

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

BLACKROCK CORE BOND PORTFOLIO,
et al.,

Plaintiffs,

-against-

WELLS FARGO BANK, NATIONAL
ASSOCIATION,

Defendant.

Index No. 656587/2016

Justice Andrew Borrok (Part 53)

~~PROPOSED~~ ORDER AND FINAL JUDGMENT

WHEREAS, Plaintiffs and Defendant Wells Fargo Bank, National Association (“Defendant” and together with Plaintiffs, the “Parties”) have entered into a Stipulation and Agreement of Settlement dated November 9, 2018 (the “Stipulation”), that provides for a complete dismissal with prejudice of the Released Claims on the terms and conditions set forth in the Stipulation, subject to the approval of this Court (the “Settlement”);

WHEREAS, a Fairness Hearing having been held before this Court on May 6, 2019, at 10:00 a.m. (the “Fairness Hearing”), pursuant to the Court’s Order dated January 30, 2019 (1) Directing Notice to the Proposed Settlement Class of the Proposed Settlement and Fairness Hearing and (2) Setting Date for Fairness Hearing (the “Notice Order”); it appearing that due notice of the Fairness Hearing was given in accordance with aforesaid Notice Order and that the notice was adequate and sufficient; the respective parties having appeared by their attorneys of record; the attorneys for the respective parties having been heard in support of the Settlement; an opportunity to be heard having been given to all other persons desiring to be heard, as provided in the Notice (as defined below) to the proposed Settlement Class (as defined below); the entire matter of the proposed Settlement having been heard and considered by the Court;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

1. Incorporation. The Stipulation and the exhibits annexed thereto are incorporated herein by reference as though fully set forth in this Order. Unless otherwise defined in this Judgment, the capitalized terms herein shall have the same meaning set forth in the Stipulation.

2. Findings Regarding Jurisdiction. The Court finds that it has jurisdiction over the subject matter of the above-captioned action (hereinafter, the “Action”), all Parties to the Action, and all Settlement Class Members.

3. Certification of Settlement Class. For purposes of effectuating the Settlement only and for no other purpose, the Action is certified as a class action pursuant to New York Civil Practice Law and Rules (“CPLR”) 901, *et seq.*, on behalf of a settlement class of Plaintiffs and all other persons or entities who purchased or otherwise acquired a beneficial interest in a security issued from the Trusts and (i) hold on the date on which the Court enters an order finally approving the Settlement or (ii) held at any time on or after June 18, 2014, but no longer hold as of the date on which the Court enters an order finally approving the Settlement (herein, the “Class” or “Settlement Class”). Excluded from the Class are Defendant, the Originators, the Sellers, the Master Servicers and the Servicers to the Trusts, and their officers and directors, their legal representatives, successors or assigns, and any entity in which they have or had a controlling interest; provided, however, that Wells Fargo is not excluded from the Class to the extent that Wells Fargo holds Certificates in the Trusts as assets in its capacity as a trustee or indenture trustee (or similar capacity) for the benefit of third-party investors. Also excluded from the Class are IKB International, S.A., IKB Deutsche Industriebank A.G., and the plaintiffs or any entity a court determines to be the proper plaintiff(s) in the following actions: (i) *Royal Park Investments SA/NV v. Wells Fargo Bank, N.A.*, Case No. 14-cv-9764 (S.D.N.Y.); (ii) *National Credit Union Administration Board, et al. v. Wells Fargo Bank, N.A.*, Case No. 14-cv-10067 (S.D.N.Y.), as to

the Trusts at issue in that action; (iii) *Phoenix Light SF Limited, et al. v. Wells Fargo Bank, N.A.*, Case No. 14-cv-10102 (S.D.N.Y.); (iv) *Commerzbank A.G. v. Wells Fargo Bank, N.A.*, Case No. 15-cv-10033 (S.D.N.Y.); and (v) the persons and entities listed on Exhibit 1 hereto who or which are excluded from the Settlement Class pursuant to their Requests for Exclusion.

