

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into between the State of New York, by Eric T. Schneiderman, Attorney General of the State of New York (the “OAG”), and UBS Securities LLC and UBS Real Estate Securities Inc. (collectively, “UBS”). The OAG and UBS are collectively referred to herein as the “Parties.”

WHEREAS, the OAG conducted an investigation pursuant to Article 23-A of the General Business Law of the State of New York (the “Martin Act”) and Section 63(12) of the Executive Law of the State of New York (“Executive Law § 63(12)”) into the creation, packaging, structuring, arrangement, underwriting, issuance, marketing and sale of residential mortgage-backed securities (“RMBS”) by UBS in 2006 and 2007; and

WHEREAS, the OAG, based on its investigation, believes that there is an evidentiary basis for potential legal claims by the OAG against UBS for violation of the Martin Act and Executive Law § 63(12) in connection with the same conduct;

NOW THEREFORE, in consideration of the mutual promises and obligations of this Agreement, the Parties stipulate and agree as follows:

1. **Acknowledgement of Facts.** As a term of this Agreement, UBS acknowledges the facts set out in the Statement of Facts attached as Appendix A to, and hereby incorporated in, this Agreement.
2. **Payment.** UBS shall pay the sum of \$41,000,000 to the State of New York in consideration for the settlement of potential legal claims by the OAG, to remediate alleged harms to the State of New York allegedly resulting from the creation, packaging, structuring, arrangement, underwriting, issuance, marketing and sale of RMBS in 2006 and 2007 by UBS or any of its affiliates. No portion of the funds in this paragraph will be designated or otherwise classified by the

State of New York as a civil penalty or fine. Payment shall be made by electronic funds transfer within fifteen business days of receiving written payment processing instructions and a Form W-9 from the OAG.

3. **Consumer Relief.** UBS or its affiliates shall also provide \$189,000,000 of consumer relief credits in New York, as set forth in Appendix B to this Agreement, to remediate harms allegedly resulting from the conduct of UBS. The value of consumer relief credits provided shall be calculated and enforced pursuant to the terms of Appendix B. As set forth in Appendix B, an independent registered public accounting firm (the "Auditor") will provide an agreed-upon procedures report recalculating UBS's provision of consumer relief under this Agreement, and UBS will provide the Auditor with all documentation the Auditor needs to do so, excluding privileged information. Any costs associated with said Auditor shall be borne solely by UBS.

Notwithstanding the fact that UBS bears the costs associated with the Auditor, the Auditor shall be fully independent of UBS.

4. **Covered Conduct.** "Covered Conduct" as used herein is defined as the creation, packaging, structuring, arrangement, underwriting, issuance, marketing and sale prior to January 1, 2009, by UBS or its affiliates of the RMBS identified in Appendix C to this Agreement. Covered Conduct includes representations, disclosures, or omissions to RMBS investors made about or in connection with the activities set forth above, where the representations, disclosures or omissions involve information about or obtained during the process of originating, acquiring, securitizing, underwriting or servicing residential mortgage loans securitized in the RMBS covered by this Agreement. Covered Conduct does not include: (i) conduct relating to the origination of residential mortgages, except representations, disclosures or omissions to RMBS investors about the origination of, or information obtained in the course of originating, such loans; (ii) origination conduct unrelated to securitization, such as soliciting, aiding or abetting borrower fraud; and

(iii) the servicing of residential mortgage loans, except representations, disclosures or omissions to RMBS investors about servicing, or information obtained in the course of servicing, such loans.

5. **Releases by the OAG.** Effective upon execution of this Agreement, and subject to the exceptions in Paragraph 6 below, and conditioned upon compliance with the provisions of Paragraph 2 and 3 above, the OAG fully and finally releases and discharges UBS, each of its current and former parents, subsidiaries and affiliates, and each of their respective successors and assigns (the "Released Entities"), from any and all claims relating to or concerning the Covered Conduct, including but not limited to any such claims under the Martin Act, Executive Law § 63(12), and common-law theories of negligence, payment by mistake, unjust enrichment, money had and received, breach of fiduciary duty, breach of contract, misrepresentation, deceit, fraud, and aiding and abetting any of the foregoing.

6. **Excluded Claims.** The following claims are specifically reserved and not released by this Agreement: (a) any liability based upon obligations created by this Agreement; and (b) any liability to the State of New York (or its departments or agencies) for any conduct other than the Covered Conduct. In addition, nothing in this Agreement shall be construed to bar any agency or department of the State of New York that is a member of any plaintiff class or a plaintiff in any action related to the Covered Conduct from making a claim as a putative class member or otherwise participating in any such private or class action.

7. **Releases by UBS.** UBS fully and finally releases the OAG, its political subdivisions, departments, agencies, and all their officers, employees, servants, and agents from any claims, including attorney's fees, costs, and expenses of every kind and however denominated, that UBS has asserted, could have asserted, or may assert in the future against them related to the Covered Conduct, to the extent released hereunder, and the investigation to date thereof.

8. **Subsequent Proceedings.** In any subsequent proceeding by the OAG to enforce Paragraphs 2 and 3 of this Agreement, UBS agrees not to assert as a defense to the enforcement of those Paragraphs the expiration of the statute of limitations or other time-related defenses for potential claims based on the Covered Conduct. If, in any subsequent proceeding by the OAG to enforce Paragraphs 2 and 3 of this Agreement, a court of competent jurisdiction determines that UBS has violated the Agreement, UBS shall pay to the OAG the reasonable cost, if any, of obtaining such determination and of enforcing Paragraphs 2 and 3 of this Agreement, including without limitation legal fees, expenses, and court costs.

9. This Agreement shall be binding on and inure to the benefit of the Parties and their respective successors and assigns. UBS may not assign, delegate, or otherwise transfer any of its rights or obligations under Paragraphs 2 and 3 of this Agreement without the prior written consent of the OAG. UBS shall cause this Agreement to be adopted in any such transfer agreement.

