

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (the “Agreement”) is entered into as of April 23, 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 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) Barclays Bank PLC, Barclays Capital Inc. (“Barclays Capital”), and Securitized Asset Backed Receivables LLC (collectively, the “Barclays Corporate Defendants”), Michael Wade, John Carroll, and Paul Menefee (collectively, the “Barclays Individual Defendants,” and, together with the Barclays Corporate Defendants, the “Barclays Defendants”), on the other. The Barclays 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 Barclays Defendants in the United States District Court for the Southern District of New York, captioned *Federal Housing Finance Agency v. Barclays Bank PLC, et al.*, No. 11 Civ. 6190 (DLC) (the “*Barclays Action*”); and against Barclays Capital and 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) (the “*Ally Action*,” and, together with the *Barclays Action*, the “*Actions*”);

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 *Barclays Action*;

WHEREAS, in consideration of the releases, limitations, and other terms and conditions provided for in this Agreement, the Barclays Corporate Defendants have determined that they are prepared to pay \$280 million in settlement of all claims asserted in the *Actions* against the Barclays Defendants 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 in the *Actions*, and to dismiss the *Barclays Action* with

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

prejudice and on the merits, and to dismiss the Released Plaintiff Claims against Barclays Capital in the *Ally* 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) “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 under a contract asserted by a party other than a Releasing Plaintiff Person (including, without limitation, any claim under any Pooling and Servicing Agreement, Assignment and Recognition Agreement, or Mortgage Loan Purchase Agreement) where neither FHFA nor the GSEs 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 12 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 Barclays Defendants in the Actions.

(d) “Effective Date” means the date upon which the Settlement Payment, as defined below, is received by both GSEs, 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 Fannie Mae and Freddie Mac, and the GSEs.

(i) “Protective Order” means the First Amended Protective Order filed on January 11, 2013, in the Actions.

(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 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 Actions, 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 LIBOR Claims; (2) any Contract Claims; (3) any claims against any Person other than the Released Plaintiff Persons, including the Non-Settling Defendants; (4) any claims against any governmental entity or agency besides FHFA, solely in its capacity as Conservator of the GSEs; or (5) any claims to enforce this Agreement. FHFA and the GSEs 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 the Barclays Defendants reserve the right to contest any such arguments.

(m) “Released Defendant Persons” means each of the Barclays Defendants, along with each of the Barclays Defendants’ respective past and/or present Affiliates, subsidiaries, parents, general partners, limited partners and any Person in which any Barclays 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 Non-Settling Defendants’ 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 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 Actions, 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 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, solely in its capacity as Conservator of the GSEs, or the GSEs; or (5) any claims to enforce this Agreement. The Barclays Defendants reserve the right to assert any and all applicable defenses (including but not limited to mitigation, reduction or offset of damages) 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 the GSEs, or the GSEs concerning the Covered Securities, and FHFA and the GSEs reserve the right to contest any such arguments.

(p) “Released Plaintiff Persons” means each of: FHFA, solely in its capacity as Conservator of the GSEs; the GSEs; and each and all of the GSEs’ respective past and/or present principals, Affiliates, subsidiaries, parents, general partners, limited partners and any Person in which FHFA or 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.

(q) “Releasing Defendant Persons” means each of the Barclays 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.

(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 the GSEs; the GSEs; and 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 the GSEs.

2. Settlement Payment.

(a) In consideration for the Releasing Plaintiff Persons' execution of this Agreement and the release of claims as set forth below, the Barclays Corporate Defendants shall make a one-time, lump sum payment of two hundred eighty million dollars (\$280,000,000) (the "Settlement Payment"), payable to Freddie Mac and Fannie Mae, in accordance with FHFA's written instructions. The Barclays Corporate Defendants 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 and Fannie Mae shall constitute a full and valid discharge of the payment obligation pursuant to this Agreement and in connection with the settlement of the Actions contemplated herein.

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 in respect of the Released Claims.

