

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

POLICEMEN’S ANNUITY AND BENEFIT FUND
OF THE CITY OF CHICAGO et al.,

Plaintiffs,
- against -

BANK OF AMERICA, N.A. (as Trustee Under
Various Pooling and Servicing Agreements) and
U.S. BANK NATIONAL ASSOCIATION (as Trustee
Under Various Pooling and Servicing Agreements),

Defendants.

CASE NO. 1:12-CV-02865-KBF

CASE NO. 1:13-CV-05978-KBF (consolidated)

**NOTICE OF PENDENCY OF CLASS ACTION AND OF
PROPOSED SETTLEMENT AND FINAL APPROVAL HEARING**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

NOTICE OF PENDENCY OF CLASS ACTION: Please be advised that your rights may be affected by the above-captioned class action litigation pending in this Court (the “Action”) if you purchased or otherwise acquired pass-through certificates from any of the following residential mortgage-backed securities trusts: WAMU MORTGAGE PASS-THROUGH CERTIFICATES SERIES (“WAMU”) 2005-AR15 TRUST, WAMU 2005-AR17 TRUST, WAMU 2005-AR19 TRUST, WAMU 2006-AR2 TRUST, WAMU 2006-AR6 TRUST, WAMU 2006-AR7 TRUST, WAMU 2006-AR8 TRUST, WAMU 2006-AR9 TRUST, WAMU 2006-AR10 TRUST, WAMU 2006-AR11 TRUST, WAMU 2006-AR12 TRUST, WAMU 2006-AR13 TRUST, WAMU 2006-AR14 TRUST, WAMU 2006-AR15 TRUST, WAMU 2006-AR16 TRUST, WAMU 2006-AR17 TRUST, WAMU 2006-AR18 TRUST, WAMU 2006-AR19 TRUST, WAMU MORTGAGE PASS-THROUGH CERTIFICATES WMALT SERIES (“WMALT”) 2005-9 TRUST, WMALT 2006-1 TRUST, WMALT 2006-2 TRUST, WMALT 2006-3 TRUST, WMALT 2006-4 TRUST, WMALT 2006-5 TRUST, WMALT 2006-6 TRUST, WMALT 2006-7 TRUST, WMALT 2006-8 TRUST, WMALT 2006-9 TRUST, WMALT 2006-AR1 TRUST, WMALT 2006-AR2 TRUST, WMALT 2006-AR3 TRUST, WMALT 2006-AR4 TRUST, WMALT 2006-AR5 TRUST, WMALT 2006-AR6 TRUST, WMALT 2006-AR7 TRUST, WMALT 2006-AR8 TRUST, WMALT 2006-AR9 TRUST, WMALT 2006-AR10 TRUST, WAMU 2007-OA3 TRUST, WAMU 2007-OA4 TRUST, WAMU 2007-OA5 TRUST, WMALT 2007-OA3 TRUST, WMALT 2007-HY2 TRUST, WAMU 2007-HY1 TRUST, WAMU 2007-HY2 TRUST, WAMU 2007-HY3 TRUST, WAMU 2007-HY4 TRUST, WAMU 2007-HY5 TRUST, WAMU 2007-HY6 TRUST, AND WAMU 2007-HY7 TRUST (collectively, the “Covered Trusts”).¹

Please Note: A complete list of the Certificates issued by the Covered Trusts and corresponding CUSIPS can be found on the website for the settlement, www.wamutiasettlement.com.

NOTICE OF SETTLEMENT: Please also be advised that plaintiffs Policemen’s Annuity and Benefit Fund of the City of Chicago; Laborers’ Pension Fund and Health and Welfare Department of the Construction and General Laborers’ District Council of Chicago and Vicinity; Iowa Public Employees’ Retirement System; Arkansas Public Employees’ Retirement System; Vermont Pension Investment Committee; Washington State Investment Board; Arkansas Teacher Retirement System; Public Employees’ Retirement System of Mississippi; City of Tallahassee Retirement System; and Central States, Southeast and Southwest Areas Pension Fund (collectively, “Plaintiffs”), on behalf of themselves and the Settlement Class (as defined below), have reached a proposed settlement (the “Settlement”) of the Action for a total of \$69 million United States dollars in cash that will resolve all claims in the Action against defendants Bank of America, N.A. and U.S. Bank National Association (collectively, “Defendants” and, together with Plaintiffs, the “Parties”), in their individual capacities and their capacities as current, former, or successor trustees of the Covered Trusts, on the terms set forth in the Parties’ Stipulation and described herein.

This Notice explains important rights you may have, including your possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act. **PLEASE READ THIS NOTICE CAREFULLY!**

- **Description of the Action and the Settlement Class:** Filed in April 2012, this class action alleges that Defendants, as trustees for the Covered Trusts, breached their contractual responsibilities and violated the federal Trust Indenture Act of 1939, as amended (the “TIA”), 15 U.S.C. 77aaa *et seq.*, by failing to cause the substitution or repurchase of mortgage loans with allegedly uncured document deficiencies or that allegedly breached representations and warranties by the entities (or their successors) that sold the mortgage loans to the Covered Trusts (“Defective Mortgages”). Plaintiffs further allege that these allegedly Defective Mortgages caused credit losses to the Covered Trusts that impaired the value of certificates issued by the Covered Trusts (“Certificates”) and caused out-of-pocket losses to investors in the Certificates.

¹ All capitalized terms that are not defined herein shall have the meanings ascribed to them in the Stipulation of Settlement dated as of November 7, 2014 (the “Stipulation”).

The proposed Settlement of this Action, if approved by the Court, will apply to the following “Settlement Class:” Plaintiffs and every other person and entity that purchased or otherwise acquired any of the Certificates at any time (including but not limited to any beneficial owners), and that

- (i) sold or otherwise disposed of the Certificates as of November 7, 2014, or
- (ii) did not sell or otherwise dispose of the Certificates as of November 7, 2014, but suffered an Out-Of-Pocket Loss (as defined below) on an investment in a Certificate as of such date;

provided, however, that the Settlement Class does not include (a) Defendants, JPMorgan Chase & Co., Washington Mutual Bank, and their respective parents, subsidiaries, and affiliates other than Investment Vehicles; (b) the FDIC as a potential successor to Washington Mutual Bank; (c) the named plaintiffs set forth in the July 16, 2014 Amended Complaint in the action entitled *BlackRock Allocation Target Shares: Series S Portfolio et al. v. U.S. Bank National Association*, Index No. 651864/2014 (N.Y. Sup. Ct. N.Y. Cnty.) (the “BlackRock Litigation”);² and (d) any person or entity that submits a valid and timely request for exclusion from the Settlement Class in accordance with the requirements set forth in this Notice.

- **Statement of Settlement Class’ Recovery:** Subject to Court approval, and as described more fully below, Plaintiffs, on behalf of themselves and the Settlement Class, have agreed to settle all Subject Claims (as defined in Question 12 below) against the Defendants in exchange for a cash payment of \$69 million U.S. dollars (the “Settlement Fund”) to be deposited into an interest-bearing escrow account established for this matter (the “Escrow Account”). The Settlement Fund (a) plus any interest earned while the funds are held in the Escrow Account, and (b) less any (i) Taxes and Tax Costs; (ii) Notice and Administration Costs; (iii) Litigation Expenses as awarded by the Court; (iv) attorneys’ fees awarded by the Court; and (v) other costs, expenses, or amounts approved by the Court for distribution from the Settlement Fund prior to distribution to Authorized Claimants (the “Net Settlement Fund”) will be distributed to members of the Settlement Class in accordance with a plan of allocation approved by the Court (the “Plan of Allocation”). The Plan of Allocation being proposed by Plaintiffs is included in this Notice as Appendix A, and may be modified by the Court without further notice to the Settlement Class.

- **Statement Regarding Estimated Average Amount of Recovery:** As discussed above, Plaintiffs pursued a recovery on behalf of investors in Certificates who suffered out-of-pocket losses allegedly caused by Defendants’ alleged failure to take action to remove Defective Mortgages from the Covered Trusts. The Plan of Allocation recognizes that due to the seniority structure of the Covered Trusts and the fact that the Covered Trusts also suffered losses due to factors unrelated to allegedly Defective Mortgages, the risk that investors would not prevail on their claims varied depending upon the Certificate’s position in the hierarchy of the Trusts. Working with a valuation expert, Dr. Bradford Cornell, Ph.D., Plaintiffs determined that it was appropriate to account for these varying risks by dividing the Net Settlement Fund into two Pools – Pool A and Pool B – from which investors could potentially recover. After taking into account the relative merits of the claims and defenses asserted in the Action and consulting with experts, Plaintiffs’ Counsel have determined that twenty-five percent (25%) of the Net Settlement Fund will be allocated to Pool A and seventy-five percent (75%) of the Net Settlement Fund will be allocated to Pool B.

