

At IAS Part 60 of the Supreme Court of the State of New York, held in and for the County of New York, at the Courthouse located at 60 Centre Street, New York, New York on the _____ day of _____, 2021

In the matter of the application of

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

Petitioners,

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

Index No. 657387/2017

**[PROPOSED]
PARTIAL SEVERANCE
ORDER AND PARTIAL
FINAL JUDGMENT
(SAMI 2006-AR5)**

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

WHEREAS, all capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Petition;

WHEREAS, pursuant to the Settlement Agreement, the Settlement Payment is to be apportioned among the Settlement Trusts, including the individual loan groups therein and classes of principal only certificates therein, based on “Allocable Shares” calculated in an expert report filed with the Court at NYSCEF Nos. 178 and 179;¹

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

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

WHEREAS, under the December Orders, the Court directed the Petitioners to provide notice of this proceeding pursuant to the notice program described in the December Orders (the “Notice Program”), and the Court found that the Notice Program was the best notice practicable, was reasonably calculated to put interested persons on notice of the proceeding, and constituted due and sufficient notice of the proceeding in satisfaction of federal and state due process requirements and other applicable law;

WHEREAS, the Notice Program directed that interested persons respond to the Petition on or before January 29, 2018, and only the Institutional Investors,² Tilden Park,³ Nover Ventures, LLC (“Nover”), DW Partners LP (“DW”), and Ellington Management

¹ The term “loan pool” as used herein refers to any loan group, loan subgroup, loan pool, loan subpool, or any other applicable grouping, pooling, or other assemblage of loans. Additionally, the term “certificate” as used herein refers to certificates, notes, or other applicable securities.

² All references to the “Institutional Investors” in this Partial Severance Order and Partial Final Judgment include each and every one of the sixteen institutions identified in the Institutional Investors’ Notice of Appearance (Dkt. No. 135).

³ “Tilden Park” includes Tilden Park Investment Master Fund LP, Tilden Park Management I LLC and Tilden Park Capital Management LP, on behalf of themselves and their advisory clients.

Group, L.L.C. (“Ellington”) have asserted interests in SAMI 2006-AR5 (the “Undisputed Trust”)⁴;

WHEREAS the Interested Parties are the only parties with standing to appear with respect to the Undisputed Trust;

WHEREAS, on February 13, 2020, the Court issued a Decision and Order on the Petition, and Ordered, among other things, that “as to any Settlement Trust in which all interested respondents are able, after the issuance of this decision and in consultation with the Trustees, to resolve a dispute as to any issue that is the subject of this proceeding, they may do so independent of the court’s ultimate determination as to how such issue should be resolved among parties that continue to dispute the issue”;

WHEREAS, the Interested Parties agree and consent to this [proposed] Partial Severance Order and Partial Final Judgment (the “Order”), which resolves the issues for which judicial instructions were sought concerning the administration and distribution of the Allocable Share for the Undisputed Trust (the “Subject Allocable Share”);

WHEREAS, the Undisputed Trust is governed by a Pooling and Servicing Agreement (the “Governing Agreement”) in which The Bank of New York Mellon serves as the trustee of the Undisputed Trust (in such capacity, the “Subject Trustee”) and Wells Fargo Bank, National Association (“Wells Fargo”) serves as the securities administrator (in such capacity, the “Subject Payment Administrator” and together with the Subject Trustee the “Subject Petitioners”);

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

⁴ Collectively, the Institutional Investors, Tilden Park, Nover, DW, and Ellington, the “Interested Parties.”

actually enters this Order;

WHEREAS, as used herein the term “Transfer Month” means the second month after the Judgment Entry Date;

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

WHEREAS, as used herein, the term “AS Distribution Date” means the Distribution Date (as that term is defined in the applicable Governing Agreement) for the Undisputed Trust occurring in the Transfer Month.

NOW, THEREFORE, on the motion of Warner Partners, P.C. and Gibbs & Bruns LLP, attorneys for the Institutional Investors, Schindler Cohen & Hochman LLP and Kramer Levin Naftalis & Frankel LLP, attorneys for Tilden Park, McKool Smith, P.C., attorneys for Nover, and Perry, Johnson, Anderson, Miller & Moskowitz, LLP, attorneys for DW and Ellington, it is hereby

ORDERED, ADJUDGED and DECREED that, on or before the Transfer Target Date, the Subject Trustee is to (i) cause escrowed assets to be liquidated to cash with a value equal to the Subject Allocable Share for the Undisputed Trust plus any investment earnings thereon, and (ii) cause the Subject Allocable Share for the Undisputed Trust and investment earnings thereon to be deposited in the distribution account of the Undisputed Trust. From the time of the aforescribed deposit, the amount so deposited shall be deemed the Subject Allocable Share for the Undisputed Trust for all purposes under the Settlement Agreement and this Order; and it is further

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

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

ORDERED, ADJUDGED and DECREED that the Subject Payment Administrator shall distribute the Subject Allocable Shares to certificateholders of the Undisputed Trust on the AS Distribution Date; and it is further

ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Share for the Undisputed Trust, the Subject Payment Administrator (i) shall first increase the applicable certificate principal balances in the amount of the Settlement Payment Write-Up (the "Written-Up Certificate Principal Balances"), and, after applying the Settlement Payment Write-Up, (ii) shall then distribute the Subject Allocable Share to certificateholders based on the Written-Up Certificate Principal Balances, in each of the cases of (i) and (ii) above in a manner consistent with the other terms in this Order; and it is further

ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Share for the Undisputed Trust, the Subject Payment Administrator shall increase the certificate principal balances of the applicable classes of certificates in the amount of the Settlement Payment Write-Up in accordance with the subsequent recovery

write up provisions in the applicable Governing Agreements (the “Governing Agreement Write-Up Instructions”); provided, however, that the Governing Agreement Write-Up Instructions shall be applied in conjunction with the Settlement Agreement Write-Up Instruction in a manner that causes all classes of certificates, specifically including any senior certificates, as defined in the applicable Governing Agreements, with outstanding unpaid realized losses to be eligible to be increased by the amount of the Settlement Payment Write-Up (without regard to any language in the applicable Governing Agreements that could be construed as rendering any classes of certificates ineligible to be increased by the Settlement Payment Write-Up); and it is further

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

ORDERED, ADJUDGED and DECREED that this Order is not applicable to, and shall be without prejudice to and shall have no precedential effect on, (i) any argument of any party concerning any other issue in this proceeding not explicitly provided for in this Order; (ii) the appropriate administration and distribution of the Settlement Payment for Settlement Trusts other than the Undisputed Trust where there is a dispute among the parties regarding how the Settlement Payment should be administered or distributed, (iii) Settlement Trusts for which no investors have appeared in this proceeding or any trust, indenture, or other securitization other than the Undisputed Trust, or (iv) any applications to certificate balances (*e.g.*, write-ups) or distributions of payments or funds other than the Subject Allocable Shares; and it is further

ORDERED, ADJUDGED and DECREED that certificateholders, noteholders, and

any other parties claiming rights or interests in the Undisputed Trust are barred from asserting claims against any of the Subject Petitioners with respect to any conduct taken to implement and comply with the terms of this Order and with respect to such Subject Petitioners' administration and distribution of the Settlement Payment with respect to such Undisputed Trust, so long as such conduct is performed in accordance with the terms of this Order; and it is further

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

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

Dated: New York, New York
_____, 2021

J.S.C.

Judgment signed and entered this _____ day of _____ 2021.

Clerk of New York County