4. No Admission of Liability. This Agreement does not constitute an admission by any of the Barclays 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 Barclays 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 in the Actions, and in fact FHFA and the GSEs firmly believe in the merit of each of their allegations in the Actions. The Settling 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 Barclays 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.

5. Additional Conditions:

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

(b) No later than one business day from the Execution Date, all discovery in the *Barclays* and *Ally* Actions between the Settling Parties shall cease. For the avoidance of doubt, nothing in this Agreement will affect discovery in the Related Actions or involving claims

between Plaintiff and Non-Settling Defendants in the *Ally* Action, or any third-party discovery in the Related Actions.

(c) No later than one business day from the Execution Date, the Barclays Defendants (i) shall withdraw from any joint defense agreement applicable to any of the Actions or the Related Actions; (ii) shall cease all efforts to assist Non-Settling Defendants or any third-party with regard to any of the Actions 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 Actions or the Related Actions.

(d) No later than one business day from the Effective Date, the Settling Parties in the *Barclays* Action shall jointly file a stipulation of voluntary dismissal with prejudice of the *Barclays* Action pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii), in the form attached hereto as Exhibit C-2. 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 Barclays Capital in the *Ally* Action pursuant to Fed. R. Civ. P. 21 and/or 41(a)(2) in the forms attached hereto as Exhibit C-3 (the “Bar Order”). Confidential Exhibit D serves as the Confidential Schedule associated with the *Ally* Action, as referenced in Exhibit C-3. 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 Related Actions or against any Non-Settling Defendants in the *Ally* Action.

(e) In the event that (i) the Bar Order is not entered or deemed effective materially in the form hereto and (ii) Barclays Capital 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 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 Action in which the Bar Order is not entered or deemed effective materially in the form hereto, the GSEs shall repay that portion of the Settlement Payment in the Action equal to any such judgment against Barclays Capital.

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, 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.

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

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 *Barclays* Action and of the Released Plaintiff Claims against Barclays Capital 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 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.

9. 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. Each Settling Party 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, the Barclays 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) No Releasing Defendant Person shall interfere with FHFA's prosecution of any claims FHFA has asserted or may assert in the *Ally* or Related Actions against Non-Settling Defendants.

(d) Nothing in this Agreement shall prevent FHFA or the GSEs from seeking third-party discovery from any Released Defendant Person in any action or proceeding. The Released Defendant Persons shall use all reasonable efforts to comply with any subpoenas pursuant to Rule 45 of the Federal Rules of Civil Procedure served upon them in the *Ally* and/or Related Actions by any of the Released Plaintiff Persons relating to claims as to the Non-Settling Defendants.

11. The obligations and benefits conferred in the Protective Order, governing confidentiality of information and documents entered in the Actions, 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 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 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. If any settlement agreement in any of the Related Actions or the *Ally* Action provides for a release of any LIBOR Claims, FHFA shall offer the Barclays Defendants a release of LIBOR Claims solely on the Covered Securities on the most favorable relative terms provided to another settling party.

18. 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.

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 *Barclays* and *Ally* Actions, including any and all legal and expert fees, incurred in connection with this Agreement and those Actions.

21. 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)
Quinn Emanuel Urquhart & Sullivan, LLP
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New York, New York 10010

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

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Brian T. Frawley (frawleyb@sullcrom.com)
Jeffrey T. Scott (scottj@sullcrom.com)
Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004

Attorneys for the Barclays Defendants

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.

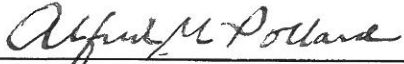

26. This Agreement may be executed in multiple counterparts, which shall be deemed an original but all of which together shall constitute one and the same instrument. Signatures exchanged by facsimile or .pdf shall be valid and effective as original signatures.

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 of the Actions.