10. The terms of this Agreement were negotiated in good faith by the Parties, and reflect a settlement that was reached voluntarily after full investigation, consultation with experienced legal counsel and arms-length negotiation.

11. This Agreement is made without any trial or adjudication or court finding on any issue of fact or law, and is not a final order of any court or governmental authority.

12. UBS represents and warrants, through the signatures below, that the terms and conditions of this Agreement are duly approved, and execution of this Agreement is duly authorized.

13. This Agreement may not be amended except by an instrument in writing signed on behalf of all the Parties.

14. UBS shall, upon request by the OAG or the Auditor, provide all non-privileged documentation and information necessary for the OAG or the Auditor to verify compliance with Paragraph 3 of this Agreement.

15. All notices, reports, requests, and other communications to any Party pursuant to this Agreement shall be in writing and shall be directed as follows:

If to UBS, to:

Patrick Shilling
Managing Director
Head of Americas Litigation
UBS Group AG
1285 Avenue of the Americas
New York, New York 10019

If to the OAG, to:

Cynthia Hanawalt, Esq.
Enforcement Section Chief
Investor Protection Bureau
Office of the Attorney General of the State of New York
120 Broadway, 23rd Floor
New York, New York 10271

16. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Agreement has been made to or relied upon by UBS or the OAG in agreeing to this Agreement.

17. UBS acknowledges that it has entered this Agreement freely and voluntarily and upon due deliberation with the advice of counsel. The Agreement and all its terms shall be construed as if mutually drafted with no presumption of any type against any party that may be found to have been the drafter.

18. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in

any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement.

19. This Agreement shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

20. This Agreement, including the Appendices hereto, constitutes the entire agreement between the Parties, and supersedes any prior communication, understanding, or agreement, whether written or oral, concerning the subject matter of this Agreement.

21. This Agreement may be executed in multiple counterparts by the Parties hereto. All counterparts so executed shall constitute one agreement binding upon all Parties, notwithstanding that all Parties are not signatories to the original or the same counterpart. Each counterpart shall be deemed an original to this Agreement, all of which shall constitute one agreement to be valid as of the effective date of this Agreement. For purposes of this Agreement, copies of signatures shall be treated the same as originals. Documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

22. Nothing in this Agreement shall relieve UBS of other obligations imposed by any applicable state or federal law or regulation or other applicable law.

23. UBS shall not take any position in any proceeding brought by or on behalf of the OAG, or to which the OAG is a party, that is inconsistent with any part of this Agreement. Nothing in this Agreement affects UBS's (i) testimonial obligations; or (ii) right to take any legal or factual position that may contradict any statement or allegation in any part of this Agreement in litigation or other legal proceeding in which the OAG is not a party.

24. This Agreement is intended to be for the benefit of the Parties only and does not create any third-party rights. This Agreement is not intended for use by any third party in any other proceeding and is not intended, and should not be construed, as an admission of any violation of any statute or law or of any liability or wrongdoing by UBS or any of the other Released Entities. This Agreement and any and all negotiations, communications, documents and discussions associated with it shall not be used for any other purpose, except in proceedings or actions to enforce or interpret this Agreement. Nothing contained herein shall be construed so as to deprive any person or entity of any right under the law.

25. This Agreement is not intended to subject the Released Entities to any disqualifications contained in the federal securities laws or the Commodity Exchange Act, the rules and regulations thereunder (including, without limitation, Regulation A and Rule 506(d) under the Securities Act of 1933), the rules and regulations of any self-regulatory organizations, or various states' securities laws, including any disqualifications from relying upon registration exemptions or safe harbor provisions. In addition, this Agreement is not intended to form the basis for any such disqualifications, and is not of the type described in Section 15(b)(4)(H)(ii) of the Securities Exchange Act of 1934. This Agreement contains no findings of the type described in Rule 803(8) of the Federal Rules of Evidence.

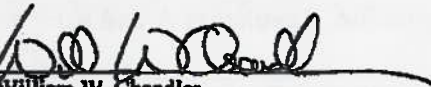
26. This Agreement shall not disqualify the Released Entities from any business that they otherwise are qualified, licensed, or permitted to perform under the laws or regulations of New York and any disqualifications from relying upon New York's registration exemptions or safe harbor provisions that might be deemed to arise from this Agreement are hereby waived.

27. This Agreement shall become effective and binding upon execution by the Parties hereto.

Dated: March 20, 2018
New York, New York

UBS SECURITIES LLC

By: 
John Lantz
Executive Director
1285 Avenue of the Americas
New York, New York 10019

By: 
William W. Chandler
Managing Director
1285 Avenue of the Americas
New York, New York 10019

ERIC T. SCHNEIDERMAN
Attorney General of the State of New York

By:  3/21/18

Of Counsel:

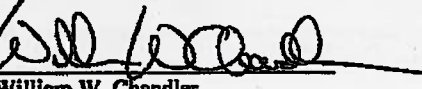
Cynthia Hanawalt
Enforcement Section Chief
Investor Protection Bureau

Steven J. Glassman
Senior Enforcement Counsel
Economic Justice Division

Tanya Trakht
Assistant Attorney General
Investor Protection Bureau

UBS REAL ESTATE SECURITIES, INC.

By: 
John Lantz
Executive Director
1285 Avenue of the Americas
New York, New York 10019

By: 
William W. Chandler
Managing Director
1285 Avenue of the Americas
New York, New York 10019

APPENDIX A

STATEMENT OF FACTS

1. During 2006 through 2007, UBS Real Estate Securities Inc. (“UBS Real Estate”) and UBS Securities LLC (“UBS Securities”) (together, “UBS”) participated in the process of securitizing tens of thousands of residential mortgage loans and selling the resulting residential mortgage-backed securities (“RMBS”) to investors. The cash flows generated when borrowers made principal and interest payments on these loans were used to pay the interest and principal due to RMBS investors.

