

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (the "Agreement") is entered into as of June 19, 2014, by and between (i) the Federal Housing Finance Agency ("FHFA" or "Plaintiff"), as Conservator of the Federal Home Loan Mortgage Corporation ("Freddie Mac") and Freddie Mac, on the one hand, and (ii) RBS Securities Inc., f/k/a Greenwich Capital Markets, Inc. ("RBSSI"), on the other. RBSSI, together with FHFA and Freddie Mac, are referred to herein as the "Settling Parties," with each a "Settling Party."¹

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

WHEREAS, on or about September 2, 2011, FHFA, in its capacity as Conservator for Freddie Mac, commenced an action against RBSSI, among other defendants, in the Supreme Court of the State of New York, New York County, captioned *Federal Housing Finance Agency v. Ally Financial Inc., et al.*, No. 652441/2011, which was removed to the United States District Court for the Southern District of New York on or about October 6, 2011, captioned *Federal Housing Finance Agency v. Ally Financial Inc., et al.*, No. 11 Civ. 7010 (DLC) (S.D.N.Y.) (the "Ally Action"); and against RBSSI, among other defendants, in the United States District Court for the Southern District of New York, captioned *Federal Housing Finance Agency v. Nomura Holding America Inc., et al.*, No. 11 Civ. 6201 (DLC) (S.D.N.Y.) (the "Nomura Action"); and against RBSSI, among other defendants, in the United States District Court for the District of Connecticut, captioned *Federal Housing Finance Agency v. The Royal Bank of Scotland Group plc, et al.*, No. 11 Civ. 1383 (AWT) (D. Conn.) (the "RBS Action");

WHEREAS, on or about June 12, 2012, FHFA served an Amended Complaint in the *Ally* Action; and on or about June 28, 2012, FHFA served an Amended Complaint in the *Nomura* Action; and on or about February 1, 2012, FHFA served an Amended Complaint in the *RBS* Action;

WHEREAS, in consideration of the releases, limitations, and other terms and conditions provided for in this Agreement, RBSSI is prepared to pay \$99,500,000 (ninety-nine million, five hundred thousand dollars) in settlement of all claims asserted against RBSSI in the *Ally* Action and relating to the Covered Securities identified in Exhibit A, 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 solely in the *Ally* Action, and to dismiss the Released Plaintiff Claims against RBSSI solely in the *Ally* Action with prejudice and on the merits;

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

WHEREAS, FHFA, Freddie Mac, and RBSSI have not agreed, through this Agreement, to fully and finally compromise, resolve, dismiss, discharge and settle any claims against RBSSI or any other defendant in the *RBS* Action or the *Nomura* Action;

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) “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.

(b) “Contract Claim” means any claim asserted by a party other than a Releasing Plaintiff Person under a contract (including, without limitation, any claim under any Pooling and Servicing Agreement, Assignment and Recognition Agreement, or Mortgage Loan Purchase Agreement) where neither FHFA nor Freddie Mac are signatories, 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.

(c) “Covered Securities” means the 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 RBSSI in the *Ally* Action.

(d) “Effective Date” means the date upon which the Settlement Payment, as defined below, is received by Freddie Mac, as evidenced by confirmation of the wire transfer pursuant to the written instructions of Plaintiff.

(e) “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.

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

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

(h) “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 solely in its capacity as Conservator for Freddie Mac.

(i) "Protective Order" means the First Amended Protective Order filed on January 11, 2013, in the *Ally* Action and *Nomura* Action.

(j) "Related Actions" means those actions listed in Exhibit B.

(k) "Released Claims" means, collectively, the Released Plaintiff Claims and the Released Defendant Claims.

(l) "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 ("Claims") 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 *Ally* 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 do not include (1) any Claims or defenses in the *RBS* Action and/or *Nomura* Action by RBSSI against any other defendant therein, FHFA, Freddie Mac, or the Federal National Mortgage Association ("Fannie Mae"); (2) any LIBOR Claims; (3) any Contract Claims; (4) any Claims against any Person other than the Released Plaintiff Persons, including the Non-Settling Defendants; (5) any Claims against any governmental entity or agency besides FHFA, solely in its capacity as Conservator of Freddie Mac; or (6) any Claims to enforce this Agreement. For the avoidance of doubt, FHFA and Freddie Mac reserve the right to assert any and all applicable arguments or defenses (including but not limited to mitigation, reduction or offset of damages) to any LIBOR Claims or any Contract Claims concerning the Covered Securities, and RBSSI reserves the right to contest any such arguments or defenses.