The Plan of Allocation attached as Appendix A hereto addresses how Recognized Claims for Pool A and Pool B are calculated. Plaintiffs estimate the average recovery from Pool A will be approximately \$1.77 for every \$1,000 in loss. Plaintiffs estimate the average recovery from Pool B will be approximately \$8.64 for every \$1,000 in loss. When combining the estimated average recovery amounts from Pool A and Pool B, an investor, in theory, will recover approximately \$10.41 for every \$1,000 in loss. The foregoing estimates are before deduction of Court-awarded attorneys’ fees and Litigation Expenses and the costs of providing notice and administering the Settlement. **Settlement Class members should note, however, that these amounts are only estimates.** Settlement Class members may recover more or less than these amounts depending on, among other factors, the amount and identity of the Certificate(s) purchased or otherwise acquired, when the Certificate(s) were purchased or otherwise acquired and whether or not they were sold, the amount of principal that has been repaid on the Certificate(s), and the number of Settlement Class members who timely submit Proof of Claim Forms.

- **Statement of the Parties’ Litigation Positions:** As set forth above, Plaintiffs believe that Defendants breached their contractual responsibilities and violated the TIA in their roles as trustees, resulting in losses to the Covered Trusts and, as a result, to investors who purchased the Certificates. Defendants deny any and all allegations of wrongdoing and deny that they are liable to Plaintiffs or the Settlement Class or that Plaintiffs or other members of the Settlement Class suffered any injury. Moreover, the Parties do not agree on the amount of recoverable damages or the average amount of damages per Certificate that would be recoverable if Plaintiffs were to prevail on each of the claims. The issues on which the Parties disagree include, but are not limited to: (i) whether Defendants breached the applicable contracts or violated the TIA; (ii) whether any such breach or violation caused harm to Plaintiffs or members of the Settlement Class; (iii) whether Plaintiffs’ claims, and those of the members of the Settlement Class, are time-barred in whole or in part; (iv) whether Plaintiffs have standing to represent the entire proposed class, or only a subset thereof; (v) the amount of and method for determining damages, if any; and (vi) whether it would be appropriate to certify a class for litigation purposes, as opposed to settlement purposes.

² On November 24, 2014, the plaintiffs in the BlackRock Litigation filed a motion to voluntarily dismiss that action from New York Supreme Court and filed their action in the Federal District Court for the Southern District of New York. The case number for that action in the Southern District of New York is 1:14-cv-09401.

- **Statement of Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel will make an application to the Court for an award of attorneys' fees and Litigation Expenses from the Settlement Fund. Plaintiffs' Counsel will apply to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed 20% of the Settlement Fund, plus interest earned on this amount at the same rate and for the same period as earned by the Settlement Fund. Plaintiffs' Counsel also will apply for the reimbursement of certain Litigation Expenses paid or incurred in connection with the prosecution and resolution of the Action in an amount not to exceed \$3 million, plus interest earned on this amount at the same rate and for the same period as earned by the Settlement Fund. If approved, the requested attorneys' fees and Litigation Expenses combined (\$16.8 million) would amount to an average cost of approximately \$0.24 for every \$1.00 recovered in this Action.

The attorneys representing Plaintiffs and the Settlement Class in the Action have expended considerable time and effort to develop the theories of this Action and litigate them over more than two years. The attorneys have done so on a contingent-fee basis, and have advanced all of the expenses of the litigation with the expectation that if they were successful in obtaining a recovery for the Settlement Class they would be paid from such recovery. In this type of litigation, it is customary for plaintiffs' counsel to be awarded a percentage of the class' recovery as their attorneys' fees.

- **Identification of Attorney Representatives:** Plaintiffs and the Settlement Class are being represented by:
 - Deborah Clark-Weintraub and Max Schwartz of Scott+Scott, Attorneys at Law, LLP, The Chrysler Building, 405 Lexington Avenue, 40th Floor, New York, NY 10174; (212) 223-6444; e-mail dweintraub@scott-scott.com and mschwartz@scott-scott.com;
 - Julie Goldsmith Reiser of Cohen Milstein Sellers & Toll PLLC, 1100 New York Avenue, N.W., Suite 500, West Tower, Washington, DC 20005; (202) 408-4600; e-mail jreiser@cohenmilstein.com; and
 - Andrew L. Zivitz and Sharan Nirmul of Kessler Topaz Meltzer & Check, LLP, 280 King of Prussia Road, Radnor, PA 19087; (610) 667-7706; e-mail azivitz@ktmc.com and snirmul@ktmc.com.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A PROOF OF CLAIM FORM BY APRIL 20, 2015	The only way to be eligible to receive a payment from the Settlement.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED BY FEBRUARY 11, 2015	If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement. Exclusion is the only option that potentially allows you to bring, maintain, participate in, or receive a monetary or other recovery in connection with another lawsuit against either of the Defendants or any of the other Released Parties with respect to the Subject Claims.
OBJECT TO THE SETTLEMENT BY SUBMITTING AN OBJECTION SO THAT IT IS RECEIVED BY FEBRUARY 11, 2015	If you do not like the proposed Settlement, the proposed Plan of Allocation, and/or the request for attorneys' fees and Litigation Expenses, you may write to the Court and explain why you do not like them. You can only object to the Settlement, the Plan of Allocation, and/or the request for attorneys' fees and Litigation Expenses if you are a Settlement Class member.
GO TO A HEARING ON MARCH 12, 2015 AT 1:00 P.M. AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED BY FEBRUARY 11, 2015	Filing an objection and notice of intention to appear so that it is received no later than February 11, 2015 allows you to speak in Court about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and Litigation Expenses. If you submit an objection, you may (but do not have to) attend the hearing and speak to the Court about your objection.
DO NOTHING	If you are a member of the Settlement Class and you do not submit a Proof of Claim Form, you will not be eligible to receive any payment from the Settlement. You will, however, remain a member of the Settlement Class, which means that you will give up your right to bring, maintain, participate in, or receive a monetary or other recovery in connection with, another lawsuit against either of the Defendants or any of the other Released Parties with respect to the Subject Claims, and that you will be bound by any judgments or orders entered by the Court in the Action.

- These rights and options – **and the deadlines to exercise them** – are further explained in this Notice.
- The Court in charge of the Action still must decide whether to approve the Settlement. Payments will be made to all Settlement Class members who timely submit valid Proof of Claim Forms if the Court approves the Settlement and after any appeals are resolved and all Proof of Claim Forms have been reviewed and processed. Please be patient.

WHAT THIS NOTICE CONTAINS

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BASIC INFORMATION

1. Why Did I Receive This Notice?

The Court authorized this Notice to be sent to you because you or someone in your family, or an investment account for which you serve as custodian or nominee, may have purchased or otherwise acquired Certificates from the Covered Trusts. If this description applies to you or someone in your family, you have a right to know about a proposed Settlement of class action litigation pertaining to the Certificates and the Covered Trusts, and about your options, before the Court decides whether to approve the Settlement. Additionally, you have the right to understand how a class action may generally affect your legal rights.

This Notice explains the litigation, the Settlement, your legal rights, what settlement benefits are available, who is eligible for them, and how to get them.

2. What Is This Litigation About?

The Plaintiffs in the litigation are Policemen's Annuity and Benefit Fund of the City of Chicago ("PABF"); Laborers' Pension Fund and Health and Welfare Department of the Construction and General Laborers' District Council of Chicago and Vicinity; Iowa Public Employees' Retirement System; Arkansas Public Employees' Retirement System; Vermont Pension Investment Committee; Washington State Investment Board; Arkansas Teacher Retirement System; Public Employees' Retirement System of Mississippi; City of Tallahassee Retirement System; and Central States, Southeast and Southwest Areas Pension Fund. The Defendants are Bank of America, N.A. ("BANA") and U.S. Bank National Association ("U.S. Bank").

Plaintiffs allege claims against BANA as the former trustee, and U.S. Bank as the current trustee, of the Covered Trusts. Plaintiffs allege, among other things, (i) that mortgage files for the mortgage loans owned by the Covered Trusts lacked certain documentation, and that Defendants failed to take appropriate steps to enforce the Covered Trusts' rights to obtain the documentation or to have such mortgage loans repurchased or replaced by the entities (or their successors) that sold the loans to the Covered Trusts; (ii) that mortgage loans owned by the Covered Trusts breached representations and warranties made by the entities that sold the loans to the Covered Trusts, and that Defendants failed to take appropriate steps to enforce the Covered Trusts' rights to have such breaches cured or to have such loans repurchased or replaced by those entities (or their successors); and (iii) that Defendants failed to provide notice to holders of Certificates issued by the Covered Trusts that the servicers of the mortgage loans allegedly had defaulted on their obligations to take appropriate steps to obtain cures of documentation problems or of breaches of representations and warranties, or to obtain repurchases or replacements of the affected loans. Plaintiffs allege claims for alleged breaches of the contracts that govern the Covered Trusts (called pooling and servicing agreements) and for alleged violations of the TIA.