2. The OAG’s investigation focused on 15 securitizations sponsored by UBS Real Estate in 2006 and 2007 backed by subprime collateral, with a total initial principal balance in excess of \$10 billion (the “Focus Securitizations”). Subprime loans are typically made to borrowers who would not qualify for prime loans.

3. UBS Real Estate, the sponsor of the Focus Securitizations, purchased pools of loans from third-party originators and sold these loans to Mortgage Asset Securitization Transactions, Inc. (“MASTR”), the depositor set up by UBS. MASTR then deposited the loans into RMBS trusts for inclusion in the Focus Securitizations. MASTR sold the RMBS to UBS Securities, the underwriter for the Focus Securitizations, which, in turn, sold them to investors.

4. UBS marketed and sold RMBS pursuant to prospectuses and prospectus supplements for each securitization filed with the Securities and Exchange Commission. UBS prepared the prospectus supplements and other marketing materials for the RMBS.

I. Representations by UBS to Investors in the Focus Securitizations

5. The prospectus supplements for the Focus Securitizations included, in varying forms, statements that the mortgage loans were “originated generally in accordance with the underwriting guidelines established” by the mortgage originator. In other prospectus supplements UBS represented that “[a]ll of the Mortgage Loans were originated or acquired by the originator in accordance with the underwriting guidelines described [in the prospectus supplement].”

6. The prospectus supplements also disclosed that loans could be originated with “exceptions” to underwriting guidelines where adequate compensating factors existed. Certain prospectus supplements further stated that “[o]n a case-by-case basis [the originator] may determine that, based upon compensating factors, a prospective mortgagor not strictly qualifying under the underwriting risk category or other guidelines described below warrants an underwriting exception.” For most of the Focus Securitizations, UBS disclosed in the prospectus supplements whether or not it was “expected that a substantial number of the mortgage loans... will represent such underwriting exceptions.”

7. Certain of the prospectus supplements also stated that the originator’s “underwriting guidelines [were] primarily intended to assess the ability and willingness of the borrower to repay the debt and to evaluate the adequacy of the mortgaged property as collateral for the mortgage loan.”

8. A number of the prospectus supplements represented that, for stated income loans, the “income is not verified... however, the income stated must be reasonable and customary for the applicant’s line of work.” Certain of the applicable underwriting guidelines required that the applicant’s stated income be consistent with the type of work listed on the

application and that the originator verify the employment listed by the borrower on the application.

9. The prospectus supplements also included statements regarding the valuation of mortgaged properties and the resulting loan-to-value (“LTV”) or combined loan-to-value (“CLTV”) ratios, such as the weighted-average LTV or CLTV of the mortgage loans and maximum LTV or CLTV at origination of the mortgage loans. UBS also made representations in various prospectus supplements that “[m]ortgaged properties that are to secure mortgage loans generally are appraised by qualified independent appraisers....”

10. In certain marketing materials, such as investor presentations, UBS stated that, prior to purchasing loans, it performed diligence on the loans to assess, among other things, whether the loans complied with the originator’s underwriting guidelines or had compensating factors that warranted an underwriting exception.

11. Based on its investigation, the OAG has concluded that one or more statements in prospectus supplements and/or investor presentations for the Focus Securitizations were not accurate.

II. UBS’s Diligence on Mortgage Loans at Acquisition

12. As part of the securitization process, UBS purchased pools of mortgage loans from originators, who were supposed to originate the loans in accordance with their underwriting guidelines.

13. After winning a bid to purchase a loan pool, UBS, as part of its diligence, retained a third-party vendor to, among other things, assess whether the loans being purchased by UBS complied with applicable underwriting guidelines and with applicable state and federal law, and whether the property provided adequate collateral for the loan. The diligence was designed,

among other things, “to mitigate the risk that loans purchased [did] not meet the credit underwriting guidelines [of the originator] or violate federal or state laws regarding ‘predatory’ lending.”

14. For loans purchased from some originators, UBS would conduct credit and compliance diligence on 100% of the loans in a loan pool. For loans purchased from certain other originators with an established trading history with UBS, which included some of the larger originators, UBS would conduct credit and compliance due diligence on a sample of 25% or more of the loans in a pool. The samples typically included loans that were identified using both random and adverse selection processes.

15. UBS or the originator provided the vendors performing credit and compliance diligence with the originator’s underwriting guidelines and the loan tape (spreadsheets containing collateral and borrower data for each loan). UBS and the diligence vendors would also request the underlying loan origination files from the originator.

16. The diligence vendors provided UBS with diligence reports that summarized their findings and assigned grades to each sampled loan, which they generally defined as follows: EV1 meant that the loan met the requirements of the originator’s underwriting guidelines; EV2 meant that the loan did not meet all the requirements under the originator’s underwriting guidelines but had compensating factors that warranted an underwriting exception; and EV3 meant that the loan was not originated in compliance with applicable laws and regulations or did not comply with the originator’s underwriting guidelines and had insufficient or no compensation factors. UBS also instructed its due diligence vendors to grade a loan as EV3 in at least two other circumstances: (i) the loan had a characteristic that UBS had asked the diligence vendor to flag, because UBS had, through the use of “bid stipulations,” purchased the option to

exclude these loans from the transaction; or (ii) the loan file was missing certain documentation, or was not available for review. Based on the results of this diligence, UBS could decline to purchase loans.

III. The Mortgage Loans in Focus Securitizations

17. At times, UBS's credit and compliance diligence vendors identified a number of loans being considered for purchase by UBS that, in the vendors' view, did not comply with underwriting guidelines and lacked adequate compensating factors or did not comply with applicable laws and regulations. In some instances, UBS disagreed with the vendor's view. Certain of these loans were included in the Focus Securitizations.

