

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (the “Agreement”) is entered into as of December 19, 2013, by and between (i) the Federal Housing Finance Agency (“FHFA” or “Plaintiff”), as Conservator of the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and the Federal National Mortgage Association (“Fannie Mae,” and, together with Freddie Mac, “the GSEs”), Freddie Mac, and Fannie Mae, on the one hand, and (ii) Deutsche Bank AG, Taunus Corporation, DB Structured Products, Inc., Deutsche Bank Securities Inc. (“DBSI”), ACE Securities Corp., MortgageIT Securities Corp., Douglas K. Johnson, Evelyn Echevarria, and Juliana C. Johnson (collectively, the “Deutsche Bank Defendants”), on the other. The Deutsche Bank Defendants, together with FHFA and the GSEs, are referred to herein as the “Settling Parties,” with each a “Settling Party.”¹

WHEREAS, on September 6, 2008, the Director of FHFA placed Fannie Mae and Freddie Mac into conservatorships pursuant to the Housing and Economic Recovery Act of 2008;

WHEREAS, on or about September 2, 2011, FHFA, in its capacity as Conservator for Fannie Mae and Freddie Mac, commenced an action against the Deutsche Bank Defendants in the United States District Court for the Southern District of New York, captioned *Federal Housing Finance Agency v. Deutsche Bank AG, et al.*, No. 11 Civ. 6192 (the “Action”);

WHEREAS, on or about September 2, 2011, FHFA, in its capacity as Conservator for Fannie Mae and Freddie Mac, commenced an action against DBSI and certain other defendants in the United States District Court for the Southern District of New York, captioned *Federal Housing Finance Agency v. SG Americas, Inc., et al.*, No. 11 Civ. 6203 (the “SocGen Action”); and against DBSI and other defendants in the Supreme Court of the State of New York, New York County, captioned *Federal Housing Finance Agency v. Countrywide Financial Corp., et al.*, No. 652436/2011, which was removed to the United States District Court for the Southern District of New York on or about September 30, 2011, captioned *Federal Housing Finance Agency v. Countrywide Financial Corp., et al.*, No. 11 Civ. 6916, and which was transferred to the United States District Court for the Central District of California on or about February 10, 2012, captioned *Federal Housing Finance Agency v. Countrywide Financial Corp., et al.*, No. 12 Civ. 1059 (the “Countrywide Action”);

WHEREAS, on or about June 13, 2012, FHFA served an Amended Complaint in the Action; on or about June 28, 2012, FHFA served an Amended Complaint in the SocGen Action; and on or about June 29, 2012, FHFA served an Amended Complaint in the Countrywide Action;

WHEREAS, in consideration of the releases, limitations, and other terms and conditions provided for in this Agreement and in a confidential agreement of even date concerning the resolution of certain contract claims (the “Contractual Claims Agreement”), the Deutsche Bank

¹ All terms with initial capitalization not otherwise defined herein shall have the meanings ascribed to them in Paragraph 1 herein.

Defendants have determined that they are prepared to pay \$1.825 billion in settlement of claims asserted against the Deutsche Bank Defendants in the Action and relating to the Covered Securities identified in Exhibit A, and \$100 million pursuant to the terms and conditions of the Contractual Claims Agreement, and FHFA has determined it is prepared to accept such amounts in exchange for such settlements, releases, limitations, and terms and conditions;

WHEREAS, the Settling Parties have now agreed to fully and finally compromise, resolve, dismiss, discharge and settle each and every one of the Released Claims against each and every one of the Released Persons in the Action, and to dismiss the Action with prejudice and on the merits;

NOW, THEREFORE, for good and valid consideration, the receipt and sufficiency of which is hereby acknowledged by all Settling Parties hereto, the Settling Parties agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the following meanings:

(a) “Actions” means, collectively, the Action, and the *Countrywide, SocGen*, and Related Actions.

(b) “Affiliate” means, with respect to any specified Person, any other Person that, at the time of determination, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such specified Person, where “control” means, as to any Person, the power to direct or cause the direction of the management, policies, or practices of such Person, whether through the ownership of voting securities, by contract or otherwise. The terms “controlled by” and “under common control with” have correlative meanings.

(c) “Contract Claim” means any claim under a contract (including, without limitation, any claim under any Pooling and Servicing Agreement, Assignment and Recognition Agreement, or Mortgage Loan Purchase Agreement) alleging any breach or violation of any representation or warranty as to loans originated, purchased, acquired, transferred, or securitized regarding, or collateralizing, the Covered Securities, and which could result in an economic benefit to any Releasing Plaintiff Person by virtue of such person’s ownership of Covered Securities.

(d) “Covered Securities” means the 48 securities that are listed in Exhibit A, which list is intended by the Settling Parties to include all securities for which FHFA has brought claims against the Deutsche Bank Defendants in the Action.

(e) “Effective Date” means the date upon which the Settlement Payment, as defined below, is made and received by both GSEs, as evidenced by confirmation of the wire transfer pursuant to the written instructions of Plaintiff.

(f) “Execution Date” means the date upon which the last Settling Party signs and executes this Agreement, whether made in multiple counterparts, by facsimile, or .pdf.

