

At IAS Part 60 of the Supreme Court of the State of New York, held in and for the County of New York, at the Courthouse located at 60 Centre Street, New York, New York on the 15th day of Nov., 2022.

PRESENT : Hon. Melissa Crane, Justice.

In the matter of the application of

WELLS FARGO BANK, NATIONAL ASSOCIATION, U.S. BANK NATIONAL ASSOCIATION, U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, THE BANK OF NEW YORK MELLON, THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., WILMINGTON TRUST, NATIONAL ASSOCIATION, HSBC BANK USA, N.A., and DEUTSCHE BANK NATIONAL TRUST COMPANY (as Trustees, Indenture Trustees, Securities Administrators, Paying Agents, and/or Calculation Agents of Certain Residential Mortgage-Backed Securitization Trusts),

Petitioners,

For Judicial Instructions under CPLR Article 77 on the Distribution of a Settlement Payment.

Index No. 657387/2017

~~PROPOSED~~ **FINAL JUDGMENT AND ORDER CONCERNING 15 TRUSTS (15 TRUSTS PROPOSED JUDGMENT)**

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WHEREAS, the Petitioners identified in the above case caption commenced this proceeding under CPLR Article 77 by filing a petition (the "Petition") seeking judicial instructions concerning the administration and distribution of a settlement payment (the "Settlement Payment") for 270 residential mortgage-backed securities trusts identified in Exhibit A to the Petition (the "Settlement Trusts") under a settlement agreement dated as of November 15, 2013 and modified as of July 29, 2014 (the "Settlement Agreement"); and

WHEREAS, all capitalized terms used and not otherwise defined in this Final Judgment and Order (the "Order") shall have the meanings ascribed to such terms in the Petition; and

WHEREAS, on August 30, 2022, the Institutional Investors (as defined below) submitted a Proposed Final Judgment and Order for 37 trusts (NYSCEF No. 982) (the “37 Trusts Proposed Order”); and

WHEREAS, on August 31, 2022, the Court issued an Order to Show Cause (NYSCEF No. 983) why the 37 Trusts Proposed Order should not be entered; and

WHEREAS, on September 14, 2022, Wells Fargo Bank, National Association (“Wells Fargo”) submitted an *Affirmation of Clay J. Pierce in Partial Opposition to the Institutional Investors’ Order to Show Cause Seeking Entry of Final Judgment and Order for 37 Trusts* (NYSCEF No. 988), requesting that the Court revise the 37 Trusts Proposed Order to exclude 27 Settlement Trusts for which Wells Fargo indicated it intends to seek further guidance from the Court; and

WHEREAS, on September 19, 2022, Wells Fargo submitted a Supplemental *Affirmation of Clay J. Pierce in Partial Opposition to the Institutional Investors’ Order to Show Cause Seeking Entry of Final Judgment and Order for 37 Trusts* (NYSCEF No. 993), modifying its opposition to be limited to 24 of the 27 Settlement Trusts it previously identified (the “WF Objected Trusts”); and

WHEREAS, on October 5, 2022, the Court issued an *Interim Decision and Order* (NYSCEF No. 1001) denying immediate approval of the 37 Trusts Proposed Order and ordering the parties to present the Court with a joint proposed order for Settlement Trusts unaffected by Wells Fargo’s opposition no later than October 31, 2022; and

WHEREAS, consistent with the aforescribed Interim Decision and Order, this Order concerns 15 Settlement Trusts identified in Exhibit A hereto that are expected to be amenable to mutual resolution among the parties on consent (the "Subject Trusts");¹ and

WHEREAS, pursuant to the Settlement Agreement, the Settlement Payment is to be apportioned among the Settlement Trusts, including the individual loan groups therein and classes of principal only certificates therein, based on "Allocable Shares" calculated in an expert report filed with the Court at NYSCEF Nos. 178 and 179;² and

WHEREAS, by Order to Show Cause dated December 19, 2017 and Interim Order dated December 20, 2017 (collectively, the "December 2017 Orders"), the Court authorized and directed the Petitioners to place the Allocable Shares for the Settlement Trusts in escrow; and

WHEREAS, the Court has been advised that the escrow provisions of the December 2017 Orders have been complied with and that the Allocable Shares for the Settlement Trusts, plus any investment earnings thereon, are currently invested as directed in the December 2017 Orders; and

WHEREAS, under the December 2017 Orders, the Court directed the Petitioners to provide notice of this proceeding pursuant to the notice program described in the December 2017 Orders (the "Notice Program"), and the Court found that the Notice Program was the best notice practicable, was reasonably calculated to put interested persons on notice of the

¹ Separate and apart from the WF Objected Trusts, there are approximately 22 Settlement Trusts that remain in this proceeding that require resolution. The parties expect to file one or more additional proposed judgments concerning these approximately 22 remaining Settlement Trusts.