18. The prospectus supplements did not disclose a description of the diligence reports prepared by UBS's vendors, and did not state the number of loans in the diligence sample that, in the vendors' view, did not comply with underwriting guidelines or the size of the diligence sample. UBS also did not include in prospectus supplements the number of loans in the securitizations that were approved by the originator using underwriting exceptions or the number of loans with valuation variances identified during review.

19. UBS agreed with some originators for some loans pools to limit the number of loan files it would review during its diligence. Although UBS reserved the right to request additional loan-level diligence in advance of the loan purchase, it did not always do so. These agreements with originators were not disclosed in prospectus supplements.

20. Because UBS used adverse and random sampling when conducting credit and compliance diligence for some loan pools, UBS could not be certain that every single loan in the loan pools that it purchased and securitized complied with the originator's underwriting guidelines.

21. Unsampld loans in the loan pools were purchased by UBS without loan file review as part of credit and compliance due diligence. Thus, certain of the Focus Securitizations included some loans that were not part of a credit and compliance diligence sample, and may have included loans that: (i) did not comply with underwriting guidelines, (ii) were made to borrowers with limited or no ability to repay, (iii) were made to borrowers who had unreasonable stated incomes; or (iv) were backed by properties that were not adequate collateral for such loan.

22. Additionally, some valuation diligence reports received by UBS from its diligence vendors reflected variances between the appraised value of the mortgaged properties and the values obtained through other measures, such as automated valuation models (“AVMs”) and broker-price opinions (“BPOs”). In some instances, LTVs calculated using valuations derived from AVMs or BPOs would have been higher than the LTVs stated in the prospectus supplements, which were calculated using the lower of the appraised value or the purchase price. Certain of these loans were included in the Focus Securitizations.

23. UBS performed post-securitization review of certain loans that defaulted shortly after securitization. These reviews identified a number of loans that appeared to breach the representations and warranties contained in the prospectuses and/or prospectus supplements. Based on these reviews, UBS in some instances requested that the loan seller or loan originator repurchase certain loans.

24. To date, the loan pools backing the Securitizations have experienced billions of dollars of collateral losses. As a result, some investors have experienced shortfalls in principal and interest payments, as well as declines in the market value of their certificates.

APPENDIX B

CONSUMER RELIEF

Eligibility: The Consumer Relief eligibility criteria shall reflect only the terms set forth below and the following principles and conditions: (1) Consumer Relief will be related to borrowers or properties located in New York State; (2) Consumer Relief will not be implemented through any policy that violates the Fair Housing Act or the Equal Credit Opportunity Act.

Menu

<u>Menu Item</u> ¹	<u>Credit</u> ² <u>Towards Settlement</u>	<u>Minimum</u>
1. Community Reinvestment and Neighborhood Stabilization		
A. Grants to municipalities or counties to capitalize or support certified Land Banks or Land Trusts subject to state or local regulation	\$1.00 grant = \$2.00 Credit 115% Early Incentive Credit ³ 106% Early Resolution Credit ⁴	Menu Item 1.A Credit Minimum = \$35 million
<i>and</i>		
B. Grants to municipalities or their housing or finance agencies to support housing quality improvement and enforcement programs	\$1.00 grant = \$2.00 Credit 115% Early Incentive Credit 106% Early Resolution Credit	Menu Item 1.B Credit Minimum = \$59.5 million
2. Affordable Rental Housing		
Financing and/or grants to municipalities or counties (including housing or finance agencies) to fund Critical Need Housing Developments ⁵ and/or support services or programs for such developments	\$1.00 Loss ⁶ /grant = \$3.75 Credit 115% Early Incentive Credit 106% Early Resolution Credit	Menu Item 2 Credit Minimum = \$94.5 million

¹ If UBS elects to do so, it may use one or more non-profit organizations to evaluate potential projects and to administer financing or grants as provided for under this Menu.

² UBS may earn Credit for Consumer Relief activities under this Menu completed between the date of the Agreement and December 31, 2019. For all Consumer Relief activity under this Menu, Credit will be earned when financing or grants are received by the relevant units of local government or other eligible entities. If UBS elects to use one or more intermediary non-profit organizations to evaluate potential projects and/or to administer financing or grants as provided for under this Menu, Credit will be earned on the date the financing or grants are provided to such intermediaries.

³ Early Incentive Credit applies to all Consumer Relief activity under this Menu offered or completed by September 30, 2018. Early Incentive Credit and other Credits are cumulative (e.g., \$1.00 of grants to municipal or county housing agencies to support housing quality improvement and enforcement programs prior to September 30, 2018 would receive \$2.438 of Credit). For all Consumer Relief activity under this Menu, UBS will earn Early Incentive Credit when financing or grants are received by the relevant units of local government or other eligible entities. If UBS elects to use one or more intermediary non-profit organizations to evaluate potential projects and/or to administer financing or grants as provided for under this Menu, UBS will earn Early Incentive Credit when the financing or grants are provided to such intermediaries.

⁴ Early Resolution Credit applies to all Consumer Relief activity under this Menu. Early Resolution Credit and other Credits are cumulative.

⁵ "Critical Need Housing Developments" is defined as new or existing multifamily affordable rental housing developments that have been selected by a municipality, county or the state, or any of their housing or finance agencies and are subject to a regulatory agreement comparable to LIHTC affordability restrictions that meet one of the following criteria: (i) developed through LIHTC or are equivalent to multifamily affordable rental housing developed through LIHTC; (ii) rehabilitation of existing multifamily properties between 4 and 49 units that are currently unoccupied or in need of rehabilitation to meet state building codes – such properties would be financed with subsidy only, without LIHTC, and be subject to an affordable regulatory agreement for families at or below 60% of the area median income for that area; (iii) provide multifamily affordable rental housing for senior citizens; (iv) provide multifamily affordable rental housing located near public transit hubs; or (v) provide

Reporting Requirements, Liquidated Damages and Credit Minimums

UBS shall endeavor to satisfy the Consumer Relief obligations set forth in this Appendix B by December 31, 2018, but shall have until December 31, 2019 to complete all Consumer Relief obligations set forth in this Appendix B.