Defendants have denied Plaintiffs' allegations, denied that they have any liability to Plaintiffs or the Settlement Class, denied that Plaintiffs or the Settlement Class members have suffered any cognizable harm, and asserted various affirmative defenses such as the statute of limitations.

3. What Has Happened In The Case So Far?

Plaintiff PABF commenced this litigation by filing a putative class action complaint in the United States District Court for the Southern District of New York on April 11, 2012 (case number 1:12-CV-02865-KBF) alleging claims against Defendants for breach of contract, breach of the implied covenant of good faith and fair dealing, and violations of the TIA. After PABF filed its initial complaint, various amended and/or corrected complaints were filed in the case, and various motions to dismiss were filed and ruled upon. As a result of those amendments and rulings, the claims were narrowed to claims for alleged breaches of contract and alleged violations of the TIA, additional Plaintiffs were added to the case, and some of the Covered Trusts were dismissed from the case on standing grounds (subject to Plaintiffs' appellate rights) while others were added. Plaintiffs Vermont Pension Investment Committee and Washington State Investment Board filed a separate putative class action on August 23, 2013, alleging similar claims (case number 1:13-CV-05978-KBF).

On October 18, 2013, the Court entered an order consolidating the two cases through summary judgment (the two cases are collectively referred to herein as the "Action"). On November 1, 2013, Plaintiffs filed a Consolidated Third Amended Class Action Complaint alleging claims for alleged breaches of contract and alleged violations of the TIA with respect to 35 of the Covered Trusts (later reduced to 34).

The Action has been heavily litigated. Plaintiffs sought and obtained discovery from Defendants and numerous third parties, and sought and obtained Court intervention to compel the production of information from one of the third parties. Likewise, Defendants sought and obtained discovery from Plaintiffs and numerous third parties, including many of Plaintiffs' investment managers and advisors. Plaintiffs, Defendants, and third parties collectively produced more than 3 million pages of documents, and the Parties took and defended 33 depositions. Plaintiffs also retained and consulted with numerous experts in connection with developing and litigating the case.

On January 17, 2014, Plaintiffs filed a Motion for Class Certification and Appointment of Class Representatives and Class Counsel, seeking to certify two classes (one as against BANA and one as against U.S. Bank). Defendants opposed Plaintiffs' motion, and on April 17, 2014, filed a motion to exclude the opinions contained in one of the expert reports Plaintiffs submitted in support of their Motion for Class Certification. Plaintiffs opposed the exclusion motion. On May 9, 2014, the Court began to hear testimony and argument on Plaintiffs' Motion for Class Certification. In light of the Parties' Settlement, the Court terminated both motions as moot, subject to the Parties' right to renew them in the event the Settlement does not receive final Court approval.

As discovery neared its end, the Parties retained a highly respected and experienced third-party mediator to assist them in determining whether a resolution of the Action was possible. The Parties participated in a full-day mediation on May 30, 2014. After the Parties' mediation, due to the complexity of the issues, months of additional negotiations followed with the assistance of the mediator regarding the terms of the Stipulation, which are summarized herein.

On November 10, 2014, the Court preliminarily approved the Settlement, preliminarily certified the Settlement Class for settlement purposes only, authorized this Notice to be sent to potential members of the Settlement Class, and scheduled a Final Approval Hearing to consider, among other things, whether to grant final approval of the Settlement.

4. Why Is This Action A Class Action?

In a class action, one or more persons or entities called class representatives (in this case, Plaintiffs) sue on behalf of persons or entities that have allegedly similar claims. Bringing a case as a class action allows adjudication of many similar claims of persons and entities that might be economically too small to bring as individual actions. If a court agrees with the class representatives that the case appropriately can proceed as a class action, the court certifies a class and thereafter resolves the issues for all class members at the same time, except those that timely and validly exclude themselves from the class.

The Honorable Katherine B. Forrest, United States District Judge for the Southern District of New York, is overseeing this Action.

5. Why Is There a Settlement?

Neither Plaintiffs nor Defendants have prevailed on the merits of the litigation. Instead, the Parties agreed to this Settlement.

Plaintiffs and Plaintiffs' Counsel believe, based on their factual investigation, extensive discovery, consultation with numerous experts, research into the applicable law, and consideration of the risks and uncertainties of further litigation, that the terms and conditions of the Parties' Stipulation are fair, reasonable, adequate, and in the best interests of the Settlement Class. Plaintiffs and Plaintiffs' Counsel believe this, in part, because the Settlement avoids the costs and risks associated with continued litigation, including the risk of no recovery. The Settlement provides an immediate benefit to members of the Settlement Class.

6. What Would Have Happened If The Case Had Not Settled?

If there were no Settlement and Plaintiffs failed to obtain class certification, there would be no claims advanced on behalf of members of the Settlement Class and the Action would have proceeded on behalf of Plaintiffs only. Further, irrespective of the decision on class certification, if Plaintiffs failed to establish any essential legal or factual element of their claims against the Defendants, neither Plaintiffs nor members of the Settlement Class would recover anything from the Defendants. Also, depending on the outcome of the Parties' disputes with respect to certain of Defendants' defenses and Plaintiffs' proposed theories of damages, the Settlement Class might have recovered substantially less than the amount provided in the Settlement, or nothing at all.

WHO IS INCLUDED IN THE SETTLEMENT CLASS

To see if you are eligible to receive a payment from this Settlement, you first have to determine whether you are a member of the Settlement Class.

7. How Is The Settlement Class Defined?

The Court has preliminarily certified, for settlement purposes only, a “Settlement Class” defined as Plaintiffs and every other person and entity that purchased or otherwise acquired any of the Certificates at any time (including but not limited to any beneficial owners), and that

- (i) sold or otherwise disposed of the Certificates as of November 7, 2014, or
- (ii) did not sell or otherwise dispose of the Certificates as of November 7, 2014, but suffered an Out-Of-Pocket Loss (as defined below) on an investment in a Certificate as of such date;

provided, however, that the Settlement Class does not include (a) Defendants, JPMorgan Chase & Co., Washington Mutual Bank, and their respective parents, subsidiaries, and affiliates other than Investment Vehicles; (b) the FDIC as a potential successor to Washington Mutual Bank; (c) the named plaintiffs set forth in the July 16, 2014 Amended Complaint in the action entitled *BlackRock Allocation Target Shares: Series S Portfolio et al. v. U.S. Bank National Association*, Index No. 651864/2014 (N.Y. Sup. Ct. N.Y. Cnty.)³; and (d) any person or entity that submits a valid and timely request for exclusion from the Settlement Class in accordance with the requirements set forth in this Notice.

RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU ARE ELIGIBLE TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU WISH TO PARTICIPATE IN THE SETTLEMENT, YOU MUST SUBMIT THE ENCLOSED PROOF OF CLAIM FORM TO THE CLAIMS ADMINISTRATOR BY APRIL 20, 2015.

The term “Certificates” as used above in the definition of “Settlement Class” and throughout this Notice, means the certificates issued by any of the Covered Trusts:

WaMu 2005-AR15 Trust	WaMu 2006-AR19 Trust	WMALT 2006-AR7 Trust
WaMu 2005-AR17 Trust	WMALT 2005-9 Trust	WMALT 2006-AR8 Trust
WaMu 2005-AR19 Trust	WMALT 2006-1 Trust	WMALT 2006-AR9 Trust
WaMu 2006-AR2 Trust	WMALT 2006-2 Trust	WMALT 2006-AR10 Trust
WaMu 2006-AR6 Trust	WMALT 2006-3 Trust	WaMu 2007-OA3 Trust
WaMu 2006-AR7 Trust	WMALT 2006-4 Trust	WaMu 2007-OA4 Trust
WaMu 2006-AR8 Trust	WMALT 2006-5 Trust	WaMu 2007-OA5 Trust
WaMu 2006-AR9 Trust	WMALT 2006-6 Trust	WMALT 2007-OA3 Trust
WaMu 2006-AR10 Trust	WMALT 2006-7 Trust	WMALT 2007-HY2 Trust
WaMu 2006-AR11 Trust	WMALT 2006-8 Trust	WaMu 2007-HY1 Trust
WaMu 2006-AR12 Trust	WMALT 2006-9 Trust	WaMu 2007-HY2 Trust
WaMu 2006-AR13 Trust	WMALT 2006-AR1 Trust	WaMu 2007-HY3 Trust
WaMu 2006-AR14 Trust	WMALT 2006-AR2 Trust	WaMu 2007-HY4 Trust
WaMu 2006-AR15 Trust	WMALT 2006-AR3 Trust	WaMu 2007-HY5 Trust
WaMu 2006-AR16 Trust	WMALT 2006-AR4 Trust	WaMu 2007-HY6 Trust
WaMu 2006-AR17 Trust	WMALT 2006-AR5 Trust	WaMu 2007-HY7 Trust
WaMu 2006-AR18 Trust	WMALT 2006-AR6 Trust	

The term “Out-of-Pocket Loss,” as used above in the definition of “Settlement Class” and throughout this Notice, means a monetary loss on an investment in a Certificate as determined pursuant to the following formula: (purchase price × quantity purchased), minus principal received, minus (current/sale price × current/sale position).⁴ If the formula yields a positive number, an Out-Of-Pocket Loss shall be deemed to exist; whereas if the formula yields a zero or a negative number, an Out-Of-Pocket Loss shall be deemed not to exist. For purposes of the formula, the “current price” shall be deemed to be the price reported by Interactive Data Corporation as of September 22, 2014. If Interactive Data Corporation does not provide a price for a Certificate, the price of the most junior Certificate backed by the same loan group(s), that is senior to the Certificate and for which the Interactive Data Corporation price as of September 22, 2014 is available, will be used.