4. Findings Regarding Certification of the Settlement Class. The Court finds that, based upon the record, and solely for purposes of effectuating the Settlement and for no other purpose, each of the prerequisites to a class action set forth in CPLR 901-02 and applicable case precedent has been satisfied and the Action has been properly maintained in accordance with such provisions. Specifically, this Court finds that (a) Settlement Class Members are so numerous that joinder of all members, whether otherwise required or permitted, is impracticable; (b) there are questions of law or fact common to the Settlement Class which predominate over any questions affecting only individual members; (c) the claims of Plaintiffs are typical of the claims of the Settlement Class; (d) Plaintiffs and Plaintiffs' Counsel can fairly and adequately represent and protect the interests of the Settlement Class; and (e) a class action is superior to other available methods for the fair and efficient settlement of the Action, considering the interests of the Settlement Class Members in individually controlling the prosecution of separate actions, the impracticality or inefficiency of prosecuting separate actions, the extent and nature of any litigation concerning the Action already commenced by Settlement Class Members, the desirability or undesirability of continuing the litigation of these claims in this particular forum, and the difficulties likely to be encountered in the management of a class action.

5. Certification of Settlement Class Representatives and Class Counsel. For the purposes of effectuating this Settlement only and for no other purpose, the Court hereby designates Plaintiffs as the representatives of the Settlement Class and appoints Plaintiffs' Counsel, Bernstein Litowitz Berger & Grossmann LLP, as Class Counsel for the Settlement Class.

6. Findings Regarding Notice. The Court finds that the dissemination of the Notice of Pendency of Class Action, Proposed Settlement and Fairness Hearing and Right to Appear (the "Notice") and the publication of the Summary Notice were implemented in accordance with the Notice Order; proof of the dissemination of the Notice to the Settlement Class has been filed with the Court; and full opportunity to be heard has been offered to all Parties, Settlement Class Members, and persons in interest. The form and manner of the Notice is hereby determined to have constituted the best notice practicable under the circumstances, that was reasonably calculated, under the circumstances, to apprise Settlement Class Members of (i) the pendency of the Action; (ii) the effect of the proposed Settlement (including the Releases and Released Claims thereunder); (iii) Plaintiffs' Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses; (iv) their right to object to any aspect of the Settlement, the Plan of Allocation, and/or Plaintiffs' Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses; (v) their right to exclude themselves from the Settlement Class; and (vi) their right to appear at the Fairness Hearing; constituted due, adequate, and sufficient notice to all persons and entities entitled to receive notice of the proposed Settlement; and fully satisfies the requirements of due process, the CPLR (including CPLR 904), and applicable case precedent.

7. Settlement Class Bound. Due and adequate notice of the proceedings having been given and a full opportunity having been offered to the Settlement Class Members to participate in the Fairness Hearing or object to the Settlement, it is hereby determined that all Settlement Class Members and their successors and assigns (including but not limited to persons or entities that purchase or otherwise acquire any of the Certificates from any of the Plaintiffs or Settlement Class Members or their direct or indirect successors on or after the deadline for submitting Requests for Exclusion) are properly bound by this Order and Final Judgment.

8. Findings Regarding Settlement Fairness. Pursuant to, and in accordance with the CPLR and applicable case precedent, after considering the Plaintiffs' and Settlement Class Members' likelihood of success on the merits, the extent of support from the Parties, the judgment of counsel, the presence of bargaining in good faith, and the nature of the issues of law and fact, this Court hereby fully and finally approves the Settlement set forth in the Stipulation in all respects (including, without limitation: the amount of the Settlement; the Releases and Released Claims provided for therein; and the dismissal with prejudice of all Claims asserted against Defendant and Plaintiffs in the Action), and finds that the Settlement is, in all respects, fair, reasonable, and adequate to the Settlement Class. The Court further finds that the Settlement set forth in the Stipulation is the result of arm's-length negotiations between experienced counsel representing the interests of sophisticated institutional Parties. The Court further finds that the record is sufficiently developed and complete to have enabled the Parties to have adequately evaluated and considered the strengths and weaknesses of their respective litigation positions, and the risks of further litigation. There were two objections to the Settlement that have been resolved by the Parties and withdrawn pursuant to stipulations filed jointly by the Parties and the objectors. To the extent any objections remain, they are found to lack merit and are overruled. Accordingly, the Settlement embodied in the Stipulation is hereby approved in all respects. The Parties are directed to implement, perform, and consummate the Settlement in accordance with the terms and provisions contained in the Stipulation.