UBS will provide periodic reports to the New York Attorney General (the “OAG”) regarding its progress toward completion of UBS’s Consumer Relief obligations set forth in this Appendix B. UBS will provide such reports on a quarterly basis, commencing no later than 90 days after the date of the Agreement. UBS’s reports will include, for all grants and financing provided pursuant to Appendix B, an agreed-upon procedures report from an independent registered public accounting firm setting forth the amount and date of the grant/financing, the name of the local government or other eligible entity (or intermediary non-profit) receiving the grant/financing, the Menu Item pursuant to which the grant/financing is being provided, and the amount of Credit calculated pursuant to the terms of this Appendix B. The local government or other eligible entity (or intermediary non-profit) will also agree to confirm to the OAG the amount and date of the grant/financing, and that the grant/financing has been designated for use in accordance with the terms of this Appendix B. The OAG agrees that these reports shall be sufficient to establish UBS’s compliance with its Consumer Relief obligations set forth in this Appendix B.

If UBS has not completed its Consumer Relief obligations set forth in this Appendix B by December 31, 2019, UBS shall make a compensatory payment in cash to the State of New York, in accordance with written payment processing instructions from the OAG, in an amount equal to the difference between the total Credit that UBS is required to earn under this Appendix B, and the Credit that UBS has earned as of December 31, 2019 (the “Liquidated Damages”). The payment of Liquidated Damages shall be the sole remedy for any failure to complete the Consumer Relief. UBS’s obligations pursuant to this Appendix B shall terminate once (1) UBS has provided grants and/or financing sufficient to satisfy its Consumer Relief obligations and provided all required reports to the OAG, and (2) the local governments or other eligible entities (or intermediary non-profits) receiving the grants/financing confirm to the OAG the amounts and dates of the grants/financing, and that the grants/financing have been designated for use in accordance with the terms of this Appendix B.

In the event that UBS is unable to satisfy the Credit Minimums set forth in this Menu despite using its best efforts for the applicable Consumer Relief Menu Item, UBS may apply any Credits earned in excess of any of the Credit Minimums to offset any deficiency in respect of any of the other Menu Items as to which a Credit Minimum applies.

multifamily affordable rental housing located near (or that otherwise provides access to) health care professionals. UBS will have the ability to choose and underwrite the projects financed pursuant to this Menu Item. If UBS elects to do so, it may use one or more non-profits to evaluate potential projects and to generate and administer financing or grants pursuant to this Menu Item. UBS may rely on the determination of the relevant units of local government or other eligible entities, including any non-profit organization used by UBS to administer financing or grants under this Menu Item, that Critical Need Housing Developments meet these eligibility criteria. A cumulative 115% Credit will also be provided for projects (including support services or programs) located in municipalities or counties where UBS has not funded a Critical Need Housing Development during the past four years.

⁶ For loans or investments, “Loss” is measured by the net settlement amount, and is equal to the difference between par value (*i.e.*, the amount paid by UBS) and the fair value (*i.e.*, market value) on the origination date of the loan or investment made to facilitate the construction, rehabilitation or preservation of multifamily affordable rental housing, less administrative fees. Origination date is defined as the date of the closing of the loan or investment at par value and disbursement by UBS to fund the Loss. Credit will only be given up to \$100,000 of Loss per affordable housing unit. Origination date is also the determinative date for determining whether the Loss is eligible for the early incentive credit. If UBS’s Loss is substantially reversed due to circumstances such as cancellation of the project during the term of this Appendix B, UBS’s Credit shall be calculated on the actual Loss incurred. The Loss will be validated by the non-profit tax credit syndicator. For grants of assets to fund developments or support services, the value of the grant will be measured based on the fair value of the asset at the time of the grant. The financing provided under this Menu Item will be in a form (*e.g.*, as a grant or a forgivable loan) acceptable to the municipality or county receiving the financing.