³ On November 24, 2014, the plaintiffs in the BlackRock Litigation filed a motion to voluntarily dismiss that action from New York Supreme Court and filed their action in the Federal District Court for the Southern District of New York. The case number for that action in the Southern District of New York is 1:14-cv-09401.

⁴ For the sake of clarity, the following example illustrates application of the formula: If a current holder of a Certificate paid a purchase price of \$1 per unit (par) for 100,000 units, received principal over time of \$20,000, and suffered realized losses over time of \$10,000, and if the current price of the Certificate is \$0.80 per unit, the investor would have an Out-Of-Pocket Loss of \$24,000, calculated as: (\$1 per unit × 100,000 units purchased), minus \$20,000 in principal received, minus (\$0.80 per unit × 70,000 units currently held).

8. What If I Am Still Not Sure If I Am Included In The Settlement Class?

If you are still not sure whether you are included in the Settlement Class, you can ask for free help. You can contact the Court-authorized Claims Administrator, KCC Class Action Services, by calling 1-888-925-3247 (toll-free), sending an e-mail to info@wamutiasettlement.com, or writing to WaMu TIA Settlement Administrator, c/o KCC Class Action Services, P.O. Box 43034, Providence, RI 02940-3034. Or you can fill out and return the Proof of Claim Form described in Question 10 below to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU GET

9. What Will Settlement Class Members Receive In The Settlement?

The Settlement Fund consists of \$69,000,000 in cash. The recovery of an eligible member of the Settlement Class will be a portion of the “Net Settlement Fund” (*i.e.*, the Settlement Fund plus interest and minus taxes, certain costs associated with determining and paying taxes, the costs of claims administration, the costs of printing and mailing this Notice, the costs of publishing Publication Notice, attorneys’ fees and Litigation Expenses awarded by the Court, and any other sums approved by the Court for disbursement from the Settlement Fund), determined pursuant to the Plan of Allocation.

Please refer to the Plan of Allocation attached hereto as Appendix A for the calculation of “Recognized Claim” amounts.

The payments provided pursuant to the Plan of Allocation attached hereto as Appendix A shall be final and conclusive as against any and all members of the Settlement Class. All members of the Settlement Class whose claims are not valid shall not receive distributions from the Net Settlement Fund, but shall be bound by all the terms of the Stipulation and of the Settlement, including the terms of any judgment entered in the Action with respect to the Settlement and any releases, injunctions, and assignments provided for therein. No person or entity shall have any claim against Plaintiffs, Plaintiffs’ Counsel, the Claims Administrator, Defendants, or Defendants’ counsel based upon distributions made substantially in accordance with the Plan of Allocation or an order of the Court.

HOW TO OBTAIN A PAYMENT – SUBMITTING A PROOF OF CLAIM FORM

10. How Can I Obtain A Payment?

To qualify for a payment, you must submit a timely and valid Proof of Claim Form, and properly document your claim as requested in the form. A Proof of Claim Form is enclosed with this Notice. If you did not receive a Proof of Claim Form, you can get one on the Internet at www.wamutiasettlement.com. You can also request that a Proof of Claim Form be mailed to you by contacting the Claims Administrator by (i) calling 1-888-925-3247 (toll-free), (ii) sending an e-mail to info@wamutiasettlement.com, or (iii) writing to WaMu TIA Settlement Administrator, c/o KCC Class Action Services, P.O. Box 43034, Providence, RI 02940-3034.

Read the instructions included in the Proof of Claim Form carefully, fill out the form, include all the documents the form asks for, sign the form, and submit the form and accompanying documents to the P.O. Box address on the form **by April 20, 2015**.

If you submit the Proof of Claim Form by first-class mail, it shall be deemed submitted on the date of the postmark. Otherwise, it shall be deemed submitted when received by the Claims Administrator.

Please Note: The Proof of Claim Form requests a claimant’s authorization to release the Proof of Claim Form to the Parties to the Action and their counsel of record. All information contained in the Proof of Claim Form will be treated as “Confidential” under the Stipulated Amended Protective Order entered in the Action on July 24, 2013, provided, however, that the Claims Administrator shall be permitted to use the information in connection with processing claims, and further provided that Released Parties shall be permitted to use the information in connection with enforcing the assignment of claims by Settlement Class members described below and/or supporting arguments concerning res judicata, release of claims, and the like in the event a Releasing Party attempts to assert Subject Claims against a Released Party.

11. When Will I Receive My Payment?

The Court will hold a hearing on **March 12, 2015** to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain how these appeals will be resolved, and resolving them can take a long time, perhaps more than a year. It also takes a long time, often as much as a year, for all of the Proof of Claim Forms to be accurately reviewed and processed.

12. What Am I Giving Up To Potentially Receive A Payment Or To Stay In The Settlement Class?

If you are a member of the Settlement Class, then, whether or not you submit a Proof of Claim Form, you will remain a member of the Settlement Class unless you timely and validly exclude yourself. That means, without limitation, that you will not be able to sue, continue to sue, or participate in, any lawsuit or other legal proceeding against Defendants and certain other persons and entities regarding the claims that are being settled as part of this Settlement. Nor will you be able to receive any recovery in connection with any lawsuit or other legal proceeding against Defendants and certain other persons and entities regarding the claims that are being settled as part of this Settlement, including the BlackRock Litigation, with respect to Certificates you held on or before the deadline for submitting requests for exclusion.⁵ It also means, without limitation, that any judgment in the Action with respect to the Settlement (including any releases, injunctions, and assignments provided for therein) will apply to you and legally bind you, and that you will release your claims in this case against Defendants and certain other persons and entities. Specifically:

Upon the Effective Date, you will have, and will be deemed to have, fully, finally, and forever released, relinquished, waived, discharged, and dismissed with prejudice all Subject Claims as to all Released Parties.

The terms “Effective Date,” “Subject Claims,” and “Released Parties” mean the following:

- “Effective Date” means the date on which the Judgment Order becomes Final. “Judgment Order” means an order to be entered by the Court approving the Settlement that is substantially identical in all material respects to the form attached as Exhibit A-4 to the Stipulation (filed with the Court under ECF Case no. 1:12-CV-02865-KBF, ECF no. 295-1 and available at www.wamutiasettlement.com), or as modified by written agreement of all Parties. “Final” means that the Judgment Order is not subject to further review on appeal or otherwise.
- “Subject Claims” means any and all Claims (as defined below) against the Released Parties that arise out of or relate to the facts, acts, omissions, transactions, or occurrences that have been alleged to form a basis of liability, or that could have been alleged to form a basis of liability, in the Action related to the Covered Trusts (including facts, acts, omissions, transactions, or occurrences alleged to be, or that could be alleged to be, past, present, or future recurrences or continuations of the alleged breaches of contract or other duty at issue in the Action). For the avoidance of doubt, “Subject Claims” includes, but is not limited to, any and all Claims against the Released Parties that arise out of or relate to (i) documents missing or allegedly missing from loan files that were delivered to the Covered Trusts and/or the custodians for the Covered Trusts; (ii) breaches or alleged breaches of duty or of representations or warranties by the sellers of mortgage loans to the Covered Trusts; and/or (iii) breaches or alleged breaches of duty (whatever the source of such duty, be it contract, common law, statute, or other source) relating to (i) and (ii) by Defendants, or by the servicers, master servicers, or custodians of the mortgage loans in the Covered Trusts, related to the Covered Trusts. “Claims” means any and all claims, causes of action, demands, rights, liabilities, losses, obligations, damages, debts, suits, judgments, and controversies of any kind, nature, and description whatsoever, (i) whether past, present, known, unknown, suspected, unsuspected, concealed, hidden, accrued, unaccrued, contingent, or non-contingent; (ii) whether individual, class, collective, mass, direct, indirect, derivative, or of any other type; (iii) whether at law, in equity, or otherwise; (iv) whether based in contract, tort, statute, regulation, or otherwise; (v) whether based on or arising under federal, state, local, foreign, or other statutory, regulatory, common, or other law or rule; (vi) that previously existed; currently exist; or would exist with discovery, with the giving of notice, or with a default, delinquency, or other loss on a mortgage loan in a Covered Trust or RMBS certificate issued by a Covered Trust.
- “Released Parties” means Defendants in their respective individual and trustee capacities (including, in the case of BANA, as successor trustee to LaSalle Bank National Association; and in the case of U.S. Bank, as successor trustee to BANA), the Covered Trusts, and the Related Parties of each of the foregoing. “Related Parties” means an entity’s past, present, or future representatives, predecessors, successors, assigns, attorneys, accountants, parents, subsidiaries, affiliates, insurers, reinsurers, employers, employees, members, directors, officers, and agents, in their capacities as such.