EXECUTION COPY

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>4-23-2014</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></p> <p>BY: BRADLEY LERMAN ITS: EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL, AND CORPORATE SECRETARY</p> <p>DATED: <u>4/23/14</u></p>	


EXECUTION COPY

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

<p>BARCLAYS BANK PLC</p> <p><u>Michael Crowl</u></p> <p>BY: MICHAEL CROWL ITS: MANAGING DIRECTOR AND GENERAL COUNSEL - AMERICAS DATED: <u>4/24/14</u></p>	<p>BARCLAYS CAPITAL INC.</p> <p><u>Michael Crowl</u></p> <p>BY: MICHAEL CROWL ITS: MANAGING DIRECTOR AND GENERAL COUNSEL - AMERICAS DATED: <u>4/24/14</u></p>
<p>SECURITIZED ASSET BACKED RECEIVABLES LLC</p> <p><u>Alan B. Kaplan</u></p> <p>BY: Alan B. Kaplan ITS: Authorized Signatory DATED: <u>4/24/14</u></p>	<p>MICHAEL WADE</p> <p>BY: _____</p> <p>DATED: _____</p>
<p>JOHN CARROLL</p> <p>BY: _____</p> <p>DATED: _____</p>	<p>PAUL MENEFFEE</p> <p>BY: _____</p> <p>DATED: _____</p>

BARCLAYS BANK PLC _____ BY: ITS: DATED: _____	BARCLAYS CAPITAL INC. _____ BY: ITS: DATED: _____
SECURITIZED ASSET BACKED RECEIVABLES LLC _____ BY: ITS: DATED: _____	MICHAEL WADE <i>Michael Wade</i> _____ BY: DATED: <i>April 23, 2014</i>
JOHN CARROLL _____ BY: DATED: _____	PAUL MENEFEE _____ BY: DATED: _____

BARCLAYS BANK PLC _____ BY: ITS: DATED: _____	BARCLAYS CAPITAL INC. _____ BY: ITS: DATED: _____
SECURITIZED ASSET BACKED RECEIVABLES LLC _____ BY: ITS: DATED: _____	MICHAEL WADE _____ BY: DATED: _____
JOHN CARROLL  _____ BY: DATED: <u>4/23/14</u>	PAUL MENEFFEE _____ BY: DATED: _____

<p>BARCLAYS BANK PLC</p> <hr/> <p>BY: ITS:</p> <p>DATED: _____</p>	<p>BARCLAYS CAPITAL INC.</p> <hr/> <p>BY: ITS:</p> <p>DATED: _____</p>
<p>SECURITIZED ASSET BACKED RECEIVABLES LLC</p> <hr/> <p>BY: ITS:</p> <p>DATED: _____</p>	<p>MICHAEL WADE</p> <hr/> <p>BY:</p> <p>DATED: _____</p>
<p>JOHN CARROLL</p> <hr/> <p>BY:</p> <p>DATED: _____</p>	<p>PAUL MENEFEE</p> <p><i>Paul Menefee</i></p> <hr/> <p>BY:</p> <p>DATED: <u>4/23/2014</u></p>

THE COVERED SECURITIES

GSE	Securitization Name	CUSIP	Action
FRE	AMSI 2005-R10 A1	03072SS22	<i>Barclays</i>
FRE	ARSI 2005-W3 A1	040104NX5	<i>Barclays</i>
FRE	ARSI 2005-W5 A1	040104QK0	<i>Barclays</i>
FRE	ARSI 2006-W2 A1	040104SG7	<i>Barclays</i>
FRE	CBASS 2006-CB1 AV1	81375WHF6	<i>Barclays</i>
FRE	CBASS 2007-CB2 A1	1248MBAF2	<i>Barclays</i>
FRE	FHLT 2005-D 1A1	35729PMA5	<i>Barclays</i>
FNM	FHLT 2006-C 1A1	35729TAA0	<i>Barclays</i>
FRE	RAMP 2005-EFC7 AII	76112BR85	<i>Ally</i>
FRE	RASC 2006-EMX8 AII	74924UAE1	<i>Ally</i>
FRE	RASC 2006-EMX9 AII	74924VAE9	<i>Ally</i>
FRE	RASC 2006-KS9 AII	75406YAE7	<i>Ally</i>

THE RELATED ACTIONS

Federal Housing Finance Agency v. First Horizon National Corporation, et al., No. 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. Nomura Holding America, Inc., et al., 11 Civ. 6201 (S.D.N.Y.)