(m) "Released Defendant Persons" means RBSSI, along with RBSSI's respective past and/or present Affiliates, subsidiaries, parents, general partners, limited partners and any Person in which RBSSI 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 Non-Settling Defendant's past and/or present Affiliates, subsidiaries and parents.

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

(o) “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 (“Claims”) 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 *Ally* 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 do not include (1) any Claims in the *RBS* Action and/or *Nomura* Action, including Claims against RBSSI in the *RBS* Action and *Nomura* Action and any other defendant therein; (2) any LIBOR Claims; (3) any Contract Claims; (4) any Claims against any Person other than the Released Defendant Persons, including the Non-Settling Defendants; (5) any Claims of any governmental entity or agency besides FHFA, solely in its capacity as Conservator of Freddie Mac, or Freddie Mac; or (6) any Claims to enforce this Agreement. For the avoidance of doubt, RBSSI reserves the right to assert any and all applicable arguments or defenses (including but not limited to mitigation, reduction or offset of damages) to any Claim in the *RBS* Action and *Nomura* Action, as well as to any LIBOR Claims, any Contract Claims, and any Claims of any governmental entity or agency besides FHFA, solely in its capacity as Conservator of Freddie Mac, or Freddie Mac concerning the Covered Securities, and FHFA and Freddie Mac reserve the right to contest any such arguments or defenses.

(p) “Released Plaintiff Persons” means each of FHFA, solely in its capacity as Conservator of Freddie Mac; Freddie Mac; and each and all of Freddie Mac’s respective past and/or present Affiliates, subsidiaries, parents, general partners, limited partners and any Person in which FHFA or Freddie Mac 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, assigns, insurers and reinsurers. “Released Plaintiff Person” does not include any governmental entity or agency besides FHFA, solely in its capacity as Conservator of Freddie Mac.

(q) “Releasing Defendant Persons” means RBSSI and each and all of its 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.

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

(s) “Releasing Plaintiff Persons” means each of FHFA, solely in its capacity as Conservator of Freddie Mac; Freddie Mac; and each and all of FHFA and Freddie Mac’s 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 Freddie Mac.

2. Settlement Payment.

(a) In consideration for the Releasing Plaintiff Persons’ execution of this Agreement, the release of claims as set forth below and the other terms and conditions provided for in this Agreement, RBSSI shall make a one-time, lump sum payment of ninety-nine million, five hundred thousand dollars (\$99,500,000) (the “Settlement Payment”), payable to Freddie Mac, in accordance with FHFA’s written instructions. RBSSI shall make the Settlement Payment, or cause it to be made, within ten (10) business days of the Execution Date.

(b) Receipt of the Settlement Payment by Freddie Mac shall constitute a full and valid discharge of the payment obligation pursuant to this Agreement and in connection with the settlement of the *Ally* Action against RBSSI.

3. Full Consideration. The Settling Parties agree that, apart from the Settlement Payment and the releases provided in Paragraphs 6 and 8 below, Plaintiff and the Releasing Plaintiff Persons are not entitled to any other payments or consideration from any of the Released Defendant Persons but only in respect of the Released Claims.

4. No Admission of Liability. This Agreement does not constitute an admission by RBSSI 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 *Ally* Action. To the contrary, RBSSI vigorously denies the allegations in the *Ally* Action. This Agreement also does not constitute an admission by FHFA or Freddie Mac that they would not have been able to successfully prosecute their claims, and in fact FHFA and Freddie Mac firmly believe in the merit of each of their allegations in the *Ally* Action. 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, including without limitation the *RBS* Action and/or the *Nomura* Action, for any purpose including, but not limited to, as evidence of liability or wrongdoing by RBSSI or any other person or entity, 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.

5. Additional Conditions:

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

(b) Upon the occurrence of the Execution Date, all discovery and other proceedings in the *Ally* Action between the Settling Parties shall cease. For the avoidance of doubt, nothing in this Agreement will affect discovery or other proceedings in the *RBS* Action or the *Nomura* Action, or FHFA's rights to take discovery in the other Related Actions or in the *Ally* Action against other parties or nonparties unrelated to RBSSI.