(g) “LIBOR Claims” means any claims relating to the London Interbank Offered Rate, whether associated with the Covered Securities or any other securities.

(h) “Non-Settling Defendants” means, collectively, all present or future defendants in the *SocGen*, *Countrywide*, and Related Actions that are not Released Defendant Persons.

(i) “Person” means an individual, corporate entity, partnership, association, joint stock company, limited liability company, estate, trust, government entity (or any political subdivision or agency thereof) and any other type of business or legal entity; provided, however, that nothing in this definition or its use in this Agreement shall be construed to bind any governmental agency/entity other than FHFA in its capacity as Conservator for Fannie Mae and Freddie Mac, and the GSEs.

(j) “Protective Orders” means the First Amended Protective Order filed on January 11, 2013, in the Action and the *SocGen* Action, and the Order Governing the Treatment of Confidential Discovery Material filed on August 5, 2013, in the *Countrywide* Action.

(k) “Related Actions” means those actions listed in Exhibit B.

(l) “Released Claims” means, collectively, the Released Plaintiff Claims and the Released Defendant Claims.

(m) “Released Defendant Claims” means any and all claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, interests, debts, expenses, charges, penalties, sanctions, fees, attorneys’ fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature and description whatsoever relating to the Covered Securities, (1) whether disclosed or undisclosed, known or unknown, accrued or unaccrued, matured or not matured, perfected or not perfected, choate or inchoate, liquidated or not liquidated, fixed or contingent, ripened or unripened; (2) whether at law or equity, whether based on or arising under state, local, foreign, federal, statutory, regulatory, common or other law or rule and upon any legal theory (including, but not limited to, claims arising under the federal securities laws), no matter how asserted; (3) that previously existed, currently exist, or exist in the future; and (4) that were, could have been, or may be asserted by any or all of the Releasing Defendant Persons against any or all of the Released Plaintiff Persons in the Action, in any federal or state court, or in any other court, tribunal, arbitration, proceeding, administrative agency or other forum in the United States of America or elsewhere; provided, however, that the Released Defendant Claims shall not include (1) any LIBOR Claims; (2) any Contract Claims; (3) any claims against any Person other than the Released Plaintiff Persons; (4) any claims against any governmental entity or agency besides FHFA, in its capacity as Conservator of the GSEs; or (5) any claims to enforce this Agreement.

(n) “Released Defendant Persons” means each of the Deutsche Bank Defendants, along with each of the Deutsche Bank Defendants’ respective past and/or present Affiliates, subsidiaries, parents, general partners, limited partners and any Person in which any Deutsche Bank Defendant has or had a controlling interest, and each such Person’s past and/or present principals, administrators, predecessors, successors, assigns, members, parents,

subsidiaries, employees, officers, managers, directors, partners, limited partners, investment bankers, representatives, estates, divisions, financial advisors, estate managers, assigns, insurers and reinsurers; provided, however, that the Released Defendant Persons does not include any Non-Settling Defendant, or any of their respective past and/or present Affiliates, subsidiaries and parents.

(o) “Released Persons” means collectively the Released Plaintiff Persons and the Released Defendant Persons.

(p) “Released Plaintiff Claims” means any and all claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, interests, debts, expenses, charges, penalties, sanctions, fees, attorneys’ fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, matters, issues and controversies of any kind, nature and description whatsoever relating to the Covered Securities, (1) whether disclosed or undisclosed, known or unknown, accrued or unaccrued, matured or not matured, perfected or not perfected, choate or inchoate, liquidated or not liquidated, fixed or contingent, ripened or unripened; (2) whether at law or equity, whether based on or arising under state, local, foreign, federal, statutory, regulatory, common or other law or rule and upon any legal theory (including, but not limited to, claims arising under the federal securities laws), no matter how asserted; (3) that previously existed, currently exist, or exist in the future; and (4) that were, could have been, or may be asserted by any or all of the Releasing Plaintiff Persons against any or all of the Released Defendant Persons in the Action, in any federal or state court, or in any other court, tribunal, arbitration, proceeding, administrative agency or other forum in the United States of America or elsewhere; provided, however, that the Released Plaintiff Claims shall not include (1) any LIBOR Claims; (2) any Contract Claims; (3) any claims against any Person other than the Released Defendant Persons, including the Non-Settling Defendants; (4) any claims of any governmental entity or agency besides FHFA, in its capacity as Conservator of the GSEs; or (5) any claims to enforce this Agreement. The Deutsche Bank Defendants reserve the right to argue mitigation of damages in relation to the LIBOR Claims concerning the Covered Securities, and FHFA and the GSEs reserve the right to contest any such argument.

(q) “Released Plaintiff Persons” means each of: (1) FHFA, solely in its capacity as Conservator of the GSEs; and (2) the GSEs, along with each of the GSEs’ respective past and/or present principals, Affiliates, subsidiaries, parents, general partners, limited partners and any Person in which the GSEs have or had a controlling interest, and each such Person’s past and/or present administrators, predecessors, successors, assigns, members, parents, subsidiaries, employees, principals, officers, managers, directors, partners, limited partners, investment bankers, representatives, estates, divisions, financial advisors, assigns, insurers and reinsurers. “Released Plaintiff Person” does not include any governmental entity or agency besides FHFA, solely in its capacity as conservator of the GSEs.