Federal Housing Finance Agency v. 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,

-against-

BARCLAYS BANK PLC., *et al.*,

Defendants.

11 Civ. 6190 (DLC)

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)

JOINT MOTION TO STAY PROCEEDINGS

1. On April 23, 2014, Plaintiff Federal Housing Finance Agency, as Conservator of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association (collectively, “Plaintiff”), and Defendants Barclays Bank PLC, Barclays Capital Inc. (“Barclays Capital”), Securitized Asset Backed Receivables LLC, Michael Wade, John Carroll, and Paul Menefee (collectively, the “Barclays Defendants”) entered into a settlement agreement (the “Agreement”) to resolve claims in *Federal Housing Finance Agency v. Barclays Bank PLC, et*

al., No. 11 Civ. 6190 (DLC) (S.D.N.Y.) (the “*Barclays Action*”), as well as claims against Barclays Capital 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 the Barclays Defendants (the “Parties”) agreed jointly to move for a stay of the claims against the Barclays Defendants in the *Barclays* and *Ally* Actions 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 jointly file a stipulation of voluntary dismissal with prejudice of the *Barclays* Action within one business day of the GSEs’ receipt of the Settlement Payment, and shall move to dismiss FHFA’s claims against Barclays Capital in the *Ally* Action within five business days of the GSEs’ receipt of the Settlement Payment. Presently, the Parties anticipate the Settlement Payment to be made on or before May 7, 2014;

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

Dated: April __, 2014
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-

BARCLAYS BANK PLC., *et al.*,

Defendants.

11 Civ. 6190 (DLC)

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 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. 6190 action shall remain stayed 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; 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 NATIONAL
MORTGAGE ASSOCIATION AND THE FEDERAL
HOME LOAN MORTGAGE CORPORATION,

Plaintiff,

-against-

BARCLAYS BANK PLC., *et al.*,

Defendants.

11 Civ. 6190 (DLC)

STIPULATION OF VOLUNTARY DISMISSAL WITH PREJUDICE

WHEREAS Plaintiff, Federal Housing Finance Agency, and Barclays Bank PLC, Barclays Capital Inc., Securitized Asset Backed Receivables LLC, Michael Wade, John Carroll, and Paul Menefee (collectively, the “Barclays Defendants”) 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: _____, 2014
New York, New York

By: _____
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**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 Barclays Capital Inc. (“Barclays Capital”) (together, 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 Barclays Capital 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 Barclays Capital only;

IT IS ORDERED that (a) RBS Securities, Inc. f/k/a Greenwich Capital Markets, Inc., and 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 Barclays Capital, 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 Barclays Capital 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 Barclays Capital 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 Barclays Capital 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 RAMP 2005-EFC7 AII, RASC 2006-EMX8 AII, RASC 2006-EMX9 AII, and RASC 2006-KS9 AII securities a judgment credit in an amount that is the greater of a) the amount of Plaintiff's settlement with Barclays Capital 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 Barclays Capital' 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. RBS Securities, Inc. f/k/a Greenwich Capital Markets, Inc., and Goldman, Sachs & Co, as well as any party against whom Plaintiff or another Non-Settling Defendant subsequently brings claims in connection with the RAMP 2005-EFC7 AII, RASC 2006-EMX8 AII, RASC 2006-EMX9 AII, and RASC 2006-KS9 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; and
- 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 Barclays Capital with prejudice and without costs pursuant to Rule 21 and/or 41(a)(2).

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