9. Dismissal with Prejudice. The Action and all of the claims asserted against Defendant in the Action by Plaintiffs and the other Settlement Class Members are hereby dismissed in their entirety with prejudice. The Parties shall bear their own costs and expenses, except as otherwise ordered by the Court on any application for an award of attorneys' fees or Litigation Expenses payable from the Settlement Fund, as provided in the Stipulation.

10. Successors and Assigns. The terms of the Stipulation and of this Judgment shall be forever binding on, and inure to the benefit of, the Parties and all Settlement Class Members (regardless of whether or not any individual Settlement Class Member submits a Claim Form or seeks or obtains a distribution from the Net Settlement Fund), as well as their respective successors and assigns (including but not limited to persons or entities that purchase or otherwise acquire any of the Certificates from any of the Plaintiffs or Settlement Class Members or their direct or indirect successors on or after the deadline for submitting Requests for Exclusion). The persons and entities listed on Exhibit 1 hereto are excluded from the Settlement Class pursuant to request and are not bound by the terms of the Stipulation or this Judgment.

11. Releases. The Releases set forth in paragraphs 6 – 13 of the Stipulation (the “Releases”), together with the definitions contained in paragraph 1 of the Stipulation relating thereto, are expressly incorporated herein in all respects. The Releases are effective as of the date the Court enters this Order of final approval of the Settlement and shall fully and finally release any and all Defendant’s Released Claims against Plaintiffs, Plaintiffs’ Releasees, and the Settlement Class Members, and any and all Plaintiffs’ Released Claims against Defendant and Defendant’s Releasees. Accordingly, this Court orders that:

(a) Upon this final approval of the Settlement by the Court, Plaintiffs, Plaintiffs’ Releasees, and each of the Class Members, on behalf of themselves, their heirs, executors, administrators, predecessors, successors, and assigns, will fully, finally and forever release, relinquish, waive, discharge and dismiss each and every one of Plaintiffs’ Released Claims, and shall forever be enjoined from pursuing any or all Settled Claims against Defendant and any of Defendant’s Releasees, whether directly or indirectly, whether on their own behalf or otherwise, and regardless of whether or not such Class Member executes and delivers a Proof of Claim Form. The release of the Settled Claims against Defendant and any of Defendant’s Releasees applies to

the Certificates and will bind and include any future purchasers or acquirers of securities, notes, or interests of any kind in the Trusts from Plaintiffs, Plaintiffs' Releasees, and Settlement Class Members with respect to such securities, notes, or interests of any kind in the Trusts. Without waiver of any position or argument regarding the applicability of any particular statutory provision, the Releases contained in this Settlement shall apply to and release any and all Settled Claims against Defendant and Defendant's Releasees regardless of when such Claims accrued, including any and all Claims transferred to the Plaintiffs, Plaintiffs' Releasees, and Settlement Class Members pursuant to any agreement or by operation of any applicable law, including but not limited to, N.Y. Gen. Oblig. Law § 13-107;

(b) Upon this final approval of the Settlement by the Court, the Defendant and Defendant's Releasees, on behalf of themselves, their heirs, executors, administrators, predecessors, successors and assigns, shall be deemed to have released, relinquished, waived, discharged and dismissed each and every one of the Defendant's Released Claims, and shall forever be enjoined from asserting, prosecuting, or pursuing, whether directly, indirectly, or derivatively, alone or in conjunction with others, any or all of the Settled Claims against the Released Parties;

(c) This Settlement is in good faith, consistent with and pursuant to N.Y. Gen. Oblig. Law § 15-108(b) and any similar provisions of law in any other jurisdiction, and releases all Claims for contribution, indemnification, and similar causes of action against the Defendant and Defendant's Releasees related to the Plaintiffs' Released Claims; and

(d) This Release shall not apply to any person or entity listed on Exhibit 1 hereto, and nothing herein shall preclude Defendant from establishing trust reserve accounts for other Trusts terminated prior to or after the date this Order is entered.

