

**SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY**

In the Matter of the Application of

THE BANK OF NEW YORK MELLON, in its
Capacity as Trustee or Indenture Trustee of 530
Countrywide Residential Mortgage-Backed
Securitization Trusts,

Petitioner,

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

Index No. 150973/2016

IAS Part 39

Hon. Saliann Scarpulla

STIPULATION

WHEREAS, the Trustee commenced this proceeding under CPLR Article 77 to obtain judicial instructions on the distribution of a settlement payment in the amount of \$8.5 billion (the “Settlement Payment”) to which it had become entitled in its capacity as trustee or indenture trustee of the 530 residential mortgage-backed securities trusts (the “Covered Trusts”) specified in Exhibit A to the Verified Petition herein under a settlement agreement dated June 28, 2011 (the “Settlement Agreement”); and,

WHEREAS, under the Settlement Agreement, each Covered Trust has been assigned an “Allocable Share” of the overall Settlement Payment; and,

WHEREAS, by Order to Show Cause dated February 5, 2016 (the “February 5 Order”) the Court directed that the Trustee serve the Verified Petition and certain other materials on investors (“Certificateholders”) in the Covered Trusts and certain other persons, and directed that interested persons answer the Verified Petition by March 4, 2016; and,

WHEREAS, the February 5 Order authorized and directed the Trustee to place the Settlement Payment in escrow with The Bank of New York Mellon as escrow agent; and,

WHEREAS, the Court has been advised that the escrow provisions of the February 5 Order have been complied with and that the Settlement Payment and earnings thereon are currently invested as directed in the February 5 Order except that, pursuant to the Partial Severance Order and Partial Final Judgment entered herein on May 12, 2016 (the “PSOPFJ”), the Allocable Shares for 512 of the Covered Trusts, and the earnings thereon, have been released from escrow and credited to those 512 Covered Trusts;

WHEREAS, this Court having conducted a hearing on the Trustee’s petition on August 31, 2016 regarding what instructions should be given for the CWALT 2005-61, CWALT 2005-69, CWALT 2005-72, CWALT 2005-76, CWALT 2005-IM1, CWALT 2006-OA10, CWALT 2006-OA14, CWALT 2006-OA3, CWALT 2006-OA7, CWALT 2006-OA8, CWALT 2007-OA3, CWALT 2007-OA8, CWMBBS 2006-OA3, and CWMBBS 2006-OA5 trusts (the “Fourteen Trusts”), as well as the CWABS 2006-12 trust (together with the Fourteen Trusts, the “Disputed Trusts”);

WHEREAS, by an Severance Order and Partial Final Judgment (Three Uncontested Trusts) dated November 18, 2016, signed by the Clerk of New York County on November 29, 2016, and filed on the Court’s NYSCEF system on November 29, 2016, bearing docket entry no. 190, severed and entered final judgment with regard to the CWALT 2007-OA2, CWALT 2007-OA10, and CWHL 2006-OA4 trusts;

WHEREAS, this Court has rendered its decision regarding both the Fourteen Trusts and the CWABS 2006-12 trust in a Decision/Order dated March 31, 2017 and entered on the Court’s NYSCEF system on April 4, 2017 bearing docket entry no. 193 (the “Order”);

WHEREAS, on May 24, 2017, Respondents Prosirris Capital Management, LP (“Prosirris”) and Tilden Park Capital Management LP (“Tilden Park”) proposed and noticed for

settlement a draft judgment for the Fourteen Trusts to implement the Court's Order, such draft judgment being filed on the Court's NYSCEF system bearing docket entry no. 255 (the "Fourteen Trusts Judgment");

WHEREAS, on May 30, 2017, Respondents American International Group, Inc. ("AIG"), AEGON, BlackRock Financial Management, Inc. ("BlackRock"), Center Court, LLC ("Center Court"), and certain of their affiliates (together, the "Senior Holders") proposed and noticed for settlement a counter-proposed final judgment regarding the Fourteen Trusts, which has been filed on the Court's NYSCEF system bearing docket entry no. 257 (the "Counter-Proposed Judgment");

WHEREAS, on June 5, 2017, Respondent PIMCO proposed and noticed for settlement a draft judgment for the CWABS 2006-12 trust implementing the Court's Order, such draft judgment being filed on the Court's NYSCEF system bearing docket entry no. 263 (the "June 2017 CWABS 2006-12 Judgment");