Additionally, upon the Effective Date, you will be deemed to have waived, to the fullest extent permitted by law, any and all provisions, rights, and benefits conferred by California Civil Code § 1542 and any similar provision of any other jurisdiction. Section 1542 provides:

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.

⁵ However, a Settlement Class member that purchases or acquires a Certificate from an unaffiliated non-member on or *after* the deadline for submitting requests for exclusion will not be precluded from receiving or benefiting from any recovery in the BlackRock Litigation or any other litigation brought by or on behalf of the Covered Trusts with respect to such Certificate.

You shall be deemed to have acknowledged, after an opportunity to confer with counsel (which you are urged to do), that you hereafter may discover facts in addition to or different from those that you now know or believe to be true with respect to the subject matter of the Subject Claims. Nevertheless, upon the Effective Date, you shall be deemed to have fully, finally, and forever released, relinquished, waived, discharged, and dismissed with prejudice all Subject Claims as to all Released Parties, whether known, unknown, suspected, unsuspected, concealed, hidden, accrued, unaccrued, contingent, or non-contingent.

Upon the Effective Date, you also will be permanently enjoined from (i) asserting or pursuing any of the Subject Claims against any of the Released Parties, whether directly, indirectly, or derivatively, whether on your own behalf, on behalf of a Covered Trust, or otherwise, and whether alone or in conjunction with others; and (ii) directing, encouraging, instigating, voting in favor of, joining, or fomenting in any way the assertion or pursuit by any person or entity (including any of the Covered Trusts or any trustee of any of the Covered Trusts) of any of the Subject Claims against any of the Released Parties.

Upon the Effective Date, you will have, and will be deemed to have, (i) irrevocably assigned to BANA any and all rights you may have to receive (directly or indirectly, including through the Covered Trusts' waterfalls) any recoveries from any of the Released Parties in connection with any of the Subject Claims asserted in any derivative or other litigation by or on behalf of a Covered Trust, including the BlackRock Litigation; and (ii) agreed, in the event you learn that such recoveries have been paid to you or your nominee, to use your best efforts to notify BANA within 45 days.

You should also be aware that, upon consideration by the Court of the Settlement and all supporting papers therewith as well as any objections thereto, and to the extent and only the extent thereafter ordered by the Court in the Judgment Order, the Covered Trusts (or if the Court so orders, U.S. Bank solely in its trustee capacity on behalf of the Covered Trusts) shall be deemed to have fully, finally, and forever released, relinquished, waived, discharged, and dismissed with prejudice the Covered Trusts' rights to recoveries against the Released Parties from Subject Claims, including in the BlackRock Litigation, that would flow to Releasing Parties through the Covered Trusts' waterfalls or otherwise.⁶

The foregoing provisions that pertain to you and/or bind you also will pertain to and/or bind your direct and indirect successors and assigns (including but not limited to persons or entities that purchase or otherwise acquire, beneficially or otherwise, any of the Certificates from you or your direct or indirect successors on or after the deadline for submitting requests for exclusion), *provided, however*, that non-members of the Settlement Class that are not affiliated with you shall not be bound with respect to (i) any Certificate the non-member purchased or acquired from you prior to the deadline for submitting requests for exclusion, or (ii) any Certificate the non-member purchased or acquired on or after the deadline for submitting requests for exclusion that were held by another non-member as of such deadline (unless the two non-members are mutual affiliates of a Settlement Class member).

EXCLUDING YOURSELF FROM THE SETTLEMENT CLASS

If you want to keep any right you may have to sue or continue to sue the Defendants and the other Released Parties on your own concerning the Subject Claims, to participate in any lawsuit or other proceeding against Defendants or the other Released Parties that concerns the Subject Claims, or to obtain any recovery in connection with any lawsuit or other proceeding against Defendants or the other Released Parties that concerns the Subject Claims, including the BlackRock Litigation, and you are willing to forgo a Settlement payment in this Action in order to keep that right, then you must take steps to exclude yourself from the Settlement Class. This is also called "opting out."

13. How Do I Get Out Of The Settlement Class?

To exclude yourself from the Settlement Class you must timely submit a signed letter to the Claims Administrator at the following address: WaMu TIA Settlement Administrator, c/o KCC Class Action Services, P.O. Box 43034, Providence, RI 02940-3034. The letter must include (i) a request to be excluded from "the Settlement Class in *Policemen's Annuity and Benefit Fund of the City of Chicago et al. v. Bank of America, N.A. and U.S. Bank National Association*"; (ii) your name, address, and telephone number; (iii) the CUSIP of each Certificate purchased, acquired, sold, or disposed of; (iv) the original face amount of each purchase, acquisition, sale, or disposition; (v) the per-unit price of each such transaction; (vi) the total amount of consideration paid or received in connection with each such transaction; (vii) the date of each such transaction; and (viii) the CUSIP and original face amount of each Certificate still held. To be timely, your request for exclusion must be submitted to the Claims Administrator **so that it is received no later than February 11, 2015.**

⁶ If the Court orders that the Covered Trusts are to be the entities providing releases described in this paragraph, and if in the future any court or other tribunal determines that it is not the Covered Trusts, but U.S. Bank in its trustee capacity, that is the holder of the Subject Claims, then U.S. Bank in its trustee capacity shall be deemed to have provided releases described in this paragraph. Conversely, if the Court orders that U.S. Bank in its trustee capacity is to be the entity providing releases described in this subparagraph, and if in the future any court or other tribunal determines that it is not U.S. Bank in its trustee capacity, but the Covered Trusts, that are the holders of the Subject Claims, then the Covered Trusts shall be deemed to have provided releases described in this paragraph.

If you exclude yourself, you will not be eligible to receive any Settlement payment, you will not have any right to object to the Settlement or any aspect thereof, and you will not be legally bound by any of the terms of the Settlement (except to the extent you purchase or otherwise acquire Certificates from a Settlement Class member on or after the deadline for submission of requests for exclusion, in which case you will be bound to the same extent as the Settlement Class member with respect to those Certificates (and only those Certificates)).

Pursuant to the terms of a separate supplemental agreement between the Parties, each of the Defendants shall have the option to terminate the Settlement in the event that one or more specified thresholds are reached with respect to exclusions from the Settlement Class.

14. If I Do Not Exclude Myself, Can I Sue Defendants Or The Other Released Parties For The Same Thing Later?

No. Unless you timely and validly exclude yourself, you give up any right to sue or to continue to sue Defendants or the other Released Parties on the Subject Claims. If you do not exclude yourself from the Settlement Class in accordance with the requirements set forth in this Notice, you will not be entitled to receive any recovery in connection with any other action against any of the Released Parties based on or arising out of the alleged facts giving rise to the Subject Claims provided, however, that a Settlement Class member that purchases or otherwise acquires a Certificate from an unaffiliated non-member on or after the deadline for submitting requests for exclusion will not be precluded from receiving or otherwise benefitting from any recovery in the BlackRock Litigation or any other litigation brought by or on behalf of the Covered Trusts with respect to such Certificate. If you have a lawsuit against either of the Defendants, speak to your lawyer in that case immediately.

15. If I Exclude Myself, Can I Receive Money From The Settlement?

No. If you timely and validly exclude yourself, do not send in a Proof of Claim Form because you no longer will be a member of the Settlement Class. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against the Defendants and the other Released Parties.

Should you elect to exclude yourself from the Settlement Class, you should understand that Defendants will have the right to assert any and all defenses they may have to any claims that you may seek to assert. Although Defendants have decided to settle the Action in its entirety in order to avoid the continuing expense of litigation and for the other reasons described in this Notice, Defendants will retain and are not waiving in any way the right to assert that the claims asserted by any individual Settlement Class members who elect not to participate in the Settlement are time-barred, are otherwise subject to dismissal, or otherwise lack merit.