12. Unknown Claims Released. With respect to any and all Settled Claims, Plaintiffs, Defendant, and their Releasees expressly waive, and each Class Member shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, to the fullest extent permitted by law, any and all provisions, rights, and benefits conferred by Cal. Civ. Code § 1542, and any law of any state or territory of the United States, or principle of common law, or the law of any foreign jurisdiction, that is similar, comparable or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

The Parties acknowledge that they and their Releasees hereafter may discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of the Claims and rights released in this Settlement. Nevertheless, they intend for the Releases set forth in the Settlement to be extended to, and the Releases with this Order are extended to, all Claims and rights encompassed therein, whether known, unknown, suspected, unsuspected, concealed, hidden, accrued, unaccrued, contingent, or non-contingent.

13. Enforcement. Notwithstanding paragraphs 11-12 above, nothing in this Judgment shall bar any action by any of the Parties to enforce or effectuate the terms of the Stipulation or this Judgment.

14. Administration of Settlement. The Claims Administrator shall administer the Settlement in accordance with the provisions of the Stipulation and of the Notice Order. After the Effective Date has occurred and the claims administration process has been completed, Plaintiffs shall move the Court for an order (i) approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of claims and approving any fees and

expenses not previously applied for, including the fees and expenses of the Claims Administrator; and (ii) directing that the Net Settlement Fund be distributed from the Escrow Account.

15. Distributions Final and Conclusive. Payment pursuant to the Class Distribution Order shall be final and conclusive against any and all members of the Settlement Class. All Settlement Class Members who do not submit Proof of Claim Forms or whose claims on their Proof of Claim Forms are not approved by the Court for payment shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of the Stipulation and the Settlement, including the terms of this Judgment and the Releases and injunctions provided for herein and therein, and will be permanently barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any action against Defendant and any and all Defendant's Releasees with respect to any and all of the Settled Claims.

16. No Liability of Defendant and Defendant's Releasees. Neither Defendant nor Defendant's Releasees shall have any responsibility for, or liability relating to: (i) provision of Notice, any distribution or redistribution of the Notice and Claim Form, or the publication of the Publication Notice; (ii) the establishment or administration of the Plan of Allocation; (iii) the establishment, maintenance, administration, or distribution of the Settlement Fund, the Net Settlement Fund, or the Escrow Account (other than Defendant's obligation to deposit the Settlement Fund into the Escrow Account); (iv) the award or payment of attorneys' fees or Litigation Expenses; (v) the receipt, review, determination, approval, disapproval, administration, calculation, or payment of claims on Proof of Claim Forms; (vi) the payment or withholding of Taxes or any failure thereof; (vii) any tax consequences to the Trusts or certificateholders caused by the distribution of the Net Settlement Fund; (viii) the fact that the distribution of the Settlement Fund is occurring outside of the Trusts and will not be reflected on the books and records of the Trusts; (ix) the administration of the Settlement; (x) any trading on the Certificates by Plaintiffs in

connection with the Settlement; or (xi) any losses incurred by any person or entity in connection with any of the foregoing matters.

17. No Admissions. Whether or not the Effective Date occurs, the fact and terms of the Stipulation, any act performed or document signed in connection with the Settlement, and all negotiations, discussions, drafts, and proceedings in connection with the Settlement:

(a) shall not be offered against Defendant or any of the Defendant's Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by the Defendant or any of the Defendant's Releasees with respect to the truth of any fact alleged by Plaintiffs or the validity of any Claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in the Actions or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of the Defendant or any of the Defendant's Releasees or in any way referred to for any other reason as against the Defendant or any of the Defendant's Releasees in any civil, criminal, administrative, or other action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(b) shall not be offered against the Plaintiffs or any of the Plaintiffs' Releasees, as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by the Plaintiffs or any of the Plaintiffs' Releasees that any of their claims are without merit, that Defendant or any of the Defendant's Releasees had meritorious defenses, or that damages recoverable would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against the Plaintiff or any of the Plaintiffs' Releasees in any civil, criminal, administrative, or other action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(c) shall not be construed against any of the Parties or their Releasees as an admission, concession, or presumption that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; *provided, however*, that the Parties and their Releasees and their respective counsel may file the Stipulation and/or this Order and Final Judgment to effectuate the protections from liability granted hereunder and otherwise to enforce the terms of the Settlement.