WHEREAS, in a letter filed on September 7, 2017, and bearing docket entry no. 265 on the Court's NYSCEF system, AIG, AEGON, BlackRock, and their affiliates informed the Court that they had reached a settlement with Prosirris and Tilden Park;

WHEREAS, in the September 7, 2017 letter, AIG, AEGON, BlackRock, and their affiliates informed the Court that they support signature and entry of the Fourteen Trusts Judgment as soon as possible and, in no event, later than September 15, 2017;

WHEREAS, in a September 11, 2017 telephone conference with the Court, Respondent Center Court raised objections to the Fourteen Trust Judgment;

WHEREAS, at the September 11, 2017 telephone conference, the Court instructed the parties to appear for a hearing at 11:00 a.m. on September 14, 2017 to address Center Court's objections to the Fourteen Trusts Judgment;

WHEREAS, in a letter filed on September 13, 2017 and bearing docket entry no. 271 on the Court's NYSCEF system, Center Court informed the Court that it had reached a settlement with Prosirris and Tilden Park;

WHEREAS, in the September 13, 2017 letter, Center Court informed the Court that it supports signature and entry of the Fourteen Trusts Judgment as soon as possible and, in no event, later than September 15, 2017;

WHEREAS, all parties that appeared in this action and asserted interests in the Fourteen Trusts now agree to the signature and entry of the Fourteen Trusts Judgment as soon as possible and, in no event, later than September 15, 2017;

WHEREAS, Respondents PIMCO, TIG, and the Trustee, the only parties who have appeared in this action and asserted interests in the CWABS 2006-12 trust, have agreed (without prejudice to TIG's right to appeal) to the signature and entry of a corrected version of the June 2017 CWABS 2006-12 Judgment, such corrected judgment being attached to this Stipulation as Exhibit A (the "Corrected CWABS 2006-12 Judgment");

WHEREAS, all parties who have appeared in this action and asserted interests in the Disputed Trusts now agree to the form of judgment to be signed and entered for those Disputed Trusts;

NOW THEREFORE, upon the agreement and stipulation of the parties, IT IS HEREBY ORDERED THAT:

1. The September 14, 2017 hearing at 11:00 a.m. is cancelled.

2. The Court will sign the Fourteen Trusts Judgment docketed as entry no. 255 on the Court's NYSCEF system.

3. The Court hereby directs the County Clerk to enter the Fourteen Trusts Judgment as soon as possible, and in no event later than September 15, 2017.

4. The Court will sign the Corrected CWABS 2006-12 Judgment attached to this Stipulation as Exhibit A.

5. The Court hereby directs the County Clerk to enter the Corrected CWABS 2006-12 Judgment as soon as possible.

6. The parties shall appear for a telephonic status conference with the Court on September 14, 2017 at 2:00 p.m.

Dated: September 13, 2017
New York, New York

/s/ Steven F. Molo
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MoloLamken LLP
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*Attorneys for Tilden Park Capital
Management LP and Prosirir Capital
Management LP*

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Attorneys for the AIG Respondents

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/s/ John Lundin
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PIMCO Respondents*

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Attorneys for Center Court

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*Attorneys for TIG Securitized Asset Master
Fund LP*

/s/ Michael Ware
Michael Ware
Matthew Ingber
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*Attorneys for Petitioner The Bank of
New York Mellon*

SO ORDERED:

Hon. Saliann Scarpulla, J.S.C.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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In the Matter of the Application of	:	Index No. 150973/2016
	:	IAS Part 39
THE BANK OF NEW YORK MELLON, in its	:	Justice Scarpulla
Capacity as Trustee or Indenture Trustee of 530	:	
Countrywide Residential Mortgage-Backed	:	Mot. Seq. 001
Securitization Trusts,	:	
	:	PARTIAL FINAL
Petitioner,	:	JUDGMENT
	:	(CWABS 2006-12)
For Judicial Instructions under CPLR Article 77	:	
on the Distribution of a Settlement Payment.	:	

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APPEARANCES:

MAYER BROWN LLP (Matthew D. Ingber and Michael O. Ware, of counsel)
*Attorneys for Petitioner The Bank of New York Mellon in its capacity as Trustee
or Indenture Trustee of the Covered Trusts (the "Trustee")*

QUINN EMANUEL URQUHART & SULLIVAN LLP (Michael B. Carlinsky,
Jordan A. Goldstein, David D. Burnett, and Joshua Margolin, of counsel)
*Attorneys for Respondents American International Group, Inc., AIG Financial
Products Corp.; AIG Property Casualty Company; American General Life
Insurance Company; American Home Assurance Company; American
International Reinsurance Company, Ltd.; Commerce and Industry
Insurance 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*