16. If I am a Current Certificate Holder, Will I Be Able To Receive Any Benefit That May Be Achieved From The Action, *BlackRock Allocation Target Shares: Series S Portfolio et al. v. U.S. Bank National Association?*

This paragraph does not apply to Settlement Class members who no longer hold Certificates. Nor does it apply to Settlement Class members who hold Certificates issued by the WMALT 2006-9, WMALT 2006-AR7, WMALT 2006-AR9, or WMALT 2007-HY2 trusts.

On June 18, 2014, certain Certificate holders in hundreds of RMBS trusts, including certain of the Covered Trusts, filed an action in New York Supreme Court against U.S. Bank as trustee (the “BlackRock Litigation”), which alleges similar claims to those in this Action based upon the trustee’s purported failure to comply with its statutory and contractual duties. On November 24, 2014, the plaintiffs in the BlackRock Litigation filed a motion to voluntarily dismiss the New York Supreme Court action and filed their action in the Federal District Court for the Southern District of New York. Due to the claims that it asserts, if successful, the BlackRock Litigation can only benefit current Certificate holders. If you are a current holder of Certificates issued by the Covered Trusts except the four set forth above, you may not obtain a double recovery and, therefore, if you remain a Settlement Class member here, you will not be able to also recover in connection with the similar claims against the Released Parties asserted in the BlackRock Litigation. If you want to preserve your ability to participate in any recovery that may be obtained in the BlackRock Litigation, you must exclude yourself from the Settlement Class in this Action in accordance with the requirements set forth in Question 13 above, and you will not recover here.

THE LAWYERS REPRESENTING YOU

17. Do I Have A Lawyer In This Case?

The Court has appointed Plaintiffs' Counsel (the law firms of Scott+Scott, Attorneys at Law, LLP; Cohen Milstein Sellers & Toll PLLC; and Kessler Topaz Meltzer & Check, LLP) to represent you and the other Settlement Class members. You will not be directly charged for these lawyers. The Court will determine the amount of Plaintiffs' Counsel's fees and Litigation Expenses, which will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

18. How Will The Lawyers Be Paid?

For their work over the past 2+ years, Plaintiffs' Counsel will ask the Court to award attorneys' fees of up to 20% of the Settlement Fund and Litigation Expenses of up to \$3 million, plus accrued interest on these amounts.

The Court ultimately will decide what constitutes a reasonable award of attorneys' fees and Litigation Expenses, and may award less than requested by Plaintiffs' Counsel. Settlement Class members are not personally liable for any such fees or expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund prior to distributions to Authorized Claimants.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

19. How Do I Tell The Court That I Do Not Like The Settlement?

If you are a Settlement Class member and do not exclude yourself, you can object to the Settlement if you do not like any part of it, including the Judgment Order, the Plan of Allocation, and the request for attorneys' fees or Litigation Expenses. If you would like the Court to consider your views, you must file and deliver a proper objection within the deadline identified, and according to the following procedures.

To object, you must file a written objection (together with supporting briefs and any other supporting papers) with the Clerk of the United States District Court for the Southern District of New York. This filing may be done electronically via the Court's ECF system or at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York, 10007-1312. The filing must be **received by the Court no later than February 11, 2015, with copies of all papers delivered to all Parties' counsel on or before that date**, as follows:

Counsel for Plaintiffs:

Deborah Clark-Weintraub
Max R. Schwartz
SCOTT+SCOTT, ATTORNEYS AT LAW, LLP
The Chrysler Building
405 Lexington Avenue, 40th Floor
New York, New York 10174

Julie Goldsmith Reiser
COHEN MILSTEIN SELLERS & TOLL PLLC
1100 New York Avenue, N.W., #500
Washington, D.C. 20005

Andrew L. Zivitz
Sharan Nirmul
KESSLER TOPAZ MELTZER & CHECK, LLP
280 King of Prussia Road
Radnor, Pennsylvania 19087

Counsel for BANA:

Marc T.G. Dworsky
James C. Rutten
MUNGER, TOLLES & OLSON LLP
355 South Grand Avenue, 35th Floor
Los Angeles, California 90071-1560

- and -

David F. Graham
SIDLEY AUSTIN LLP
One South Dearborn Street
Chicago, Illinois 60603

Counsel for U.S. Bank:

Michael S. Kraut
John M. Vassos
MORGAN, LEWIS & BOCKIUS LLP
101 Park Avenue
New York, New York 10178-0600

Your written objection must state the reasons for the objection, and include (i) your name, address, and telephone number; (ii) the CUSIP of each Certificate purchased, acquired, sold, or disposed of; (iii) the original face amount of each purchase, acquisition, sale, or disposition; (iv) the per-unit price of each such transaction; (v) the total amount of consideration paid or received in connection with each such transaction; (vi) the date of each such transaction; (vii) the CUSIP and original face amount of each Certificate still held; (viii) a written statement of all grounds for the objection accompanied by any legal support for the objection; (ix) copies of any papers, briefs or other documents upon which

the objection is based; (x) a list of all persons who will be called to testify in support of the objection; (xi) a statement of whether the objector intends to appear at the Final Approval Hearing; (xii) a list of other cases in which the objector or the objector's counsel have appeared either as settlement objectors or as counsel for objectors in the preceding five years; and (xiii) the objector's signature, even if represented by counsel.

If you do not timely make your objection in the manner provided above with the information specified above, you shall be deemed to have waived such objection and shall be foreclosed from making any objection to the fairness or adequacy of the proposed Settlement, of the Judgment Order, of the Plan of Allocation, or of any award of attorneys' fees and/or Litigation Expenses.

You do not need to attend the Final Approval Hearing to have your written objection considered by the Court. Any Settlement Class member who has not previously submitted a request for exclusion from the Settlement Class and who has complied with the procedures set out in this Question 19 may also appear at the Final Approval Hearing and be heard, to the extent allowed by the Court, to state any objection to the Settlement, the Plan of Allocation, or Plaintiffs' Counsel's motion for an award of attorneys' fees and Litigation Expenses. Any such objector may appear in person or arrange, at his or her own expense, for a lawyer to represent him or her at the Final Approval Hearing.

20. What Is The Difference Between Objecting And Seeking Exclusion?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you are not permitted to object.

THE FINAL APPROVAL HEARING

The Court will hold a hearing, called a Final Approval Hearing, to consider whether to approve the proposed Settlement. At or after the Final Approval Hearing, the Court will also decide whether to approve the proposed plan of allocation of the Net Settlement Fund and Plaintiffs' Counsel's application for attorneys' fees and expenses.

21. When Will The Court Decide Whether To Approve The Settlement?

The Court will hold the Final Approval Hearing on **March 12, 2015**, at **1:00 p.m.** in Courtroom 15A, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York, 10007-1312. The Court retains the right to reschedule the Final Approval Hearing without further notice to you. The Court may decide whether to approve the Settlement, whether to approve the proposed Plan of Allocation, and whether and to what extent to approve any request for attorneys' fees and Litigation Expenses at the Final Approval Hearing, or the Court may take these matters under consideration and issue a decision later.

22. Do I Have To Attend The Final Approval Hearing?

No. Plaintiffs' Counsel will answer any questions the Court may have. But, you are welcome to attend at your own expense or to pay a lawyer to attend on your behalf. If you attend, you may ask to speak in favor of the Settlement, or if you have timely submitted a written objection, you may ask to speak against the Settlement. Submission of a written objection does not obligate you to come to the hearing to talk about it; as long as you submitted your written objection on time and in accordance with the instructions in this Notice, the Court will consider it.

23. May I Speak At The Hearing?

You may ask the Court for permission to speak at the Final Approval Hearing, but if you intend to speak against the Settlement, you will only be permitted to do so if you submit a timely objection in accordance with the instructions in this Notice. To ask the Court for permission to speak, you must file a written request with the Clerk of the United States District Court for the Southern District of New York. This filing may be done electronically via the Court's ECF system or at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York, 10007-1312. The filing must be **received by the Court, with copies of all papers delivered to all Parties' counsel, no later than February 11, 2015**, as described above in connection with the discussion of how to submit written objections. Your request must state whether you intend to speak in favor of or against the Settlement, and include (i) your name, address, and telephone number; (ii) the CUSIP of each Certificate purchased, acquired, sold, or disposed of; (iii) the original face amount-of each purchase, acquisition, sale, or disposition; (iv) the per-unit price of each such transaction; (v) the total amount of consideration paid or received in connection with each such transaction; (vi) the date of each such transaction; and (vii) the CUSIP and original face amount of each Certificate still held. In addition, if you seek to present evidence or witnesses, you must explain in your filing what information you seek to present, and identify the specific documents you seek to introduce and the specific witnesses you seek to present.

You cannot speak at the hearing if you exclude yourself from the Settlement Class.