(c) No later than five (5) business days from the Effective Date, the Settling Parties in the *Ally* Action shall jointly file a motion for voluntary dismissal with prejudice and entry of a bar order as to RBSSI in the *Ally* Action pursuant to Fed. R. Civ. P. 21 and/or 41(a)(2) in the forms attached hereto as Exhibit C-2 (the "Bar Order"). Confidential Exhibit D serves as the Confidential Schedule associated with the *Ally* Action, as referenced in Exhibit C-2. For the avoidance of doubt, the motions for entry of the Orders of Voluntary Dismissal and Bar Order are not intended to dismiss any claims by Plaintiff against any Non-Settling Defendants, and, more specifically, are not intended to dismiss any claims by Plaintiff in the *RBS* Action, the *Nomura* Action, or any of the other Related Actions, or against any Non-Settling Defendants in the *Ally* Action.

(d) In the event that (i) the Bar Order is not entered or deemed effective materially in the form hereto and (ii) RBSSI is found liable as proven at trial for (A) any claim for contribution or indemnity (whether styled as a claim for contribution, indemnity, or otherwise) from any Non-Settling Defendant that seeks to recover any part of any judgment entered against the Non-Settling Defendants in the *Ally* Action in which the Bar Order is not entered or deemed effective materially in the form hereto and/or (B) any settlement reached by FHFA with any of the Non-Settling Defendants in the *Ally* Action in which the Bar Order is not entered or deemed effective materially in the form hereto, Freddie Mac shall repay that portion of the Settlement Payment in the *Ally* Action equal to any such judgment against RBSSI.

(e) In the event that RBSSI is, at any time, dismissed from both the *Nomura* Action and *RBS* Action, then no later than five (5) business days from the later of the two dismissals of RBSSI in the *Nomura* Action and *RBS* Action, RBSSI (i) shall withdraw from any joint defense agreement applicable to any of the *Ally* Action, *Nomura* Action, *RBS* Action, or the other Related Actions; (ii) shall cease all efforts to assist Non-Settling Defendants or any third-party with regard to any of the *Ally* Action or the Related Actions, except as required by law or under order of a court of competent jurisdiction; and (iii) thereafter shall not file or join in any motion, letter, or appeal with respect to any of the *Ally* Action or the Related Actions. For the avoidance of doubt, nothing herein limits RBSSI's rights to defend itself in the *RBS* Action or *Nomura* Action or to engage in any joint defense agreement or arrangement with respect thereto.

6. Release by the Releasing Plaintiff 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, relinquished, released 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, 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 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. For the avoidance of doubt, this release does not apply to any Claims that the Releasing Plaintiff Persons may have against the Releasing Defendant Persons in the *RBS* Action and/or *Nomura* Action.

7. Covenants by the Releasing Plaintiff Persons. Effective upon the Execution Date, FHFA, as Conservator for Freddie Mac, and Freddie Mac, 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.

8. Release by the Releasing Defendant Persons. In exchange for the release provided by the Releasing Plaintiff Persons and the dismissal with prejudice of the Released Plaintiff Claims against RBSSI in the *Ally* 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 have completely, fully, finally and forever 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. For the avoidance of doubt, this release does not apply to any Claims that the Releasing Defendant Persons may have against the Releasing Plaintiff Persons in the *RBS* Action and/or *Nomura* Action.

9. Unknown 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. Each of the Settling Parties agrees that California law is not applicable to this Agreement, and neither consents to the jurisdiction of a California court nor the application of California law to adjudicate any disputes under this Agreement. Rather, and as reflected in Paragraph 19 below, the Settling Parties have agreed that this Agreement is governed by and shall be construed in accordance with the laws of the State of New York without regard to conflicts of law principles.

10. Covenants by the Releasing Defendant Persons. Effective upon the Execution Date, RBSSI, on behalf of itself and all of the Releasing Defendant Persons, hereby covenants and agrees 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.

11. The obligations and benefits conferred in the Protective Order, governing confidentiality of information and documents entered in the *Ally* Action and *Nomura* Action, shall remain in effect after the Effective Date.

12. 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.