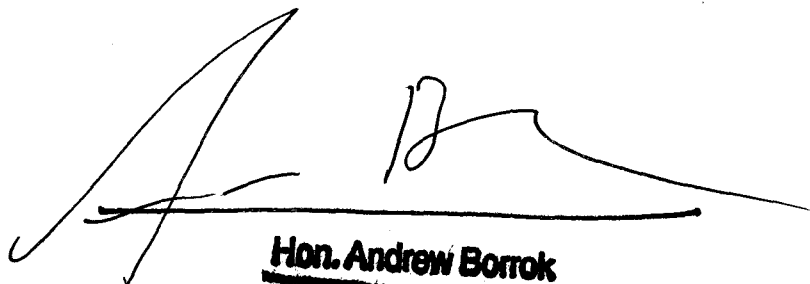
18. Effect of Termination of Settlement. If the Settlement is terminated as provided in the Stipulation or the Effective Date of the Settlement otherwise fails to occur: (i) this Judgment shall be vacated, rendered null and void and be of no further force and effect, except as otherwise provided by the Stipulation; (ii) this Judgment shall be without prejudice to the rights of Plaintiffs, the other Settlement Class Members and Defendant; (iii) the Parties shall revert to their respective positions in the Actions as of immediately prior to the execution of the Term Sheet on August 15, 2018, as provided in the Stipulation; and (iv) the Stipulation, the facts of the Settlement, and this Judgment shall not be admissible for any purpose except as set forth in the Stipulation.

19. Continuing Jurisdiction. Without affecting the finality of this Judgment in any way, this Court reserves jurisdiction over: (i) the administration, interpretation, implementation, and enforcement of the Settlement; (ii) the disposition or distribution of the Settlement Fund and Net Settlement Fund; (iii) any motion for an award of attorneys' fees and/or Litigation Expenses by Plaintiffs' Counsel in the Action; (iv) any motion to approve the Plan of Allocation; (v) any motion to approve the Class Distribution Order; and (vi) the Settlement Class Members for all matters relating to the Action. Additionally, all funds in the Escrow Account are *in custodia legis* of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds are disbursed pursuant to the Stipulation and/or further order of the Court.

20. Certain Matters Independent of This Judgment. Separate orders shall be entered regarding approval of a plan of allocation and the motion of Plaintiffs' Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses. Such orders shall in no way affect, disturb, or delay the finality of this Judgment and shall not affect or delay the Effective Date of the Settlement.

21. Entry of Judgment. There is no just reason to delay the entry of this Judgment as a Final Judgment in this Action. Accordingly, the Clerk of the Court is expressly directed to immediately enter this Final Judgment in this Action.

IT IS SO ORDERED this 6 day of May, 2019.



Hon. Andrew Borrok

11/13/11

NOTHING TO REPORT

Exhibit 1 - Requests for Exclusion¹**1. TACONIC CAPITAL:**

Taconic Master Fund 1.5 LP
Taconic Opportunity Master Fund LP
Park Royal I LP
Park Royal II LP

c/o Carol F. Lee
Special Counsel
280 Park Avenue, 5th Floor
New York, New York 10017

2. WELLS FARGO, as Indenture Trustee, as directed by the requisite holders and/or transaction parties for the following trusts:

Cayman ABSC NIM Trust 2007-HE2
Option One Mortgage Securities III Corp. Re-NIM Trust 2007-1
Option One NIM Trust 2006-2
Option One NIM Trust 2006-1
Option One NIM Trust 2007-CP1
Option One NIM Trust 2007-3
Option One NIM Trust 2007-FXD1

c/o Daniel M. Cohen
Vice President Corporate Trust Services
9062 Old Annapolis Rd.
Columbia, MD 21045

¹ The National Credit Union Administration Board ("NCUA") and Graeme W. Bush as separate trustee for NCUA Guaranteed Notes submitted a request for exclusion which was unnecessary because the Settlement Class definition already excludes the NCUA. *See* Joint Stipulation of the Parties and NCUA Plaintiffs Withdrawing NCUA Plaintiffs' Objections to the Settlement.