IF YOU DO NOTHING

24. **What Happens If I Do Nothing At All?**

If you are a member of the Settlement Class and you do nothing, you will remain a member of the Settlement Class, and you and your Related Parties (as defined above) will be bound by any judgment entered in connection with the Settlement. You will not be able to start, continue with, or participate in any lawsuit or other legal proceeding against Defendants or any of the other Released Parties on any of the Subject Claims. Nor will you be able to obtain any recovery in connection with any lawsuit or other legal proceeding against Defendants or any of the other Released Parties on any of the Subject Claims with respect to Certificates you held on or before the deadline for submitting requests for exclusion.⁷ You also will not receive any money from the Settlement because you must submit a timely and valid Proof of Claim Form to be eligible to receive money from the Settlement.

GETTING MORE INFORMATION

25. **Where Can I Get More Information?**

This Notice only summarizes the proposed Settlement. More details are contained in the Stipulation, which is incorporated herein by reference as if fully set forth herein. You can view and/or download a copy of the Stipulation from the website, www.wamutiasettlement.com.

You also can obtain more information by contacting the Claims Administrator by: (i) calling toll-free 1-888-925-3247; (ii) sending an e-mail to info@wamutiasettlement.com; or (iii) writing to WaMu TIA Settlement Administrator, c/o KCC Class Action Services, P.O. Box 43034, Providence, RI 02940-3034; or you can visit the website for the Settlement, www.wamutiasettlement.com, where you will find answers to common questions about the Settlement, as well as a downloadable copy of the Proof of Claim Form, and other information to help you determine whether you are a Settlement Class member and whether you are eligible for a payment. Additional information also can be obtained by contacting Plaintiffs' Counsel.

You should *not* contact the Court for more information.

SPECIAL NOTICE TO NOMINEES

The Court has ordered that if you purchased, acquired, or held any Certificate as a nominee for a beneficial owner, then, within 10 days after you receive this Notice and Proof of Claim Form, you must either (i) send a copy of this Notice and Proof of Claim Form by first class mail to each such beneficial owner; or (ii) provide a list of the names and addresses of all such beneficial owners (preferably in electronic format (e.g., excel, csv)) to the Claims Administrator at the following address: WaMu TIA Settlement Administrator, c/o KCC Class Action Services, P.O. Box 43034, Providence, RI 02940-3034, or by email to Nominees@wamutiasettlement.com. If you choose the first option, you may obtain from the Claims Administrator (without cost to you) as many additional copies of such documents as you need to complete the mailings. Additionally, if you choose to mail the Notice and the Proof of Claim Form yourself, you may obtain reimbursement for reasonable administrative costs actually incurred in doing so to the extent you would not otherwise have incurred those costs, upon submission of appropriate documentation to the Claims Administrator and subject to the right of the Court to resolve disputes concerning any such request for reimbursement. If you choose the second option, KCC Class Action Services will send a copy of the Notice and Proof of Claim Form to the beneficial owners whose names and address you supply.

**PLEASE DIRECT YOUR QUESTIONS REGARDING THIS NOTICE TO
THE CLAIMS ADMINISTRATOR OR TO PLAINTIFFS' COUNSEL.**

DO NOT CONTACT THE COURT REGARDING THIS NOTICE.

DATED: November 10, 2014
New York, New York

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF NEW YORK

⁷ However, a Settlement Class member that purchases or otherwise acquires a Certificate from an unaffiliated non-member on or after the deadline for submitting requests for exclusion will not be precluded from receiving or otherwise benefitting from any recovery in the BlackRock Litigation or any other litigation brought on behalf of the Covered Trusts with respect to such Certificate.

APPENDIX A

PLAN OF ALLOCATION FOR THE NET SETTLEMENT FUND

INTRODUCTION

The objective of the Plan of Allocation set forth below (the “Plan”) is to equitably distribute the settlement proceeds to those Settlement Class members who have suffered an economic loss as a proximate result of the alleged wrongdoing and who submit valid Proof of Claim Forms that are approved for payment from the Net Settlement Fund (“Authorized Claimants”). The Plan generally estimates the amount of loss that an Authorized Claimant could claim for purposes of making pro-rata distributions from the Net Settlement Fund (“Recognized Claims”). The Plan is not a formal damages analysis. The Recognized Claims determined under the Plan are not intended to estimate, nor be indicative of, the amount that an Authorized Claimant might have been able to recover after trial. Nor are the Recognized Claims determined under the Plan intended to be estimates of the amount that will be paid to an Authorized Claimant pursuant to the Settlement. The computations under the Plan are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making pro-rata distributions from the Net Settlement Fund.

Plaintiffs alleged that Defendants failed to ensure that mortgages, which they allegedly knew did not meet the underwriting requirements or which had inadequate documentation (“Defective Mortgages”), were substituted out of, or repurchased from, the Covered Trusts in violation of their alleged contractual and statutory duties as trustees of the Covered Trusts. Plaintiffs alleged that these Defective Mortgages caused credit losses to the Covered Trusts and that these credit losses impaired the value of the certificates issued by the Covered Trusts and caused out-of-pocket losses to investors in these certificates.

The Plan makes distributions to holders of certificates issued by the Covered Trusts, that were offered by the Prospectus Supplements for each securitization and regularly distribute principal to their holders (“Certificates”, holders of Certificates being “Certificate holders”), because the proceeds from the repurchase of Defective Mortgages are typically distributed as a return of principal. Certificates that do not regularly pay principal to holders, and are thus not eligible under the Plan, include Certificates that do not have a principal balance at issuance and only make interest payments, and Certificates that only had a nominal amount of principal at issuance (e.g. \$100). The latter type of Certificates include those that primarily entitle holders to cash flows from other sources (such as prepayment penalties) rather than repayments of principal and residual certificates whose payments are typically subordinate to payments on the Certificates. Table F sets forth the Certificates that are not eligible for recovery under the Plan.¹

The Action seeks to compensate investors in the Certificates for their out-of-pocket losses proximately caused by Defendants’ alleged wrongdoing.

Plaintiffs retained Dr. Bradford Cornell, Ph.D. to develop the Plan of Allocation for the Net Settlement Fund. At the outset, the out-of-pocket loss for each Certificate purchased or acquired by an Authorized Claimant for which adequate documentation is provided (the “Recognized Loss Amount”), will be estimated based on the transaction data for his/her/its investments in the Covered Trusts furnished

¹ All Tables referenced in this Plan can be found on the website for the Settlement, www.wamutiasettlement.com.

with each Proof of Claim Form and other publicly available data. The methodology for calculating an Authorized Claimant's Recognized Loss Amount on a Certificate is based on the purchase price, sales price (for those who sold before, or on, the Settlement Date²), price as of September 22, 2014 (for those who did not sell before, or on, the Settlement Date), principal balance on purchase and sale dates, and realized losses between purchase and sale dates. The Recognized Loss Amount for each Certificate, purchased or acquired before the Settlement Date, is equal to the purchase price paid less 1) any principal payments, 2) sale proceeds if the Certificate was sold by the Settlement Date and 3) if not sold by the Settlement Date, the value of the Certificate on September 22, 2014, as estimated using data from a major pricing service, Interactive Data Corporation ("IDC"). If IDC does not provide a price for a Certificate, the price of the most junior Certificate backed by the same loan group(s), that is senior to the Certificate and for which the IDC price on the September 22, 2014 is available, is used. Once a Recognized Loss Amount is determined, the Plan of Allocation applies a methodology to determine the extent to which the Recognized Loss Amount will result in a Recognized Claim.

As discussed above, Plaintiffs pursued a recovery on behalf of investors in Certificates who suffered out-of-pocket losses caused by Defendants' alleged failure to take action to remove Defective Mortgages from the Covered Trusts. The Plan of Allocation recognizes that due to the seniority structure of the Covered Trusts and the fact that the Covered Trusts also suffered losses due to factors unrelated to Defective Mortgages, the risk that investors would not prevail on their claims varied depending upon the Certificate's position in the hierarchy of the Trusts. Working with Dr. Cornell, Plaintiffs determined that it was appropriate to account for these varying risks by creating two Pools (i.e., Pool A and Pool B) from which investors could potentially recover. After taking into account the relative merits of the claims and defenses asserted in the Action, Plaintiffs' Counsel determined that twenty-five percent (25%) of the Net Settlement Fund should be allocated to Pool A and seventy-five percent (75%) of the Net Settlement Fund should be allocated to Pool B. Recognized Claims for Pool A and Pool B are explained below.

POOL A

Pool A (in the amount of 25% of the Net Settlement Fund) will distribute funds to all Authorized Claimants based on their Recognized Loss Amount, giving credit to the possibility that all investors who held Certificates with out-of-pocket losses, whether they invested in subordinate tranches or senior tranches of the Covered Trusts, could demonstrate a causal link between some or all of their out-of-pocket losses and Defendants' alleged wrongdoing. The Pool A Recognized Recovery Amount equals an Authorized Claimant's Recognized Loss Amount after applying any litigation risk discounts relating to standing ("Litigation Risk Discount," see Table E) to such Recognized Loss Amount, where this discount is based on Plaintiffs' Counsel's assessment of litigation risks to recovery on certain loan groups due to Court rulings in this Action. The sum of each Claimant's Pool A Recognized Recovery Amount for each Certificate they purchased or acquired, and for which they provided adequate documentation, will be the Claimant's Pool A Recognized Claim. Every Authorized Claimant will receive compensation from Pool A in relative proportion to their Pool A Recognized Claim.