² Additionally, the term "certificate" as used herein refers to certificates, notes, or other applicable securities.

proceeding, and constituted due and sufficient notice of the proceeding in satisfaction of federal and state due process requirements and other applicable law; and

WHEREAS, the Notice Program directed that interested persons respond to the Petition on or before January 29, 2018; and

WHEREAS, the following are the only remaining parties with standing to appear with respect to the Subject Trusts: AEGON USA Investment Management, LLC; BlackRock Financial Management, Inc., Cascade Investment, LLC, the Federal Home Loan Bank of Atlanta, the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal National Mortgage Association (Fannie Mae), Goldman Sachs Asset Management L.P., Voya Investment Management LLC, Invesco Advisors, Inc., Kore Advisors, L.P., Metropolitan Life Insurance Company, Pacific Investment Management Company LLC, Teachers Insurance and Annuity Association of America, the TCW Group, Inc., Thrivent Financial for Lutherans, and Western Asset Management Company (each for themselves and, to the extent applicable, as investment managers of funds and accounts, and collectively, the "Institutional Investors"); Ambac Assurance Corporation; American General Life Insurance Company, American Home Assurance Company, Lexington Insurance Company, National Union Fire Insurance Company of Pittsburgh, Pa., The United States Life Insurance Company in the City of New York, and The Variable Annuity Life Insurance Company; D.E. Shaw Refraction Portfolios, L.L.C.; Ellington Management Group, L.L.C.; Tilden Park Investment Master Fund LP, Tilden Park Management I LLC, and Tilden Park Capital Management LP, each on behalf of itself and its advisory clients; Olifant Fund, Ltd., FFI Fund Ltd., and FYI Ltd.; U.S. Bank, National Association, solely in its capacity as NIM trustee, and solely at the direction of Poetic Holdings VI LLC, Poetic Holdings VII LLC,

and Prophet Mortgage Opportunities Fund LLP (“U.S. Bank as NIM Trustee at the Direction of Poetic Entities”); and Nover Ventures, LLC (collectively, the “Subject Interested Persons”); and

WHEREAS, in 2018, various parties (including the Subject Interested Persons) filed merits briefing concerning the issues raised in the Petition and the Court held argument concerning the same; and

WHEREAS, the Petitioners did not participate in the merits briefing and take no position on the outcome of the issues raised in the Petition, as more fully explained and described in the Petition; and

WHEREAS, on February 13, 2020, the Court issued a Decision and Order (NYSCEF No. 843) (the “Merits Ruling”) concerning settlement payment administration and distribution issues for certain Settlement Trusts, including the Subject Trusts; and

WHEREAS, the Merits Ruling was affirmed by the First Department, Appellate Division on August 19, 2021, and

WHEREAS, on April 26, 2022, the New York Court of Appeals denied motions seeking discretionary leave to appeal to the Court of Appeals on the grounds that the order sought to be appealed from does not finally determine the proceeding, and the Court of Appeals subsequently denied motions seeking reargument with respect to the same; and

WHEREAS, although Subject Interested Person Tilden Park Investment Master Fund LP (“Tilden”) and U.S. Bank, National Association, solely in its capacity as Indenture Trustee for certain NIM Trusts holding direct interests in certain of the Settlement Trusts and solely at the direction of HBK Master Fund L.P., may seek further appeal and/or review of the Merits Ruling, all Subject Interested Persons under this Order (including Tilden)

waive all appeal rights solely with respect to the Subject Trusts, as set forth further herein;
and

WHEREAS, the instructions in this Order concerning the distribution of the Allocable Shares for the Subject Trusts (the "Subject Allocable Shares") are consistent with the terms of the Merits Ruling; and

