

COPY

STATE OF WISCONSIN : CIRCUIT COURT DANE COUNTY

In the Matter of the Rehabilitation of:

Case No.: 10-CV-1576

Segregated Account of Ambac Assurance Corporation

AFFIDAVIT OF DANIEL M. COHEN ON BEHALF OF WELLS FARGO BANK, N.A., IN ITS CAPACITY AS TRUSTEE FOR CERTAIN RMBS CERTIFICATEHOLDERS

DANE COUNTY WISCONSIN
10 JUN 22 PM 3:05
CIRCUIT COURT

STATE OF MARYLAND)
 :SS
COUNTY OF HOWARD)

Daniel M. Cohen, being first duly sworn on oath, deposes and states as follows:

1. I am an Assistant Vice President and Default and Restructuring Account Manager in the Corporate Trust Services division at Wells Fargo Bank, N.A. I make this Affidavit in such capacity and in support of the Motion of Wells Fargo Bank, N.A., in its Capacity as Trustee for Certain RMBS Certificateholders (the "Wells Fargo RMBS Trustee"), to Modify the Order for Temporary Injunctive Relief, filed in this action on June 22, 2010. The facts stated herein are based on my personal knowledge or reports from others with whom I work.

2. Since the commencement of the present rehabilitation of Ambac Assurance Corporation ("Ambac"), the Wells Fargo RMBS Trustee, acting in its capacity as trustee for certain holders of certificates in a number of residential mortgage-backed securitization transactions ("RMBS"), which holders (the "Insured Certificateholders") are ultimate beneficiaries of certain financial guaranty insurance policies (collectively,



the "Policies," and each individually, a "Policy") issued by and insurance agreements entered into by Ambac, has caused premiums and other payments to continue to be paid to Ambac in respect of the Policies. Additionally, the Wells Fargo RMBS Trustee has caused claims to be filed with Ambac under certain of the Policies, but such claims have not been paid by Ambac since the commencement of this proceeding.

3. Each RMBS transaction for which the Wells Fargo RMBS Trustee serves as trustee (collectively, the "RMBS Transactions," and each individually, an "RMBS Transaction") is governed by a separate set of operative documents, which may include a pooling and servicing agreement, servicing agreements, a sale and servicing agreement, a trust agreement and/or an indenture and other related documents (the "Operative Documents"), delineating the rights and responsibilities of each of the parties to the transaction, including the trustee and the insurer. RMBS Transactions usually also incorporate an insurance agreement, which further delineates the rights and responsibilities of the parties to the transaction vis-à-vis the insurance policy (together with the Operative Documents, the "Governing Documents").

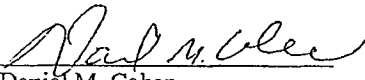
4. While the terms of the Governing Documents differ from deal-to-deal, they generally allocate to Ambac broad consent and direction rights. Examples of such rights include, but are not limited to: consent to the employment of subcontractors, consent to or direction of the sale or transfer of any of the trust estate, direction of the Wells Fargo RMBS Trustee (on behalf of the trust) to institute legal proceedings after an event of default, direction of the termination of the trust after an event of default, direction of the Wells Fargo RMBS Trustee (on behalf of the trust) to waive certain past

defaults, and appointment of successor parties (servicers, administrators and trustees) to perform services on behalf of the trust.

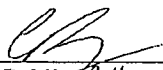
5. Pursuant to the terms of the Governing Documents, Ambac generally loses those control and direction rights upon the occurrence of certain defaults (each, an "Insurer Default"). An Insurer Default generally occurs (among other instances) if there is a failure by Ambac to make a payment when due and/or the commencement of a rehabilitation proceeding. If and when an Insurer Default occurs and Ambac loses its control and direction rights, the Governing Documents redirect these rights to certain of the investors of the applicable RMBS Transaction.

6. Accordingly, the commencement of this rehabilitation proceeding and/or the failure of Ambac to pay amounts due in respect of the Policies, as Insurer Defaults, should, under the terms of the Governing Documents, result in Ambac losing control rights and those control rights passing to Insured Certificateholders and/or other investors of the applicable RMBS Transaction.

7. Regardless of who is entitled to exercise control and direction rights, the Governing Documents require that a party who wishes to direct the Wells Fargo RMBS Trustee to take a specific action indemnify the Wells Fargo RMBS Trustee. The Governing Documents generally provide that the indemnification take the form of an indemnity or security against the costs, expenses and liabilities that may be incurred by the taking of the directed action, which indemnity or security must be acceptable to the Wells Fargo RMBS Trustee.


Daniel M. Cohen
Assistant Vice President
Wells Fargo Bank, N.A.

Subscribed and sworn to before me
this 21st day of June, 2010


Notary Public Colleen Perry
My commission expires on 8/21/2012

Colleen Perry
Notary Public
Baltimore County
Maryland
My Commission Expires 8-21-2012