(r) “Releasing Defendant Persons” means each of the Deutsche Bank Defendants and each and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, agents, heirs, estates, assigns or transferees, immediate and remote, and any other Person who has the right, ability, standing or capacity to assert, prosecute or maintain on their behalf any of the Released Defendant Claims, whether in whole or in part.

(s) “Releasing Persons” means, collectively, the Releasing Plaintiff Persons and the Releasing Defendant Persons.

(t) “Releasing Plaintiff Persons” means (1) FHFA, solely in its capacity as Conservator of the GSEs; (2) the GSEs; and (3) each and all of FHFA and the GSEs’ respective successors in interest, predecessors, representatives, trustees, executors, administrators, agents, heirs, estates, assigns or transferees, immediate and remote, and any other Person who has the right, ability, standing or capacity to assert, prosecute or maintain on their behalf any of the Released Plaintiff Claims, whether in whole or in part; provided, however, that nothing in this definition or its use in this Agreement shall be construed to bind or constitute a release by any governmental agency/entity other than FHFA solely in its capacity as Conservator of Fannie Mae and Freddie Mac.

2. In consideration for the Releasing Plaintiff Persons’ execution of this Agreement and the release of claims as set forth below, the Deutsche Bank Defendants shall make or cause to be made, for the benefit of FHFA and the GSEs, a one-time, lump sum payment of one billion, eight hundred twenty-five million dollars (\$1,825,000,000) (the “Settlement Payment”), payable to Freddie Mac and Fannie Mae, in accordance with FHFA’s written instructions. The Deutsche Bank Defendants shall make the Settlement Payment, or cause it to be made, within fifteen (15) business days of the Execution Date. Payment of the Settlement Payment by the Deutsche Bank Defendants to the GSEs shall constitute a full and valid discharge of the Deutsche Bank Defendants’ payment obligation pursuant to this Agreement and in connection with the settlement of the Action. This Agreement shall not become effective before the Effective Date.

3. No Admission of Liability. This Agreement does not constitute an admission by any of the Deutsche Bank Defendants of any liability or wrongdoing whatsoever, including, but not limited to, any liability or wrongdoing with respect to any of the allegations that were or could have been raised in the Actions. To the contrary, the Deutsche Bank Defendants vigorously deny the allegations in the Actions. This Agreement also does not constitute an admission by FHFA or the GSEs that they would not have been able to successfully prosecute their claims, and in fact FHFA and the GSEs firmly believe in the merit of each of their allegations in the Actions. The Parties agree that this Agreement is the result of a compromise within the provisions of the Federal Rules of Evidence, and any similar statutes or rules, and shall not be used or admitted in any proceeding for any purpose including, but not limited to, as evidence of liability or wrongdoing by any Deutsche Bank Defendant, nor shall it be used for impeachment purposes, to refresh recollection, or any other evidentiary purpose; provided, however, that this paragraph shall not apply to any claims to enforce this Agreement.

4. Additional Conditions:

(a) No later than one business day from the Execution Date, the Settling Parties shall jointly file a motion to stay the Action, in the form attached hereto as Exhibit C-1.

(b) No later than one business day from the Execution Date, all discovery between the Settling Parties in the Action shall cease. For the avoidance of doubt, nothing in this Agreement will affect discovery in the *SocGen*, *Countrywide*, or Related Actions, including any deposition of any Deutsche Bank deponent presently noticed in the *SocGen* Action, or that may

in the future be noticed in the *Countrywide* Action, or any third-party discovery in the *SocGen*, *Countrywide*, or Related Actions.

(c) No later than one business day from the Effective Date, the Settling Parties shall jointly file a stipulation of voluntary dismissal with prejudice of the Action pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii), in the form attached hereto as Exhibit C-2.

(d) In the event that DBSI is, at any time, dismissed from both the *SocGen* and *Countrywide* Actions, then no later than two calendar days from the later of the two dismissals in the *SocGen* and *Countrywide* Actions, the Deutsche Bank Defendants (i) shall not file or join in any motion, letter, or appeal with respect to any of the Actions; (ii) shall withdraw from any joint defense agreement applicable to any of the Actions; and (iii) shall cease all efforts to assist Non-Settling Defendants or any third-party with regard to any of the Actions, except as required by law or under order of a court of competent jurisdiction.

5. Release by the Plaintiff Releasing Persons. In exchange for the Settlement Payment and the release provided by the Releasing Defendant Persons, each and every one of the Releasing Plaintiff Persons shall upon the Effective Date: (a) have and be deemed by operation of law to have completely, fully, finally and forever dismissed, released, relinquished and discharged with prejudice each and every one of the Released Defendant Persons from any and all of the Released Plaintiff Claims; (b) forever be barred and enjoined from filing, commencing, intervening in, instituting, maintaining, prosecuting, or seeking relief (including, but not limited to, filing an application or motion for preliminary or permanent injunctive relief) in any other lawsuit, arbitration or other proceeding in any jurisdiction that asserts any of the Released Plaintiff Claims against any or all of the Released Defendant Persons; and (c) have and be deemed to have covenanted not to sue any of the Released Defendant Persons with respect to any of the Released Plaintiff Claims.