WHEREAS, as identified in Exhibit A hereto, the following Petitioners have contractual roles with respect to Subject Trusts: The Bank of New York Mellon ("BNYM"), U.S. Bank, National Association ("USBNA"), U.S. Bank Trust Company, National Association ("USBTC"), Wells Fargo Bank, and Wilmington Trust, National Association ("Wilmington Trust") are the trustees, successor trustees, and/or indenture trustees for the Subject Trusts (in such capacities, the "Subject Trustees") and Wells Fargo, USBNA, and USBTC are the securities administrator, paying agent, and/or calculation agent for the Subject Trusts (in such capacities, the "Subject Payment Administrator") (the Subject Payment Administrator and the Subject Trustees collectively, the "Subject Petitioners"); and

WHEREAS, as used herein, the term "Judgment Entry Date" means the date on which counsel of record to the parties hereto receive a copy of this Order signed by the Court by email, NYSCEF service, or other means, without regard to when the Court actually signs or the Clerk actually enters this Order; and

WHEREAS, for each Trust included in Exhibit B hereto, the term "Overcollateralization Amount Calculation" is used herein to refer to the terms in the applicable Governing Agreements prescribing that the "overcollateralization amount" is equal to the excess of the aggregate balances of the mortgage loans held by the Subject Trust

over the aggregate certificate principal balances of certain designated classes of certificates, as more fully defined and described in the applicable Governing Agreements; and

WHEREAS, as used herein the term "Transfer Month" means the month immediately following the month in which the Judgment Entry Date occurs; and

WHEREAS, as used herein, the term "Transfer Target Date" means the fifteenth day of the Transfer Month; and

WHEREAS, as used herein, the term "AS Distribution Date" means the Distribution Date (as that term is defined in the applicable Governing Agreements) for each of the Subject Trusts occurring in the Transfer Month; and

WHEREAS, each of the Subject Interested Persons has informed the Subject Petitioners that they consent to this Order; and
unopposed

NOW, THEREFORE, on the motion of the Subject Petitioners, it is hereby

1. ORDERED, ADJUDGED and DECREED that, on or before the Transfer Target Date, the Subject Trustees (each with respect to the Subject Trusts for which each act as trustee) are to (i) cause escrowed assets to be liquidated to cash with a value equal to the Subject Allocable Shares plus any investments earnings thereon, and (ii) cause the Subject Allocable Shares and investment earnings thereon to be deposited in the respective distribution accounts of the Subject Trusts. From the time of the aforescribed deposit, the amount so deposited shall be deemed the Subject Allocable Shares for the Subject Trusts for all purposes under the Settlement Agreement and this Order; and it is further

2. ORDERED, ADJUDGED and DECREED that sums representing investment earnings accrued on the Subject Allocable Shares not received at the time escrowed assets are liquidated to cash pursuant to the immediately preceding paragraph ("Trailing Interest")

shall (i) for Subject Trusts where the Subject Trustee and Subject Payment Administrator are the same party, be distributed on the Distribution Date for the month the Trailing Interest is received by the Subject Trustee so long as the Trailing Interest is received on or before the fifteenth day of the month or, if the Trailing Interest is received after the fifteenth day of the month, on the Distribution Date for the immediately following month or (ii) for Subject Trusts where the Subject Trustee and Subject Payment Administrator are different parties, (x) be transferred from the Subject Trustee to the Subject Payment Administrator promptly following the Subject Trustee's receipt of such Trailing Interest and (y) be distributed on the Distribution Date for the month the Trailing Interest is transferred so long as such transfer takes place on or before the fifteenth day of the month or, if the Trailing Interest is transferred after the fifteenth day of the month, be distributed on the Distribution Date for the immediately following month. Any Trailing Interest shall be deemed a Subject Allocable Share for the Subject Trust on whose Allocable Share such Trailing Interest was accrued, and any Trailing Interest shall be administered and distributed as a Subject Allocable Share subject to the terms of the Settlement Agreement and this Order; and it is further

3. ORDERED, ADJUDGED and DECREED that the Subject Payment Administrator shall distribute and administer the Subject Allocable Shares for the Subject Trusts on the AS Distribution Date; and it is further

4. ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Shares for the Subject Trusts in Exhibit B hereto, the Subject Payment Administrator (i) shall first distribute the Subject Allocable Shares to certificateholders based on certificate principal balances that have not been adjusted by the Settlement Payment Write-Up, and, after such distribution, (ii) shall then increase the applicable certificate

principal balances in the amount of the Settlement Payment Write-Up in a manner consistent with this Order; and it is further

5. ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Shares for each Trust identified in Exhibit B hereto, the Subject Payment Administrator shall account for both the distribution of the Subject Allocable Shares and accompanying Settlement Payment Write-Up when performing the Overcollateralization Amount Calculation; and it is further