SCHLAM STONE & DOLAN LLP (John M. Lundin, of counsel)
*Attorneys for Respondents Blue Mountain Credit Alternatives Master Fund
L.P., BlueMountain Guadalupe Peak Fund L.P., Blue Mountain Monteners
Master Fund SCA SICAV-SIF, BlueMountain Kicking Horse Fund L.P.,
BlueMountain Logan Opportunities Master Fund L.P., BlueMountain
Foinaven Master Fund L.P., and BlueMountain Credit Opportunities Master
Fund I L.P.*

McKOOL SMITH, P.C. (Gayle R. Klein, Robert W. Scheef, Matthew P. Rand
and Melody L. McGowin, of counsel)
Attorneys for Respondent Center Court, LLC ("Center Court")

WARNER PARTNERS, P.C. (Kenneth E. Warner, of counsel) and GIBBS & BRUNS LLP (Kathy D. Patrick, Robert J. Madden and David Sheeren, all pro hac vice, of counsel)

Attorneys for Respondents AEGON (including Transamerica Life Insurance Company, AEGON Financial Assurance Ireland Limited, Transamerica Life International (Bermuda) Ltd., Monumental Life Insurance Company, Transamerica Advisors Life Insurance Company, AEGON Global Institutional Markets, pLc, LIICA Re II, Inc., Pine Falls Re, Inc., Transamerica Financial Life Insurance Company, Stonebridge Life Insurance Company, and Western Reserve Life Assurance Co. of Ohio); BlackRock Financial Management, Inc.; Federal Home Loan Bank of Atlanta; Federal National Mortgage Association; Goldman Sachs Asset Management L.P.; Invesco Advisers, Inc.; Kore Advisors, L.P.; Metropolitan Life Insurance Company; Nationwide Mutual Insurance Company and its affiliate companies; Neuberger Berman Europe Limited; Pacific Investment Management Company LLC (“PIMCO”); Teachers Insurance and Annuity Association of America; Thrivent Financial for Lutherans; Trust Company of the West and the affiliated companies controlled by The TCW Group, Inc.; Voya Investment Management LLC; and Western Asset Management Company

MOLOLAMKEN LLP (Steven F. Molo, Justin M. Ellis and Laura K. Jereski, of counsel)

Attorneys for Respondents Prosirir Capital Management LP and Tilden Park Capital Management LP

WOLLMUTH MAHER & DEUTSCH LLP (Michael C. Ledley, of counsel) and PERRY, JOHNSON, ANDERSON, MILLER & MOSKOWITZ LLP (Isaac M. Gradman, pro hac vice, of counsel)

Attorneys for TIG Securitized Asset Master Fund LP

WHEREAS, the Trustee commenced this proceeding under CPLR Article 77 to obtain judicial instructions on the distribution of a settlement payment in the amount of \$8.5 billion (the “Settlement Payment”) to which it had become entitled in its capacity as trustee or indenture trustee of the 530 residential mortgage-backed securities trusts (the “Covered Trusts”) specified in Exhibit A to the Verified Petition herein under a settlement agreement dated June 28, 2011 (the “Settlement Agreement”); and,

WHEREAS, under the Settlement Agreement, each Covered Trust has been assigned an “Allocable Share” of the overall Settlement Payment; and,

WHEREAS, by Order to Show Cause dated February 5, 2016 (the “February 5 Order”) the Court directed the Trustee to serve the Verified Petition and certain other materials on investors (“Certificateholders”) in the Covered Trusts and certain other persons, and directed that interested persons answer the Verified Petition; and,

WHEREAS, the February 5 Order authorized and directed the Trustee to place the Settlement Payment in escrow with The Bank of New York Mellon as escrow agent; and,

WHEREAS, the Court has been advised that the escrow provisions of the February 5 Order have been complied with and that the Settlement Payment, plus the earnings thereon and less amounts distributed pursuant to the Prior Partial Judgments discussed below, is currently invested as directed in the February 5 Order; and,

WHEREAS, the Court has previously resolved this proceeding as to 515 of the Covered Trusts by partial final judgments (the “Prior Partial Judgments”) entered on consent on May 12, 2016, and November 29, 2016, leaving for the determination by the Court disputed contentions concerning fifteen Covered Trusts; and,