6. Covenants by the Releasing Plaintiff Persons. Effective upon the Execution Date, FHFA and the GSEs, on behalf of themselves and all of the Releasing Plaintiff Persons, hereby covenant and agree that:

(a) No Releasing Plaintiff Person shall commence, assert, file or initiate any Released Plaintiff Claim, including (but not limited to) by way of third-party claim, cross-claim or counterclaim or by right of representation or subrogation, against any of the Released Defendant Persons.

(b) No Releasing Plaintiff Person shall participate in bringing or pursuing any Released Plaintiff Claim against any Released Defendant Person; provided, however, a Releasing Plaintiff Person shall not be precluded from assisting other government agencies in investigating or pursuing any claims against any Released Defendant Person.

(c) No Releasing Plaintiff Person may assert in the *SocGen* or *Countrywide* Actions any claims against any Released Defendant Person, other than those currently pending in the *SocGen* or *Countrywide* Actions, and any such unasserted claims against any Released Defendant Person in the *SocGen* or *Countrywide* Actions are hereby released.

(d) Nothing in this Agreement shall prevent FHFA from seeking third-party discovery from any Released Defendant Person in any action or proceeding. For the avoidance of doubt, nothing in this Agreement shall relieve any Released Defendant Person from any obligation or requirement under Rule 45 of the Federal Rules of Civil Procedure, including with respect to the *SocGen, Countrywide*, or Related Actions.

7. Release by the Releasing Defendant Persons. In exchange for the release provided by the Releasing Plaintiff Persons and the dismissal with prejudice of the Action, each and every one of the Releasing Defendant Persons shall upon the Effective Date: (a) have and be deemed by operation of law to completely, fully, finally and forever to have dismissed, relinquished, released and discharged with prejudice each and every one of the Released Plaintiff Persons from any and all of the Released Defendant Claims; (b) forever be barred and enjoined from filing, commencing, intervening in, participating in, instituting, maintaining, prosecuting, or seeking relief (including, but not limited to, filing an application or motion for preliminary or permanent injunctive relief) in any other lawsuit, arbitration or other proceeding in any jurisdiction that asserts any of the Released Defendant Claims against any or all of the Released Plaintiff Persons; and (c) have and be deemed to have covenanted not to sue any of the Released Plaintiff Persons with respect to any of the Released Defendant Claims.

8. Release of Claims. Each of the Settling Parties acknowledges that it has been advised by its attorneys concerning, and is familiar with, California Civil Code Section 1542 and expressly waives any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to the provisions of the California Civil Code Section 1542, including that provision itself, which reads as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

The Parties acknowledge that inclusion of the provisions of this Section to this Agreement was a material and separately bargained for element of this Agreement.

9. Covenants by the Deutsche Bank Defendants. Effective upon the Execution Date, the Deutsche Bank Defendants, on behalf of themselves and all of the Releasing Defendant Persons, hereby covenant and agree that:

(a) No Releasing Defendant Person shall commence, assert, file or initiate any Released Defendant Claim, including (but not limited to) by way of third-party claim, cross-claim or counterclaim or by right of representation or subrogation, against any of the Released Plaintiff Persons.

(b) No Releasing Defendant Person shall participate in bringing or pursuing any Released Defendant Claim against any Released Plaintiff Person.

(c) Upon the resolution, if any, of FHFA's claims against DBSI in the *SocGen* and *Countrywide* Actions, no Released Defendant Person shall interfere with FHFA's prosecution of any claims FHFA has asserted or may assert in the Related Actions.

10. The obligations and benefits conferred in the Protective Orders, governing confidentiality of information and documents entered in the Actions, shall remain in effect after the Effective Date.

11. Representations and Warranties. Each Settling Party represents and warrants that:

(a) it has the full legal authority, right, and capacity to enter into this Agreement on its behalf and to bind the Settling Party to perform its obligations hereunder, including any third-party authorization necessary to release the claims being released hereunder. This Agreement has been duly and validly executed and delivered by such Settling Party and, assuming due authorization, execution and delivery by the other Settling Party, constitutes a legal, valid and binding obligation of such Settling Party, enforceable against such Settling Party in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies;

(b) the execution and delivery of this Agreement, the performance by such Settling Party of its obligations hereunder and the consummation of the transactions contemplated hereby, will not: (i) result in the violation by such Settling Party of any statute, law, rule, regulation or ordinance or any judgment, decree, order, writ, permit or license of any governmental or regulatory authority applicable to such Settling Party; or (ii) require such Settling Party to obtain any consent, approval or action of, make any filing with or give any notice to any person, which action has not already been undertaken and accomplished by such Settling Party;

(c) it has not assigned, subrogated, pledged, loaned, hypothecated, conveyed, or otherwise transferred, voluntarily or involuntarily, to any other person or entity, the Released Claims, or any interest in or part or portion thereof, specifically including any rights arising out of the Released Claims; and

(d) it has read and understands this Agreement and it has had the opportunity to consult with its attorneys before signing it.