13. Other than as specifically set forth in this Agreement, nothing herein prohibits, restricts, or limits FHFA or Freddie Mac from receiving any benefits deriving from, or exercising any rights appurtenant to, Freddie Mac's ownership of interests in the Covered Securities in the ordinary course, including, without limitation, the right to receive or assign payments from their investments in the Covered Securities or to sell or otherwise dispose of their interests in the Covered Securities after the Effective Date.

14. 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.

15. This Agreement constitutes the entire agreement to settle and resolve the claims that are the subject of this Agreement 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 Settling Parties.

16. All parties hereto submit to the personal jurisdiction of the United States District Court for the Southern District of New York, or to the Supreme Court of New York for New York County in the event that federal jurisdiction is lacking, 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.

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. If any settlement agreement in any of the Related Actions or the *Ally* Action explicitly provides for a release by Freddie Mac of any LIBOR Claims, Freddie Mac shall thereafter offer the Released Defendant Persons, on the most favorable relative terms provided to another settling party, a release of LIBOR Claims limited to and encompassing nothing but the Covered Securities.

19. 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.

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

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

Marc E. Kasowitz (mkasowitz@kasowitz.com)
Christopher P. Johnson (cjohnson@kasowitz.com)
Kanchana Wangkeo Leung (kleung@kasowitz.com)
Kasowitz, Benson, Torres & Friedman LLP
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Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017

Attorneys for RBS Securities Inc.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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.

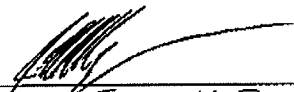
27. All of the exhibits attached to this Agreement are material and integral parts hereof and are hereby incorporated by reference as if fully set forth herein.

28. The Settling Parties and their respective counsel agree to cooperate fully with one another in order to effect the consummation of the settlement as to the Released Claims of the *Ally* 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.

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| FEDERAL HOUSING FINANCE AGENCY, AS CONSERVATOR FOR THE FEDERAL NATIONAL MORTGAGE ASSOCIATION AND THE FEDERAL HOME LOAN MORTGAGE CORPORATION | FEDERAL HOME LOAN MORTGAGE CORPORATION |
|  |  |
| BY: ALFRED M. POLLARD ITS: GENERAL COUNSEL | BY: WILLIAM H. McDAVID ITS: EXECUTIVE VICE PRESIDENT AND GENERAL COUNSEL |
| DATED: <u>6-19-2014</u> | DATED: <u>6/19/2014</u> |

**RBS SECURITIES INC., F/K/A GREENWICH
CAPITAL MARKETS, INC.**


BY: James M. Esposito
ITS: Co-General Counsel

DATED: June 19, 2014

THE COVERED SECURITIES

| Securitization Name | CUSIP |
|----------------------------|--------------|
| RALI 2005-QO4 1A1 | 761118NL8 |
| RALI 2006-QO4 1A1 | 75114GAA7 |
| RALI 2006-QO4 1A2 | 75114GAB5 |
| RAMP 2005-RS9 AII | 76112BL99 |
| RAMP 2006-RS1 AII | 76112BU24 |
| RASC 2005-KS11 AII | 76110W7C4 |

THE RELATED ACTIONS

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. Nomura Holding America Inc., et al., 11 Civ. 6201 (S.D.N.Y.)

Federal Housing Finance Agency v. The Royal Bank of Scotland Group plc, et al., 11 Civ. 1383 (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,

11 Civ. 7010 (DLC)

-against-

ALLY FINANCIAL, INC., *et al.*,

Defendants.

JOINT MOTION TO STAY PROCEEDINGS

1. On June __, 2014, Plaintiff Federal Housing Finance Agency, as Conservator of the Federal Home Loan Mortgage Corporation (“Plaintiff”), and Defendant RBS Securities Inc., f/k/a Greenwich Capital Markets, Inc. (“RBSSI”) entered into a settlement agreement (the “Agreement”) to resolve claims against RBSSI in *Federal Housing Finance Agency v. Ally Financial Inc., et al.*, No. 11 Civ. 7010 (DLC) (S.D.N.Y.) (the “*Ally* Action”).