WHEREAS, this Partial Final Judgment resolves this proceeding as to CWABS 2006-12; and,

WHEREAS, on July 13, 2016, the Court heard oral argument on CWABS 2006-12 from counsel for TIG, counsel for PIMCO and counsel for Centre Court; and,

WHEREAS, the Court, in its Decision/Order dated March 31, 2017 and entered April 4, 2017 (the “Order”), severed and granted (in the manner set forth in the Order) the branch of the Verified Petition seeking judicial instructions concerning CWABS 2006-12, and directed the settlement of judgment; and,

WHEREAS, as used herein, the term “Judgment Entry Date” means the date on which the Clerk’s docketing of this Partial Final Judgment first appears publicly on the New York State Court Electronic Filing System, without regard to when the Court actually signs or the Clerk actually enters this Partial Final Judgment; and,

WHEREAS, as used herein the term “Transfer Month” means the month of the Judgment Entry Date if the Judgment Entry Date is on or before the eighth calendar date of that month, and otherwise the month immediately following; 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 next distribution date for CWABS 2006-12 following the Transfer Target Date,

NOW, THEREFORE, on the motion of Warner Partners, P.C. and Gibbs & Bruns LLP, attorneys for PIMCO, it is hereby

ORDERED, ADJUDGED and DECREED that, no later than the Transfer Target Date, the Trustee is to reduce to cash escrow assets with a value equal to the Allocable Share of CWABS 2006-12 plus the earnings thereon and to deposit that amount in the distribution account for CWABS 2006-12. From the time of that deposit, the amount so deposited will be treated as the CWABS 2006-12 Allocable Share for all purposes under the Settlement Agreement; and it is further

ORDERED, ADJUDGED and DECREED that sums representing interest on the Allocable Share of CWABS 2006-12 not received by the Trustee at the time of the deposit directed by the immediately preceding paragraph (“Trailing Interest”) shall be distributed to certificateholders in the month it is received unless such receipt takes place after that

month's determination date, in which event distribution will be effected in the month after the month in which the Trailing Interest is received. Trailing Interest shall be distributed within CWABS 2006-12 in the manner the Settlement Agreement, the CWABS 2006-12 Pooling and Servicing Agreement and this Partial Final Judgment provide for distribution of the Allocable Share; and it is further

ORDERED, ADJUDGED and DECREED that the Trustee shall distribute the CWABS 2006-12 Allocable Share on the AS Distribution Date; and it is further

ORDERED, ADJUDGED and DECREED that, in distributing the CWABS 2006-12 Allocable Share, the Trustee shall adhere to Section 3(d) of the Settlement Agreement, including the order of operations specified in Subsections 3(d)(i) and 3(d)(ii) therein; and it is further

ORDERED, ADJUDGED and DECREED that in distributing the Allocable Share of CWABS 2006-12 to Certificateholders, the Trustee shall calculate the Principal Distribution Amount based upon "written-up" certificate principal balances (that is, by calculating the Principal Distribution Amount as the sum of the Class Certificate Balances immediately prior to the AS Distribution Date, *plus* the relevant Allocable Share and ordinary Subsequent Recoveries eligible for distribution, *less* the Stated Principal Balance of the Mortgage Loans as of the Due Date in the Target Month (after giving effect to Principal Prepayments received in the related Prepayment Period), *plus* the Overcollateralization Target for the AS Distribution Date), but shall, pursuant Section 4.02 of the Pooling and Servicing Agreement, distribute the Allocable Share among particular tranches based upon the pre-distribution Class Certificate Balances (with the Principal Distribution Amount calculated per the prior clause). To the extent that the Principal

Distribution Amount in CWABS 2006-12 is calculated in part by reference to an aggregate stated principal balance of the mortgage loans after giving effect (among other things) to subsequent recoveries, the effect to be given to subsequent recoveries in that calculation is zero because subsequent recoveries do not affect mortgage loan balances. As a result of the directions provided in this paragraph, no part of the Allocable Share will be used to pay Unpaid Realized Loss Amounts except insofar as such Unpaid Realized Loss Amounts are repaid as part of the Principal Distribution Amount (calculated as provided herein); and it is further

ORDERED, ADJUDGED and DECREED that no party may have costs or disbursements of this proceeding insofar as it concerned CWABS 2006-12; and it is further

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

Dated: New York, New York
_____, 2017

Hon. Saliann Scarpulla, J.S.C.

Judgment signed and entered this _____ day of _____ 2017.

Clerk of New York County