12. Other than as specifically set forth in this Agreement and the Contractual Claims Agreement, nothing herein prohibits, restricts, or limits FHFA or the GSEs from receiving any benefits deriving from, or exercising any rights appurtenant to, the GSEs' ownership of interests in the Covered Securities in the ordinary course, including, without limitation, the right to receive or assign payments from its investments in the Covered Securities or to sell or otherwise dispose of its interests in the Covered Securities.

13. By signing this Agreement, each Settling Party, or its counsel as applicable, represents and warrants that it has full authority to enter into this Agreement and to bind itself, or its client, to this Agreement.

14. This Agreement and the Contractual Claims Agreement constitute the entire agreement to settle and resolve the claims that are the subject of those agreements among the Settling Parties and overrides and replaces all prior negotiations and terms proposed or discussed, whether in writing or orally, about that subject matter. No modification of this Agreement shall be valid unless it is in writing, references this Agreement, and is signed by all Releasing Plaintiff Persons and all affected Released Defendant Persons.

15. All parties hereto submit to the personal jurisdiction of the United States District Court for the Southern District of New York for purposes of implementing and enforcing the settlement embodied in this Agreement. The Settling Parties otherwise expressly reserve their jurisdictional rights to any action, suit or proceeding commenced outside the terms of this Agreement.

16. If any settlement agreement in any of the Related Actions, the *Countrywide* Action, or the *SocGen* Action provides for a release of any LIBOR Claims, FHFA shall offer Deutsche Bank a release of LIBOR Claims solely on the Covered Securities on the most favorable relative terms provided to another settling party.

17. Each of the Settling Parties hereto agrees to execute and deliver, or to cause to be executed and delivered, all such instruments, and to take all such action as the other Settling Parties may reasonably request in order to effectuate the intent and purposes of, and to carry out the terms of, this Agreement.

18. This Agreement is governed by and shall be construed in accordance with the laws of the State of New York without regard to choice of law or conflicts of law principles.

19. Each Settling Party shall bear its own costs and expenses in the Action, including any and all legal and expert fees, incurred in connection with this Agreement and the Action.

20. Notices required by this Agreement shall be communicated by email and any form of overnight mail or in person to:

Philippe Z. Selendy (philippeselendy@quinnemanuel.com)
Manisha M. Sheth (manishasheth@quinnemanuel.com)
Jordan A. Goldstein (jordangoldstein@quinnemanuel.com)
David B. Schwartz (davidschwartz@quinnemanuel.com)
Quinn Emanuel Urquhart & Sullivan, LLP
51 Madison Avenue, 22nd Floor
New York, New York 10010

*Attorneys for Plaintiff Federal Housing Finance Agency,
Fannie Mae, and Freddie Mac*

Thomas C. Rice (trice@stblaw.com)
David J. Woll (dwoll@stblaw.com)
Simpson Thacher & Bartlett LLP
425 Lexington Avenue

New York, New York 10017

Attorneys for the Deutsche Bank Defendants

21. This Agreement is the result of arm's-length negotiation between the Settling Parties, and all Settling Parties, including through their counsel, have contributed substantially and materially to the preparation of this Agreement. No provision of this Agreement shall be interpreted or construed against any Settling Party because that Settling Party or its legal representative drafted that particular provision. Any captions and headings contained in this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

22. Upon the Execution Date, this Agreement is binding upon and shall inure to the benefit of the Settling Parties, their successors, assigns, heirs, executors, legal representatives and administrators.

23. Third Party Beneficiaries. Except to the extent otherwise provided herein with respect to Released Persons, nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever.

24. Non-Waiver.

(a) Any failure by any Settling Party to insist upon the strict performance by any other Settling Party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and such Settling Party, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Agreement to be performed by such other Settling Party.

(b) No waiver, express or implied, by any Settling Party of any breach or default in the performance by the other Settling Party of its obligations under this Agreement shall be deemed or construed to be a waiver of any other breach, whether prior, subsequent or contemporaneous, under this Agreement.

25. This Agreement may be executed in multiple counterparts, which shall be deemed an original but all of which together shall constitute one and the same instrument. Signatures exchanged by facsimile or .pdf shall be valid and effective as original signatures.

26. All of the exhibits attached to this Agreement are material and integral parts hereof and are hereby incorporated by reference as if fully set forth herein.

27. The Settling Parties and their respective counsel agree to cooperate fully with one another in order to effect the consummation of the settlement of the Action.

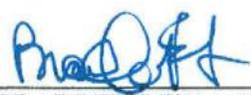
IN WITNESS WHEREOF, the Settling Parties execute this SETTLEMENT AGREEMENT as of the date first above referenced with the intent to be bound by its terms and conditions.

