009	0.30%
May 2009 through April 2010	0.75%
May 2010 through April 2011	1.35%
May 2011 through April 2012	1.90%
May 2012 through April 2013	2.65%
May 2013 and thereafter	2.90%

Current Interest: As of any Distribution Date, with respect to each Class of Offered Certificates, (i) the interest accrued on the Current Principal Amount or Notional Amount during the related Interest Accrual Period at the applicable Pass-Through Rate plus any amount previously distributed with respect to interest for such Certificate that has been recovered as a voidable preference by a trustee in bankruptcy minus (ii) the sum of (a) any Prepayment Interest Shortfall for such Distribution Date, to the extent not covered by Compensating Interest Payments and (b) any shortfalls resulting from the application of the Relief Act during the related Due Period; provided, however, that for purposes of calculating Current Interest for any such Class, amounts specified in clauses (ii)(a) and (ii)(b) hereof for any such Distribution Date shall be allocated first to the Class B-IO Certificates and the Residual Certificates in reduction of amounts otherwise distributable to such Certificates on such Distribution Date and then any excess shall be allocated to each other Class of Certificates pro rata based on the respective amounts of interest accrued pursuant to clause (i) hereof for each such Class on such Distribution Date and (c) any Net Deferred Interest and the interest portion of any Realized Losses on the related Mortgage Loans allocated to such Class in the manner as described herein.

Current Principal Amount: With respect to any Class of Offered Certificates as of any Distribution Date, the initial principal amount of such Certificate plus the amount of any Net Deferred Interest allocated thereto on the related Distribution Date and all previous Distribution Dates plus, in the case of the Subordinate Certificates, any Subsequent Recoveries added to the Current Principal Amount of such Certificates pursuant to Section 6.02(h) hereof, and reduced by (i) all amounts distributed on previous Distribution Dates on such Certificate with respect to principal and (ii) any Applied Realized Loss Amounts allocated to such Class on previous Distribution Dates. With respect to any Class of Certificates, the Current Principal Amount thereof will equal the sum of the Current Principal Amounts of all Certificates in such Class. The initial Current Principal Amount for each Class of Certificates is set forth in Section 5.01(c)(iv).

Curtailment: Any Principal Prepayment made by a Mortgagor which is not a Principal Prepayment in full.

Custodial Account: The trust account or accounts created and maintained by the Servicer pursuant to Section 4.01, which shall be denominated "Wells Fargo Bank, National Association, as Trustee f/b/o holders of Structured Asset Mortgage Investments II Inc., GreenPoint Mortgage Funding Trust 2006-AR3, Mortgage Pass-Through Certificates, Series 2006-AR3, Custodial Account." The Custodial Account shall be an Eligible Account.

Custodial Agreement: An agreement, dated as of the Closing Date among the Depositor, the Servicer, the Trustee and the Custodian in substantially the form of Exhibit G hereto.

Custodian: Wells Fargo Bank, National Association, or any successor custodian appointed pursuant to the provisions hereof and of the Custodial Agreement.

Cut-off Date: April 1, 2006.

Cut-off Date Balance: \$1,918,729,642.49.