2. Under the terms of the Agreement, Plaintiff and RBSSI (the “Parties”) agreed jointly to move for a stay of the claims against RBSSI in the *Ally* Action within one business day of executing the Agreement; the Parties do not request a stay of proceedings involving any other party or claim in the *Ally* Action.

3. In accordance with the terms of the Agreement, the Parties shall move to dismiss FHFA’s claims against RBSSI in the *Ally* Action within five business days of Freddie Mac’s

receipt of the Settlement Payment. Presently, the Parties anticipate the Settlement Payment to be made on or before June __, 2014;

4. The Parties, therefore, request that the Court enter the enclosed proposed order granting the Parties' Motion to Stay Proceedings until all claims against RBSSI in the *Ally* Action have been dismissed.

Dated: June __, 2014
New York, New York

Respectfully submitted,

By: _____
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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-

ALLY FINANCIAL, INC., *et al.*,

Defendants.

11 Civ. 7010 (DLC)

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

The Court, having considered all materials submitted in favor of the Parties' _____,
2014 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 _____, 2014, and the 11
Civ. 7010 Action is stayed only as to the moving Parties, and shall remain stayed only for those
Parties pending the joint submission of a stipulation of voluntary dismissal with prejudice, but in
no event stayed beyond _____, 2014 without further approval by the Court.

Dated: _____, 2014
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 HOME LOAN
MORTGAGE CORPORATION,

Plaintiff,

-against-

ALLY FINANCIAL INC., *et al.*,

Defendants.

11 Civ. 7010 (DLC)

[PROPOSED] ORDER OF VOLUNTARY DISMISSAL WITH PREJUDICE AND BAR ORDER

WHEREAS, the Court has been informed that Plaintiff, Federal Housing Finance Agency (“FHFA”), and Defendant RBS Securities Inc. (“RBSSI” and, together with FHFA, the “Settling Parties”) have reached a settlement and entered into a Settlement Agreement in connection with the above-captioned action (the “Action”); and

WHEREAS, the Settling Parties have moved this Court for entry of an order of voluntary dismissal pursuant to Fed. R. Civ. P. 41(a)(2) and/or 21 dismissing all claims therein as against RBSSI only with prejudice and without costs, and providing for an order barring claims by the remaining, non-settling defendants in this Action and any other alleged joint tortfeasors for contribution or indemnity; and

WHEREAS, for good cause shown, and upon due consideration of the Settling Parties’ motion for entry of this Order of Voluntary Dismissal With Prejudice and Bar Order;

IT IS ORDERED that the amended complaint in this Action, served on or about June 12, 2012, and all claims contained therein, is hereby dismissed with prejudice and without costs as against RBSSI only;

IT IS ORDERED that (a) Goldman, Sachs & Co., (b) any other person or entity later named as a defendant in this Action, and (c) any other person or entity that becomes liable to Plaintiff, to any current non-settling defendant in this Action, or to any other alleged tortfeasor, by reason of judgment or settlement, for any claims that are or could have been asserted in this Action or that arise out of or relate to the claims asserted in this Action (collectively, the “Non-Settling Defendants”), are hereby permanently BARRED, ENJOINED and RESTRAINED from commencing, prosecuting, or asserting any claim for contribution or indemnity (whether styled as a claim for contribution, indemnity or otherwise) against RBSSI, its present and former parents, subsidiaries, divisions and affiliates, the present and former partners, employees, officers and directors of each of them, the present and former attorneys, accountants, insurers (but not affecting any obligation owed to RBSSI by any insurer), and agents of each of them, and the predecessors, heirs, successors and assigns of each (collectively, the “Settling Defendant”), that seeks to recover from the Settling Defendant any part of any judgment entered against the Non-Settling Defendants and/or any settlement reached with any of the Non-Settling Defendants, in connection with any claims that are or could have been asserted against the Non-Settling Defendants in this Action or that arise out of or relate to any claims that are or could have been asserted in this Action, whether arising under state, federal, or foreign law as claims, cross-claims, counterclaims, or third-party claims, whether asserted in this Action, in any federal or state court, or in any other court, arbitration proceeding, administrative agency, or other forum in the United States or elsewhere;