<p>FEDERAL HOUSING FINANCE AGENCY, AS CONSERVATOR FOR THE FEDERAL NATIONAL MORTGAGE ASSOCIATION AND THE FEDERAL HOME LOAN MORTGAGE CORPORATION</p> <p></p> <p>BY: ALFRED M. POLLARD ITS: GENERAL COUNSEL</p> <p>DATED: <u>12-19-13</u></p>	<p>FEDERAL HOME LOAN MORTGAGE CORPORATION</p> <p>_____ BY: WILLIAM H. McDAVID ITS: EXECUTIVE VICE PRESIDENT AND GENERAL COUNSEL</p> <p>DATED: _____</p>
<p>FEDERAL NATIONAL MORTGAGE ASSOCIATION</p> <p>_____ BY: BRADLEY LERMAN ITS: EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL, AND CORPORATE SECRETARY</p> <p>DATED: _____</p>	

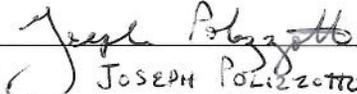
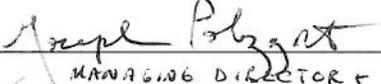
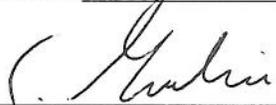
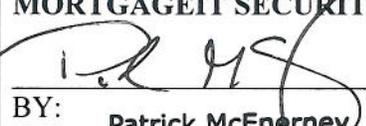
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<p>FEDERAL NATIONAL MORTGAGE ASSOCIATION</p> <hr/> <p>BY: BRADLEY LERMAN ITS: EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL, AND CORPORATE SECRETARY</p> <p>DATED: _____</p>	

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<p>FEDERAL HOUSING FINANCE AGENCY, AS CONSERVATOR FOR THE FEDERAL NATIONAL MORTGAGE ASSOCIATION AND THE FEDERAL HOME LOAN MORTGAGE CORPORATION</p> <p>_____</p> <p>BY: ALFRED M. POLLARD ITS: GENERAL COUNSEL</p> <p>DATED: _____</p>	<p>FEDERAL HOME LOAN MORTGAGE CORPORATION</p> <p>_____</p> <p>BY: WILLIAM H. McDAVID ITS: EXECUTIVE VICE PRESIDENT AND GENERAL COUNSEL</p> <p>DATED: _____</p>
<p>FEDERAL NATIONAL MORTGAGE ASSOCIATION</p> <p></p> <p>_____</p> <p>BY: BRADLEY LERMAN ITS: EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL, AND CORPORATE SECRETARY</p> <p>DATED: <u>12/19/2013</u></p>	

<p>DEUTSCHE BANK AG</p> <p><i>Alte Guel</i></p> <p>BY: <i>DR THOMAS AGENBACH</i> ITS: <i>MANAGING DIRECTOR</i></p> <p>DATED: <i>Dec 19, 2013</i></p> <p><i>Jansen</i></p> <p>BY: <i>PETER LINDT</i> ITS: <i>SENIOR COUNSEL</i></p> <p>DATED: <i>Dec 19, 2013</i></p>	<p>TAUNUS CORPORATION</p> <p>BY: _____ ITS: _____</p> <p>DATED: _____</p> <p>BY: _____ ITS: _____</p> <p>DATED: _____</p>
<p>DEUTSCHE BANK SECURITIES INC.</p> <p>BY: _____ ITS: _____</p> <p>DATED: _____</p> <p>BY: _____ ITS: _____</p> <p>DATED: _____</p>	<p>DB STRUCTURED PRODUCTS, INC.</p> <p>BY: _____ ITS: _____</p> <p>DATED: _____</p> <p>BY: _____ ITS: _____</p> <p>DATED: _____</p>
<p>MORTGAGEIT SECURITIES CORP.</p> <p>BY: _____ ITS: _____</p> <p>DATED: _____</p> <p>BY: _____ ITS: _____</p> <p>DATED: _____</p>	

<p>DEUTSCHE BANK AG</p> <hr/> <p>BY: _____ ITS: _____</p> <p>DATED: _____</p> <hr/> <p>BY: _____ ITS: _____</p> <p>DATED: _____</p>	<p>TAUNUS CORPORATION</p> <hr/> <p>BY:  ITS: JOSEPH POLIZZOTTO</p> <p>DATED: <u>Dec 19, 2013</u></p> <hr/> <p>BY:  ITS: Joseph Rice Managing Director</p> <p>DATED: <u>Dec 19, 2013</u></p>
<p>DEUTSCHE BANK SECURITIES INC.</p> <hr/> <p>BY:  ITS: MANAGING DIRECTOR + G.C. JOSEPH POLIZZOTTO</p> <p>DATED: <u>Dec 19, 2013</u></p> <hr/> <p>BY:  ITS: Managing Director + Associate General Counsel</p> <p>DATED: <u>December 19, 2013</u></p>	<p>DB STRUCTURED PRODUCTS, INC.</p> <hr/> <p>BY:  ITS: Patrick McEnerney President</p> <p>DATED: <u>12/19/2013</u></p> <hr/> <p>BY:  ITS: Timothy P. F. Crowley Director</p> <p>DATED: <u>12/19/2013</u></p>
<p>MORTGAGEIT SECURITIES CORP.</p> <hr/> <p>BY:  ITS: Patrick McEnerney President</p> <p>DATED: <u>December 19, 2013</u></p> <hr/> <p>BY:  ITS: Timothy P. F. Crowley Director</p> <p>DATED: <u>Dec. 19, 2013</u></p>	