6. ORDERED, ADJUDGED and DECREED that to effectuate the immediately preceding paragraph with respect to the Subject Allocable Shares for each Subject Trust identified in Exhibit B hereto, the Subject Payment Administrator shall calculate the aggregate certificate principal balances used for the Overcollateralization Amount Calculation by (i) first increasing such certificate principal balances by the amount of the Settlement Payment Write-Up and (ii) then reducing such certificate principal balances by an amount equal to the applicable Subject Allocable Share, and this paragraph and the immediately preceding paragraph shall have no application to the calculation of certificate principal balances for any purposes other than performing the Overcollateralization Amount Calculation, and, further, for the avoidance of doubt, with respect to the Distribution Date on which the Subject Allocable Shares are distributed, the instructions in this paragraph and the immediately preceding paragraph are intended to and shall prevent the Subject Trusts from being overcollateralized as a result of the receipt, administration, and/or distribution of the Subject Allocable Shares (but shall not impact whether the Subject Trusts are overcollateralized on such Distribution Date as a result of anything unrelated to the receipt, administration, and/or distribution of the Subject Allocable Shares); and it is further

7. ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Shares for the Subject Trusts in Exhibit C hereto, the Subject Petitioner (i) shall first increase the applicable certificate principal balances in the amount of the Settlement Payment Write-Up or a portion thereof (the "Written-Up Certificate Principal Balances"), and, after applying the Settlement Payment Write-Up, (ii) shall then distribute the Subject Allocable Shares to certificateholders based on the Written-Up Certificate Principal Balances, in each of the cases of (i) and (ii) above in a manner consistent with the other terms of this Order; and it is further

8. ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Shares for each Subject Trust included in Exhibit D hereto, the Subject Payment Administrator shall not use the Settlement Agreement Write-Up Instruction for any purposes, and shall increase the certificate principal balances for the applicable classes of certificates in the amount of the Settlement Payment Write-Up using the applicable Governing Agreement Write-Up Instructions, including by applying language in the Governing Agreement Write-Up Instructions that could be construed as rendering any classes of certificates ineligible to be increased by the Settlement Payment Write-Up; and it is further

9. ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Shares for each Subject Trust included in Exhibit E hereto, the Subject Payment Administrator shall increase the certificate principal balances for the applicable classes of certificates in the amount of the Settlement Payment Write-Up using the applicable Governing Agreement Write-Up Instructions, which generally provide for certificate write-ups to be performed according to "payment priority," "order of seniority," or "sequentially,"

and the Subject Payment Administrator shall not use the Settlement Agreement Write-Up Instruction, which generally provides for write-ups to be performed in the reverse order in which Realized Losses were allocated; and it is further

10. ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Shares for each Subject Trust included in Exhibit F hereto, the Subject Payment Administrator shall increase the certificate principal balances for the applicable classes of certificates in the amount of the Settlement Payment Write-Up using the applicable Settlement Agreement Write-Up Instruction, which generally provides for write-ups to be performed in the reverse order in which Realized Losses are allocated, because the Governing Agreements are silent as to the write-up methodology; and it is further

11. ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Shares for the Subject Trusts included in Exhibit G hereto, the Subject Payment Administrator shall treat the Retired Class Provision as being inapplicable with respect to the Subject Allocable Shares such that the Subject Payment Administrator (i) shall distribute the Subject Allocable Shares or a portion thereof to classes of certificates with aggregate certificate principal balances of zero dollars (\$0.00) immediately prior to the AS Distribution Date ("*Zero Balance Classes*") that would otherwise receive the distribution of the Subject Allocable Share or a portion thereof *but for* application of the Retired Class Provision in a manner that would prevent distributions to Zero Balance Classes and (ii) shall apply the Settlement Payment Write-Up or a portion thereof to Zero Balance Classes that would otherwise be written up in the amount of the Settlement Payment Write-Up or a portion thereof *but for* application of the Retired Class Provision in a manner that would prevent write-ups from being applied to Zero Balance Classes, in each of the cases of (i) and

(ii) above (x) only to the extent that one or more Zero Balance Class exists on the AS Distribution Date that meets the criteria set forth in (i) and (ii) above and (y) in a manner consistent with the other terms of this Order; and it is further

12. ORDERED, ADJUDGED and DECREED that any aspects of the administration and distribution of the Subject Allocable Shares not expressly addressed in this Order shall be performed as provided for in the Governing Agreements and the Settlement Agreement; and it is further