Appendix C*

AABST 2004-5	ARNIM 2004-WN6	CWALT 2005-27
AABST 2004-6	ARSI 2003-W1	CWALT 2005-29CB
AABST 2005-1	ARSI 2003-W2	CWALT 2005-35CB
AABST 2005-2	ARSI 2003-W3	CWALT 2005-43
AABST 2005-2N	ARSI 2003-W5	CWALT 2005-61
AABST 2005-3	ARSI 2003-W7	CWALT 2005-63
AABST 2005-3N	ARSI 2003-W9	CWALT 2005-72
AABST 2005-4	ARSI 2004-PW1	CWALT 2005-74T1
AABST 2005-5	ARSI 2004-W1	CWALT 2006-12CB
AABST 2006-1	ARSI 2004-W2	CWALT 2006-23CB
ACCR 2006-2	ARSI 2004-W5	CWALT 2006-37R
AHMAT 2006-2	ARSI 2004-W6	CWALT 2006-43CB
AHMAT 2007-4	ARSI 2004-W7	CWALT 2006-4CB
AHMIT 2004-4	ARSI 2005-W3	CWALT 2006-HY13
AHMIT 2005-1	ARSI 2006-M2	CWALT 2006-OA10
AHMIT 2005-2	ARSI 2006-M3	CWALT 2006-OA3
AHMIT 2005-3	ARSI 2006-W2	CWALT 2006-OA7
AHMIT 2005-SD1	ARSI 2006-W3	CWALT 2006-OA8
AHMIT 2006-2	CARR 2004-NC2	CWALT 2007-11T1
AMSI 2002-3	CBASS 2006-CB1	CWALT 2007-20
AMSI 2002-4	CBASS 2006-CB8	CWALT 2007-22
AMSI 2002-D	CFAB 2003-3	CWALT 2007-24
AMSI 2003-11	CMALT 2006-A3	CWALT 2007-3T1
AMSI 2003-6	CMSI 2007-5	CWALT 2007-OA2
AMSI 2003-AR1	CWALT 2000-1	CWHEL 2004-T
AMSI 2003-AR3	CWALT 2000-4	CWHEL 2005-A
AMSI 2004-R11	CWALT 2001-1	CWHL 1999-23
AMSI 2004-R12	CWALT 2001-11	CWHL 2000-6
AMSI 2004-R6	CWALT 2001-3	CWHL 2000-8
AMSI 2004-R7	CWALT 2001-4	CWHL 2001-13
AMSI 2005-R2	CWALT 2001-8	CWHL 2001-30
AMSI 2005-R7	CWALT 2002-11	CWHL 2001-6
AQNIM 2002-N4A	CWALT 2002-14	CWHL 2001-HYB2
AQNIM 2002-N6A	CWALT 2002-3	CWHL 2002-21
AQNIM 2003-N2A	CWALT 2002-5	CWHL 2002-5
AQNIM 2003-N5	CWALT 2002-6	CWHL 2003-43
AQNIM 2003-N7A	CWALT 2002-9	CWHL 2004-14
AQNIM 2004-RN10	CWALT 2003-5T2	CWHL 2005-1
AQNIM 2005-RN7	CWALT 2004-14T2	CWHL 2005-17
ARNIM 2003-N2	CWALT 2004-3T1	CWHL 2005-20
ARNIM 2003-N7	CWALT 2005-10CB	CWHL 2005-21
ARNIM 2003-N8	CWALT 2005-16	CWHL 2005-22
ARNIM 2004-WN1	CWALT 2005-17	CWHL 2005-25
ARNIM 2004-WN5	CWALT 2005-2	CWHL 2005-28

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Appendix C*

CWHL 2005-3	GECMSI 1997-3	IMSA 2003-2
CWHL 2005-30	GECMSI 1997-4	IMSA 2004-2
CWHL 2005-6	GECMSI 1998-13	IMSA 2005-1
CWHL 2005-9	GECMSI 1998-19	IMSA 2005-2
CWHL 2005-R2	GECMSI 1999-14	IMSA 2006-SD1
CWHL 2006-3	GECMSI 1999-16	IMSC 2007-HOA1
CWHL 2006-OA5	GECMSI 1999-19	INABS 2005-A
CWHL 2007-10	GECMSI 1999-2	INABS 2005-B
CWHL 2007-12	GECMSI 1999-21	INABS 2005-C
CWHL 2007-9	GECMSI 1999-4	INABS 2005-D
CWHL 2007-HY1	GECMSI 2000-6	INABS 2006-A
CWHL 2007-HY3	GECMSI 2000-9	INABS 2006-B
CWHL 2007-HY4	GEWMC 2006-1	INABS 2006-C
CWL 2003-BC1	GMACM 2000-J6	INABS 2006-D
CWL 2006-11	GMACM 2001-J2	INABS 2006-E
ECR 2005-1	GMACM 2001-J3	INABS 2006-H2
ECR 2005-4	GMACM 2001-J7	INABS 2007-A
FFML 2005-FF7	GMACM 2003-J10	INABS 2007-B
FFNT 2005-FF7	GMACM 2004-J2	INDS 2006-1
FHAMS 2004-AA4	GMACM 2004-JR1	INDS 2006-2B
FHAMS 2004-FA1	GMACM 2005-AA1	INDS 2006-3
FHAMS 2005-AA11	GMACM 2005-AR1	INDS 2006-A
FHAMS 2005-AA12	HLMLT 2006-1	INDS 2007-1
FHAMS 2005-FA10	IMJA 2007-A1	INDS 2007-2
FHAMS 2006-AA1	IMM 2002-9F	INDX 2004-AR12
FHAMS 2006-AA2	IMM 2003-2F	INDX 2004-AR14
FHAMS 2006-AA3	IMM 2003-4	INDX 2004-AR7
FHAMS 2006-FA4	IMM 2003-8	INDX 2004-AR8
FHAMS 2006-RE2	IMM 2004-6	INDX 2005-AR10
FHAMS 2007-AA1	IMM 2004-9	INHEL 2002-B
FHAMS 2007-FA1	IMM 2005-1	INHEL 2003-A
FHASI 2004-AR2	IMM 2005-3	INHEL 2004-A
FHASI 2004-AR5	IMM 2005-5	INHEL 2004-B
FHASI 2005-2	IMM 2005-6	INHEL 2004-C
FHASI 2005-6	IMM 2005-7	LBMLT 2002-2
FHASI 2007-1	IMM 2005-8	LBMLT 2002-5
FHASI 2007-2	IMNIM 2004-A	LBMLT 2003-1
FHLT 2005-D	IMNIM 2005-A	LBMLT 2003-4
FHLT 2005-E	IMNIM 2005-C	LBMLT 2004-2
FHLT 2006-B	IMNIM 2005-D	MABS 2002-NC1
GECMSI 1996-17	IMNIM 2006-AB	MABS 2002-OPT1
GECMSI 1996-7	IMNIM 2006-D	MABS 2003-NC1
GECMSI 1996-8	IMNIM 2007-A	MABS 2003-OPT1
GECMSI 1997-1	IMSA 2002-3	MABS 2003-OPT2