<p>ACE SECURITIES CORP.</p> <p><u>Karla L. Boyd</u></p> <p>BY: Karla L. Boyd ITS: President</p> <p>DATED: <u>12/19/2013</u></p>	<p>DOUGLAS K. JOHNSON</p> <p><u>Douglas K. Johnson</u></p> <p>DATED: <u>12/19/2013</u></p>
<p>JULIANA C. JOHNSON</p> <p><u>Juliana C. Johnson</u></p> <p>DATED: <u>12/19/2013</u></p>	<p>EVELYN ECHEVARRIA</p> <p><u>Evelyn Echevarria</u></p> <p>DATED: <u>12-19-13</u></p>

THE COVERED SECURITIES

Securitization Name	CUSIP	Action
ACE 2005-AG1	004427BV1	<i>Deutsche Bank</i>
ACE 2005-ASAP1	004421SY0	<i>Deutsche Bank</i>
ACE 2005-HE6	004421SG9	<i>Deutsche Bank</i>
ACE 2005-HE7	004421TV5	<i>Deutsche Bank</i>
ACE 2006-ASAP1	004421VS9	<i>Deutsche Bank</i>
ACE 2006-ASAP2	004421XB4	<i>Deutsche Bank</i>
ACE 2006-ASAP3	00442VAA5	<i>Deutsche Bank</i>
ACE 2006-ASAP4	00441UAA8	<i>Deutsche Bank</i>
ACE 2006-ASAP5	004422AA9	<i>Deutsche Bank</i>
ACE 2006-ASAP5	004422AB7	<i>Deutsche Bank</i>
ACE 2006-ASAP6	00443KAA8	<i>Deutsche Bank</i>
ACE 2006-ASAP6	00443KAB6	<i>Deutsche Bank</i>
ACE 2006-CW1	00441QAA7	<i>Deutsche Bank</i>
ACE 2006-FM1	00441VAA6	<i>Deutsche Bank</i>
ACE 2006-FM2	00442CAA7	<i>Deutsche Bank</i>
ACE 2006-HE1	004421WJ8	<i>Deutsche Bank</i>
ACE 2006-HE1	004421WK5	<i>Deutsche Bank</i>
ACE 2006-HE1	004421WL3	<i>Deutsche Bank</i>
ACE 2006-HE2	004421YR8	<i>Deutsche Bank</i>
ACE 2006-HE3	00441TAA1	<i>Deutsche Bank</i>
ACE 2006-HE4	00442BAA9	<i>Deutsche Bank</i>
ACE 2006-NC1	004421UP6	<i>Deutsche Bank</i>
ACE 2006-NC2	00441XAA2	<i>Deutsche Bank</i>
ACE 2006-NC3	00442EAC9	<i>Deutsche Bank</i>
ACE 2006-NC3	00442EAD7	<i>Deutsche Bank</i>
ACE 2006-OP1	00442PAA8	<i>Deutsche Bank</i>
ACE 2006-OP1	00442PAB6	<i>Deutsche Bank</i>
ACE 2006-OP2	00441YAA0	<i>Deutsche Bank</i>
ACE 2007-ASAP1	00442JAA2	<i>Deutsche Bank</i>
ACE 2007-ASAP2	00442UAA7	<i>Deutsche Bank</i>
ACE 2007-ASL1	00443MAA4	<i>Deutsche Bank</i>
ACE 2007-HE1	00443LAA6	<i>Deutsche Bank</i>
ACE 2007-HE2	00443PAA7	<i>Deutsche Bank</i>
ACE 2007-HE3	00442GAA8	<i>Deutsche Bank</i>
ACE 2007-HE4	00442LAA7	<i>Deutsche Bank</i>
ACE 2007-HE5	000797AA8	<i>Deutsche Bank</i>
ACE 2007-SL1	00442FAA0	<i>Deutsche Bank</i>
ACE 2007-WM1	004424AA5	<i>Deutsche Bank</i>
ACE 2007-WM2	00442KAA9	<i>Deutsche Bank</i>

Securitization Name	CUSIP	Action
DBALT 2007-OA4	25151XAC5	<i>Deutsche Bank</i>
DBALT 2007-OA4	25151XAE1	<i>Deutsche Bank</i>
INDX 2005-AR31	45660LW39	<i>Deutsche Bank</i>
INDX 2006-AR9	45661EGE8	<i>Deutsche Bank</i>
MHL 2007-1	61915YAA9	<i>Deutsche Bank</i>
NCHET 2006-2	64360YAP0	<i>Deutsche Bank</i>
NHEL 2007-1	669971AA1	<i>Deutsche Bank</i>
RAST 2005-A15	45660L4E6	<i>Deutsche Bank</i>
RAST 2005-A15	45660L4F3	<i>Deutsche Bank</i>

THE RELATED ACTIONS

Federal Housing Finance Agency v. Ally Fin. Inc., et al., 11 Civ. 7010 (S.D.N.Y.)

Federal Housing Finance Agency v. Bank of America Corp., et al., 11 Civ. 6195 (S.D.N.Y.)