13. ORDERED, ADJUDGED and DECREED that the Subject Interested Persons forfeit, surrender, and waive any and all rights to appeal or review of this Order or the Merits Ruling solely as it applies to the Subject Trusts (provided, for avoidance of doubt, that the Subject Interested Persons otherwise reserve and retain any rights of appeal or further review with respect to any disputed Settlement Trusts that remain in this action); and it is further

14. ORDERED, ADJUDGED and DECREED that certificateholders, noteholders, and any other parties claiming rights or interests in any of the Subject Trusts are barred from asserting claims against any of the Subject Petitioners with respect to any conduct taken to implement and comply with the terms of this Order and with respect to the Subject Petitioners' administration and distribution of the Subject Allocable Shares, so long as such conduct is performed in accordance with the terms of this Order; and it is further

15. ORDERED, ADJUDGED and DECREED that upon the Judgment Entry Date, Subject Petitioners shall promptly post a copy of this Order, bearing the Court's signature, on <http://rmbstrusteesettlement.com>, the website established by Petitioners; and it is further

16. ORDERED that the Clerk of New York County be, and he hereby is, directed to enter this Order forthwith and without delay.

Dated: New York, New York

November 15, 2022

Hon. Melissa Crane, J.S.C.

Judgment signed and entered this 23rd day of Nov. 2022

Clerk of New York County

FILED
Nov 23 2022
NEW YORK
COUNTY CLERK'S OFFICE

JUDGMENT

FILED
NOV 23 2022
AT 07:09 A M
N.Y. CO. CLK'S OFFICE

EXHIBIT A
Subject Trusts

Trust Name	Subject Payment Administrator	Subject Trustee
BAI TA 2005-1	Wells Fargo	Bank of New York Mellon
BALTA 2006-1 (Group II only)	Wells Fargo	Bank of New York Mellon
BSABS 2005-AC4	Wells Fargo	USBNA
BSABS 2005-AQ1	USBNA	USBNA
BSABS 2005-HE6	USBTC	USBTC
BSABS 2006-HE2	USBTC	USBTC
BSABS 2006-IM1	Wells Fargo	USBTC
GPMF 2006-AR2 (Groups 1 and 2 only)	Wells Fargo	Wells Fargo
SACO 2005-10 (Group 2 only)	USBNA	Wilmington Trust
SAMI 2005-AR8	Wells Fargo	Bank of New York Mellon
SAMI 2006-AR1	Wells Fargo	Bank of New York Mellon
SAMI 2006-AR2	Wells Fargo	Bank of New York Mellon
SAMI 2006-AR7	Wells Fargo	Bank of New York Mellon
SAMI 2006-AR8	Wells Fargo	Bank of New York Mellon
SAMI 2007-AR3	Wells Fargo	Wilmington Trust

EXHIBIT B

Pay First/No Overcollateralization

Trust Name
BSABS 2006-IM1
SAMI 2005-AR8
SAMI 2006-AR1
SAMI 2006-AR2
SAMI 2006-AR7
SAMI 2006-AR8
SAMI 2007-AR3

EXHIBIT C
Write-Up First

Trust Name
BALTA 2005-1
BALTA 2006-1 (Group II only)
BSABS 2005-AC4
BSABS 2005-AQ1
BSABS 2005-HE6
BSABS 2006-HE2
GPMF 2006-AR2 (Groups 1 and 2 only)
SACO 2005-10 (Group 2 only)

EXHIBIT D

No Write-Ups to Senior Classes

Trust Name
BALTA 2005-1
BALTA 2006-1 (Group II only)
GPMF 2006-AR2 (Groups 1 and 2 only)

EXHIBIT E

Write-Up Instructions in Governing Agreements Control

Trust Name
BALTA 2006-1 (Group II only)
BSABS 2005-AQ1
BSABS 2005-HE6
BSABS 2006-HE2

EXHIBIT F

PSA Silent On Write-Up Method

Trust Name
BSABS 2006-IMI
SAMI 2005-AR8
SAMI 2006-AR1
SAMI 2006-AR2
SAMI 2006-AR7
SAMI 2006-AR8
SAMI 2007-AR3

EXHIBIT G
Zero Balance

Trust Name
BSABS 2005-AC4
BSABS 2005-AQ1
BSABS 2005-HE6
BSABS 2006-HE2
BSABS 2006-IMI
SACO 2005-10 (Group 2 only)