IT IS FURTHER ORDERED that RBSSI is hereby permanently BARRED, ENJOINED AND RESTRAINED from commencing, prosecuting, or asserting any claim for contribution or indemnity (whether styled as a claim for contribution, indemnity or otherwise) against any of the Non-Settling Defendants that seeks to recover any part of the settlement payment to be made by RBSSI to Plaintiff in connection with the settlement of this Action, whether arising under state, federal, or foreign law as claims, cross-claims, counterclaims, or third-party claims, whether asserted in this Action, in any federal or state court, or in any other court, arbitration proceeding, administrative agency, or other forum in the United States;

IT IS FURTHER ORDERED that the Plaintiff shall provide any Non-Settling Defendant against which it obtains a judgment on claims related to the RALI 2005-QO4 1A1, RALI 2006-QO4 1A1, RALI 2006-QO4 1A2, RAMP 2005-RS9 AII, RAMP 2006-RS1 AII, and RASC 2005-KS11 AII securities a judgment credit in an amount that is the greater of a) the amount of Plaintiff's settlement with RBSSI in this Action allocated to the relevant security, as reflected on the confidential schedule attached to the Settling Parties' settlement agreement as Confidential Exhibit D (the "Confidential Schedule"), or b) for each such claim, state or federal, on which contribution or indemnity is available, the proportionate share of RBSSI's fault as proven at trial;

IT IS FURTHER ORDERED that the Confidential Schedule shall not be disclosed, except as described below, directly or indirectly, to any person other than to a court of competent jurisdiction and necessary court personnel;

IT IS FURTHER ORDERED that, upon entry of a pre-trial order (i) in this Action, or (ii) in any other action involving a claim or claims against a Non-Settling Defendant that may give rise to a claim against the Settling Defendant that would be barred by this Order, the Confidential Schedule may be disclosed to:

- a. Goldman, Sachs & Co, as well as any party against whom Plaintiff or another Non-Settling Defendant subsequently brings claims in connection with the RALI 2005-QO4 1A1, RALI 2006-QO4 1A1, RALI 2006-QO4 1A2, RAMP 2005-RS9 AII, RAMP 2006-RS1 AII, and RASC 2005-KS11 AII securities (together, the “Authorized Parties”);
- b. the Authorized Parties’ attorneys and partners, associates, and employees of the attorneys’ law firms;
- c. in-house attorneys for the Authorized Parties, regular employees of the in-house legal department of the Authorized Parties, and necessary management personnel for the Authorized Parties;
- d. any expert retained or consulted by the Authorized Parties in connection with the above-captioned Action and those working under their direction or control;

IT IS FURTHER ORDERED that prior to obtaining access to the Confidential Schedule, each Authorized Party shall review the terms and conditions of this Order and shall execute the attached Exhibit, agreeing to be bound by the terms and conditions set forth in this Order governing disclosure of the Confidential Schedule;

IT IS FURTHER ORDERED that, in the event that counsel for any Authorized Party determines to file with a court the Confidential Schedule, information derived therefrom, or any papers containing or making reference to such information, any such filings shall be filed under seal;

IT IS FURTHER ORDERED that this Court finds there is no just reason for delay and directs that final judgment be entered pursuant to Federal Rule of Civil Procedure 54(b)

dismissing the claims against RBSSI with prejudice and without costs pursuant to Rule 21 and/or 41(a)(2).

IT IS FURTHER ORDERED that RBSSI shall bear its own costs, and FHFA shall bear the proportion of the costs it has incurred in the Action solely attributable to RBSSI's presence in the Action. This order does not affect FHFA's claims for costs and fees against any Non-Settling Defendant(s) in this Action.

Dated: _____, 2014

Hon. Denise L. Cote
United States District Judge

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

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

11 Civ. 7010 (DLC)

Plaintiff,

-against-

ALLY FINANCIAL INC., *et al.*,

Defendants.

EXHIBIT

Agreement to Be Bound by Confidentiality Provisions in Order

The undersigned counsel of an Authorized Party acknowledges having reviewed the terms and conditions regarding disclosure of the Confidential Schedule set forth in the Order of Voluntary Dismissal With Prejudice and Bar Order dated ____ __, 2014. By signing below, I agree that my client and I will be bound by the terms and conditions of the Order of Voluntary Dismissal With Prejudice and Bar Order with respect to the information contained on the Confidential Schedule.

(Signature)

(Printed Name)

(Name of Authorized Party)

(Date)