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Appendix C*

MABS 2003-WMC1	MALT 2003-2	MARM 2001-1
MABS 2003-WMC2	MALT 2003-3	MARM 2002-1
MABS 2004-FRE1	MALT 2003-4	MARM 2002-2
MABS 2004-HE1	MALT 2003-5	MARM 2002-3
MABS 2004-OPT1	MALT 2003-6	MARM 2003-1
MABS 2004-OPT2	MALT 2003-7	MARM 2003-2
MABS 2004-WMC1	MALT 2003-8	MARM 2003-3
MABS 2004-WMC2	MALT 2003-9	MARM 2003-4
MABS 2004-WMC3	MALT 2004-1	MARM 2003-5
MABS 2005-AB1	MALT 2004-10	MARM 2003-6
MABS 2005-FRE1	MALT 2004-11	MARM 2003-7
MABS 2005-HE1	MALT 2004-12	MARM 2004-1
MABS 2005-HE2	MALT 2004-13	MARM 2004-10
MABS 2005-NC1	MALT 2004-2	MARM 2004-11
MABS 2005-NC2	MALT 2004-3	MARM 2004-12
MABS 2005-OPT1	MALT 2004-4	MARM 2004-13
MABS 2005-WF1	MALT 2004-5	MARM 2004-14
MABS 2005-WMC1	MALT 2004-6	MARM 2004-15
MABS 2006-AB1	MALT 2004-7	MARM 2004-2
MABS 2006-AM1	MALT 2004-8	MARM 2004-3
MABS 2006-AM2	MALT 2004-9	MARM 2004-4
MABS 2006-AM3	MALT 2005-1	MARM 2004-5
MABS 2006-FRE1	MALT 2005-2	MARM 2004-6
MABS 2006-FRE2	MALT 2005-3	MARM 2004-7
MABS 2006-HE1	MALT 2005-4	MARM 2004-8
MABS 2006-HE2	MALT 2005-5	MARM 2004-9
MABS 2006-HE3	MALT 2005-6	MARM 2005-1
MABS 2006-HE4	MALT 2006-1	MARM 2005-2
MABS 2006-HE5	MALT 2006-2	MARM 2005-3
MABS 2006-NC1	MALT 2006-3	MARM 2005-4
MABS 2006-NC2	MALT 2007-1	MARM 2005-5
MABS 2006-NC3	MALT 2007-HF1	MARM 2005-6
MABS 2006-WMC1	MANM 2005-1	MARM 2005-7
MABS 2006-WMC2	MANM 2005-CW1A	MARM 2005-8
MABS 2006-WMC3	MANM 2006-1	MARM 2006-2
MABS 2006-WMC4	MANM 2006-2	MARM 2006-OA1
MABS 2007-HE1	MANM 2006-3	MARM 2006-OA2
MABS 2007-HE2	MANM 2006-4	MARM 2007-1
MABS 2007-NCW	MANM 2006-5	MARM 2007-2
MABS 2007-WMC1	MANM 2006-6	MARM 2007-3
MALT 2002-1	MANM 2007-1	MARM 2007-HF1
MALT 2002-2	MANM 2007-2	MARM 2007-HF2
MALT 2002-3	MANM 2007-HF1	MARM 2007-R5
MALT 2003-1	MANM 2007-HF2	MARP 2005-1

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Appendix C*

MARP 2005-2	MASTR 2003-1	MNIM 2003-OPT2
MARP 2006-1	MASTR 2003-10	MNIM 2003-WMC1
MARP 2006-2	MASTR 2003-11	MNIM 2004-CI3
MARS 2004-1	MASTR 2003-12	MNIM 2004-CI4
MARS 2004-2	MASTR 2003-13	MNIM 2004-CI5
MARS 2004-3	MASTR 2003-2	MNIM 2004-CI6A
MARS 2005-1	MASTR 2003-3	MNIM 2004-HE1A
MARS 2005-2	MASTR 2003-4	MNIM 2004-OPT1
MARS 2005-3CI	MASTR 2003-5	MNIM 2005-C10A
MARS 2005-4CI	MASTR 2003-6	MNIM 2005-CI12
MARS 2005-5	MASTR 2003-7	MNIM 2005-CI7A
MARS 2005-PO	MASTR 2003-8	MNIM 2005-CI8A
MARS 2006-1CI	MASTR 2003-9	MNIM 2005-CI9A
MARS 2006-2	MASTR 2004-1	MNIM 2005-NC2
MARS 2007-1	MASTR 2004-10	MNIM 2005-OPT1
MARS 2007-2	MASTR 2004-11	MNIM 2006-AM1
MARS 2008-1	MASTR 2004-2	MNIM 2006-C15A
MARS 2008-2	MASTR 2004-3	MNIM 2006-CI14
MARS 2008-3	MASTR 2004-4	MNIM 2006-CI16
MARS 2008-4	MASTR 2004-5	MNIM 2006-CI17
MARS 2009-1	MASTR 2004-6	MNIM 2006-CI18
MASD 2004-1	MASTR 2004-7	MNIM 2006-CI19
MASD 2004-2	MASTR 2004-8	MNIM 2006-CI20
MASD 2005-1	MASTR 2004-9	MNIM 2006-CI21
MASD 2005-2	MASTR 2004-P2	MNIM 2006-CI22
MASD 2005-3	MASTR 2004-P7	MNIM 2006-CI23
MASD 2006-1	MASTR 2005-1	MNIM 2006-CI24
MASD 2006-2	MASTR 2005-2	MNIM 2006-CI25
MASD 2006-3	MASTR 2006-1	MNIM 2007-CI26
MASD 2007-1	MASTR 2006-2	MNIM 2007-CI27
MASD 2007-2	MASTR 2006-3	MNIM 2007-CI28
MASL 2005-1	MASTR 2007-1	MNIM 2007-CI29
MASL 2006-1	MASTR 2007-2	MNIM 2007-CI30
MASTR 2001-1	MASTR CI-CW1 NIM	MSSTR 2003-1
MASTR 2001-2	MHL 2004-1	MSSTR 2004-1
MASTR 2001-3	MHL 2004-2	MSSTR 2004-2
MASTR 2002-1	MHL 2005-1	MSSTR 2005-1
MASTR 2002-2	MHL 2005-2	MSSTR 2005-2
MASTR 2002-3	MHL 2006-1	NAA 2006-AR4
MASTR 2002-4	MNIM 2002-NC1	NASCOR 1997-14
MASTR 2002-5	MNIM 2002-OPT1	NASCOR 1997-2
MASTR 2002-6	MNIM 2003-CI2	NASCOR 1998-18
MASTR 2002-7	MNIM 2003-NC1	NASCOR 1998-23
MASTR 2002-8	MNIM 2003-OPT1	NASCOR 1998-24