Federal Housing Finance Agency v. Barclays Bank PLC, et al., 11 Civ. 6190 (S.D.N.Y.)

Federal Housing Finance Agency v. Credit Suisse Holdings (USA), Inc., et al., 11 Civ. 6200 (S.D.N.Y.)

Federal Housing Finance Agency v. First Horizon Nat'l Corp., et al., 11 Civ. 6193 (S.D.N.Y.)

Federal Housing Finance Agency v. Goldman, Sachs & Co., et al., 11 Civ. 6198 (S.D.N.Y.)

Federal Housing Finance Agency v. HSBC North America Holdings, Inc., et al., 11 Civ. 6189 (S.D.N.Y.)

Federal Housing Finance Agency v. Merrill Lynch & Co., Inc., et al., 11 Civ. 6202 (S.D.N.Y.)

Federal Housing Finance Agency v. Morgan Stanley, et al., 11 Civ. 6739 (S.D.N.Y.)

Federal Housing Finance Agency v. Nomura Holding America, Inc., et al., 11 Civ. 6201 (S.D.N.Y.)

Federal Housing Finance Agency v. Royal Bank of Scotland Group plc, 11 Civ. 01383 (D. Conn.)

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

FEDERAL HOUSING FINANCE AGENCY, AS
CONSERVATOR FOR THE FEDERAL NATIONAL
MORTGAGE ASSOCIATION AND THE FEDERAL
HOME LOAN MORTGAGE CORPORATION,

Plaintiff,

-against-

DEUTSCHE BANK AG., *et al.*,

Defendants.

11 Civ. 6192 (DLC)

JOINT MOTION TO STAY PROCEEDINGS

1. On December 19, 2013, Plaintiff Federal Housing Finance Agency, as Conservator of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association (collectively, “Plaintiff”), and Defendants Deutsche Bank AG, Taunus Corporation, DB Structured Products, Inc., Deutsche Bank Securities Inc., ACE Securities Corp., MortgageIT Securities Corp., Douglas K. Johnson, Evelyn Echevarria, and Juliana C. Johnson (collectively, “Defendants”) entered into a settlement agreement (the “Agreement”) to resolve claims in the above-captioned action (the “Action”).

2. Under the terms of the Agreement, Plaintiff and Defendants (the “Parties”) agreed jointly to move for a stay of the claims against Defendants (“Claims”) within one business day of executing the Agreement.

3. In accordance with the terms of the Agreement, the Parties shall jointly file a stipulation of voluntary dismissal with prejudice within one business day of the GSEs’ receipt of

the Settlement Payment. Presently, the Parties anticipate the Settlement Payment to be made on or before January 13, 2014;

4. The Parties, therefore, request that the Court enter the enclosed proposed order granting the Parties' Motion to Stay Proceedings until an order dismissing and/or discontinuing the Claims and/or Action has been entered.

Dated: December 20, 2013
New York, New York

Respectfully submitted,

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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

FEDERAL HOUSING FINANCE AGENCY, AS
CONSERVATOR FOR THE FEDERAL NATIONAL
MORTGAGE ASSOCIATION AND THE FEDERAL
HOME LOAN MORTGAGE CORPORATION,

Plaintiff,

-against-

DEUTSCHE BANK AG., *et al.*,

Defendants.

11 Civ. 6192 (DLC)

**[PROPOSED] ORDER GRANTING THE PARTIES' JOINT MOTION TO STAY
PROCEEDINGS**

The Court, having considered all materials submitted in favor of the Parties' December 20, 2013 Joint Motion to Stay Proceedings, and finding good cause in support thereof,

IT IS HEREBY ORDERED that:

The Parties' Motion to Stay Proceedings is GRANTED until January 20, 2014, and the 11 Civ. 6192 action shall remain stayed pending the joint submission of a stipulation of voluntary dismissal with prejudice, but in no event stayed beyond January 20, 2014 without further approval by the Court.

Dated: December __, 2013
New York, New York

By: _____
The Honorable Denise L. Cote
United States District Court Judge

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

FEDERAL HOUSING FINANCE AGENCY, AS
CONSERVATOR FOR THE FEDERAL NATIONAL
MORTGAGE ASSOCIATION AND THE FEDERAL
HOME LOAN MORTGAGE CORPORATION,

Plaintiff,

-against-

DEUTSCHE BANK AG., *et al.*,

Defendants.

11 Civ. 6192 (DLC)

STIPULATION OF VOLUNTARY DISMISSAL WITH PREJUDICE

WHEREAS Plaintiff, Federal Housing Finance Agency, and Defendants Deutsche Bank AG, Taunus Corporation, DB Structured Products, Inc., Deutsche Bank Securities Inc., ACE Securities Corp., MortgageIT Securities Corp., Douglas K. Johnson, Evelyn Echevarria, and Juliana C. Johnson have reached a settlement disposing of all claims asserted in the above-captioned action (the “Action”);

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and between the parties, through their undersigned counsel, that, pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii), this Action shall be, and hereby is, dismissed with prejudice, with each party to bear its own costs.

Dated: _____, 201_
New York, New York

By: _____
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