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Appendix C*

NASCOR 1998-9	PFCA 2004-GP2	RAST 2005-A5
NASCOR 1999-11	PFRMS 2006-1	RAST 2005-A6CB
NASCOR 1999-12	PPSI 2004-WHQ1	RAST 2005-A7
NASCOR 1999-16	PPSI 2005-WCW2	RAST 2005-A8CB
NASCOR 1999-18	PPSI 2005-WHQ2	RAST 2005-A9
NASCOR 1999-2	PPSIN 2004-WHQ1	RAST 2006-A11
NASCOR 1999-27	PPSIN 2005-WCW2	RAST 2006-A12
NASCOR 1999-28	PPSIN 2005-WHQ2	RAST 2006-A13
NASCOR 2000-2	QUEST 2005-X2	RAST 2006-A15
NCHET 2003-3	RALI 2000-QS11	RAST 2006-A3CB
NCHET 2003-4	RALI 2000-QS12	RAST 2007-A5
NCHET 2003-6	RALI 2001-QS10	RFMSI 1999-S13
NCHET 2004-2	RALI 2001-QS13	RFMSI 1999-S18
NCHET 2004-3	RALI 2001-QS15	RFMSI 1999-S21
NCHET 2004-4	RALI 2002-QS1	RFMSI 1999-S23
NCHET 2005-2	RALI 2002-QS16	RFMSI 1999-S3
NCHET 2005-3	RALI 2002-QS4	RFMSI 1999-S4
NCHET 2006-S1	RALI 2003-QS11	RFMSI 2000-S1
NHELI 2007-2	RALI 2003-QS16	RFMSI 2000-S7
OOMLT 2000-5	RALI 2003-QS22	RFMSI 2000-S9
OOMLT 2002-5	RALI 2003-QS23	RFMSI 2001-S16
OOMLT 2003-2	RALI 2005-QA9	RFMSI 2001-S18
OOMLT 2003-3	RALI 2005-QS13	RFMSI 2002-S5
OOMLT 2003-4	RALI 2005-QS14	RFMSI 2003-S11
OOMLT 2003-5	RALI 2005-QS15	RFMSI 2005-S6
OOMLT 2003-6	RALI 2005-QS16	RFMSI 2005-S7
OOMLT 2004-1	RALI 2005-QS17	RFMSI 2005-S9
OOMLT 2004-2	RALI 2005-QS7	RFMSI 2006-S2
OPMAC 2005-1	RALI 2005-QS8	RFMSI 2006-S3
OPMAC 2005-2	RALI 2005-QS9	RFMSI 2006-S4
OPMAC 2005-4	RALI 2006-QO5	RFMSI 2006-S5
OPMAC 2005-5	RALI 2006-QO7	RFMSI 2006-S7
OPMAC 2006-1	RALI 2006-QS15	RFMSI 2006-S8
PCHLT 2005-3	RALI 2007-QS1	STALT 2006-1F
PCHLT 2005-4	RAST 2000-A8	STARM 2007-2
PFCA 2001-PB1	RAST 2003-A12	STARM 2007-3
PFCA 2001-PB2	RAST 2004-A9	STARM 2007-S1
PFCA 2002-IFC1	RAST 2004-IP1	TBW 2006-5
PFCA 2002-IFC2	RAST 2004-IP2	TBW 2006-6
PFCA 2003-GP1	RAST 2005-9	TBW 2007-1
PFCA 2003-IFC3	RAST 2005-A11	WAMMS 2003-MS2
PFCA 2003-IFC4	RAST 2005-A11CB	WAMMS 2003-MS5
PFCA 2003-IFC5	RAST 2005-A3	WAMMS 2003-MS6
PFCA 2003-IFC6	RAST 2005-A4	WAMU 2004-AR13

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Appendix C*

WAMU 2004-RS2	WFMBBS 2002-2	WFMBBS 2006-16
WAMU 2005-AR6	WFMBBS 2002-4	WFMBBS 2006-17
WAMU 2005-AR8	WFMBBS 2002-6	WFMBBS 2006-18
WFMBBS 2000-9	WFMBBS 2002-7	WFMBBS 2006-3
WFMBBS 2001-10	WFMBBS 2002-8	WFMBBS 2006-6
WFMBBS 2001-26	WFMBBS 2005-1	WFMBBS 2006-7
WFMBBS 2001-28	WFMBBS 2005-11	WFMBBS 2006-AR14
WFMBBS 2001-32	WFMBBS 2005-14	WFMBBS 2006-AR18
WFMBBS 2001-6	WFMBBS 2005-2	WFMBBS 2007-10
WFMBBS 2001-9	WFMBBS 2005-4	WFMBBS 2007-3
WFMBBS 2002-10	WFMBBS 2005-AR14	WFMBBS 2007-9
WFMBBS 2002-14	WFMBBS 2005-AR16	WFMBBS 2007-AR3

Chase Mortgage Finance Trust, Series 2000-S1
Chase Mortgage Finance Trust, Series 2002-S2
E*TRADE Bank Mortgage-Backed Securities Trust 2001-2
First Horizon Mortgage Pass-Through Trust 2000-4
First Horizon Mortgage Pass-Through Trust 2002-4

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