² The Settlement Date is the date on which the Stipulation of Settlement was executed.

POOL B

Pool B (in the amount of 75% of the Net Settlement Fund) will distribute funds (based on the formula set forth below) to only those Authorized Claimants who arguably faced less litigation risk in proving a causal connection between their out-of-pocket losses and Defendants' alleged wrongdoing. To determine the Pool B Recognized Claim, Dr. Cornell first estimated the realized and projected principal losses for each of the loan groups collateralizing the Covered Trusts. Realized principal losses are publicly reported for each of the loan groups collateralizing the Covered Trusts on a monthly basis. Projected principal losses for the loan groups are based on recent rating agency projections of principal loss. To estimate the proportion of principal losses to each of the loan groups collateralizing the Covered Trusts caused by Defective Mortgages, Dr. Cornell reviewed a re-underwriting analysis performed on a set of similar RMBS trusts and correlated these results with each of the Covered Trusts based on loan types. The results of this analysis reflected Dr. Cornell's estimate for purposes of the Plan of Allocation of the losses to each loan group collateralizing the Covered Trusts caused by Defective Mortgages ("Loan Group Losses").

Then, for each of the tranches of the Covered Trusts that contained Certificates (the "Tranches"), Dr. Cornell estimated its lifetime principal losses based on the realized and expected principal losses ("Tranche Lifetime Loss") where expected future losses were estimated using the unpaid principal balance of each tranche and the price of the certificates, as provided by IDC. The estimated Loan Group Losses were then applied to the Tranche Lifetime Loss for each of the Tranches in order of seniority of the Tranches until the Loan Group Losses were exhausted. For each Tranche, Dr. Cornell then calculated the percent of Tranche Lifetime Loss that were covered by the Loan Group Losses, called a Certificate Recovery Percentage, which is reflected in Table A. The Certificate Recovery Percentage reflects the fact that the seniority structure of the Tranches in each Covered Trust will dictate the extent to which a Settlement Class members' out-of-pocket losses in any Certificate are proximately caused by Defective Mortgages or due to other credit losses unrelated to Defective Mortgages. To the extent that credit losses in the Covered Trusts are caused by credit losses not related to Defective Mortgages, those losses are first absorbed by subordinate tranches or other types of credit enhancement such as excess spread and overcollateralization.

In calculating the Pool B Recognized Recovery Amount for each Certificate, the Plan reduces the Recognized Loss Amount for each Certificate, 1) to account for the proportion of losses not caused by Defective Mortgages, by multiplying the Recognized Loss Amount by the Certificate Recovery Percentage given in Table A and 2) to account for litigation risk related to standing by applying the Litigation Risk Discounts given in Table E.

The Pool B Recognized Claim for each Claimant will be calculated by summing the Pool B Recognized Recovery Amount of each Certificate he/she/it owned. Pool B will be distributed pro-rata to Authorized Claimants based their Pool B Recognized Claims.

Below is a step-by-step description of the manner in which Recognized Claims and Distribution Amounts under the Plan of Allocation will be determined for Pool A and Pool B.

CALCULATION OF RECOGNIZED CLAIMS

1. A “Recognized Recovery Amount” for Pools A and B will be calculated for each Certificate purchased or acquired for which adequate documentation is provided.
2. The calculation of a Recognized Recovery Amount will depend on the following information, as provided by the documentation submitted by the investor:
 - a. when the Certificate was purchased or acquired and the price paid;
 - b. the face amount of the Certificate purchased;
 - c. whether the Certificate was sold or is still being held by the investor;
 - d. if the Certificate was sold, the date it was sold and the sale price.
3. The calculation of a Recognized Recovery Amount under this Plan of Allocation will use various financial parameters for each Certificate, including:
 - a. the Certificate Recovery Percentage for each Certificate. See Table A;
 - b. the price of each Certificate on September 22, 2014. See Table B;
 - c. the amount of principal remaining on each Certificate, as a percentage of the original face amount, as of various dates between the Certificate’s initial offering and the most recent monthly distribution. The portion is commonly referred to as the Certificate’s “Principal Factor”, and reflects all principal payments received and write-downs incurred. See Table C;
 - d. the value of cumulative realized principal losses, as a fraction of the original face value, as of various dates between the Certificate’s initial offering and the most recent monthly distribution. This fraction is referred to as the Certificate’s “Realized Principal Loss Factor”. See Table D;
 - e. the Litigation Risk Discount applied to each Certificate. See Table E.
4. If a Claimant purchased more than one Certificate in the same Tranche, then the purchase and sale dates will be matched on a first-in-first-out (FIFO) basis. If some transactions result in a negative Recognized Recovery Amount, these negative values will be used to offset the positive Recognized Recovery Amounts.
5. Notwithstanding any of the other provisions in this proposed Plan of Allocation, for all purchases or acquisitions of Certificates that occurred after the applicable Settlement Date, the Recognized Recovery Amount is zero.
6. **Calculation of Recognized Recovery Amounts for Certificates Sold Prior To or On the Settlement Date:** For each Certificate sold prior to or on the Settlement Date, the Recognized Recovery Amount is calculated as follows:
 - a. Step 1: Determine the Certificate Recovery Percentage for the Certificate purchased.

The “Certificate Recovery Percentage” can be found in Table A, corresponding to the Certificate purchased.

b. Step 2: Determine Principal Amount on Purchase Date

Principal Amount on Purchase Date = Face Amount of Certificate Purchased x Principal Factor on Purchase Date

The face amount of Certificate purchased can be determined from your records. The “Principal Factor” is found in Table C, corresponding to the Certificate and the month in which it was purchased.

c. Step 3: Determine Expected Loss Percentage on Purchase Date

Expected Loss Percentage on Purchase Date = 1 – (Purchase Price/100)

The “Purchase Price” refers to the price paid for the Certificate, and can be determined from your records.

d. Step 4: Determine Expected Loss Amount on Purchase Date

Expected Loss Amount on Purchase Date = Principal Amount on Purchase Date x Expected Loss Percentage on Purchase Date

The Principal Amount on Purchase Date was calculated in Step 2, and the Expected Loss Percentage on Purchase Date was calculated in Step 3.

e. Step 5: Determine Principal Amount on Sale Date

Principal Amount on Sale Date = Face Amount of Certificate Purchased x Principal Factor on Sale Date

The face amount of Certificate purchased can be determined from your records. The “Principal Factor” is found in Table C, corresponding to the Certificate and the month in which it was sold.

f. Step 6: Determine Expected Loss Percentage on Sale Date

Expected Loss Percentage on Sale Date = 1 – (Sale Price/100)

The “Sale Price” refers to the price at which the Certificate was sold, and can be determined from your records.

g. Step 7: Determine Expected Loss Amount on Sale Date

Expected Loss Amount on Sale Date = Principal Amount on Sale Date x Expected Loss Percentage on Sale Date

The Principal Amount on Sale Date was calculated in Step 5, and the Expected Loss Percentage on Sale Date was calculated in Step 6.

h. Step 8: Determine Realized Principal Losses between Purchase and Sale Dates

Realized Principal Losses between Purchase and Sale Dates = Face Amount of Certificate Purchased x (Realized Principal Loss Factor on Sale Date - Realized Principal Loss Factor on Purchase Date)

The Realized Loss Factor is given in Table D, corresponding to the Certificate purchased and the months in which the Certificate was purchased and sold.

i. Step 9: Determine Recognized Loss Amount

Recognized Loss Amount = Realized Principal Losses between Purchase and Sale Dates + Expected Loss Amount on Sale Date – Expected Loss Amount on Purchase Date

The Realized Principal Losses between Purchase and Sale Dates was calculated in Step 8, and both the Expected Loss Amount on Purchase Date and the Expected Loss Amount on Sale were calculated in Steps 4 and 7.

j. Step 10: Determine Litigation Risk Discount

The Litigation Risk Discount is given in Table E, corresponding to the Certificate purchased.

k. Step 11: Determine the Pool A Recognized Recovery Amount

Pool A Recognized Recovery Amount = Recognized Loss Amount x (100% – Litigation Risk Discount)

l. Step 12: Determine the Pool B Recognized Recovery Amount

Pool B Recognized Recovery Amount = Recognized Loss Amount x Certificate Recovery Percentage x (100% – Litigation Risk Discount)

Example 1: An investor purchases \$100,000 original face amount of Certificate 92922F7T9 (WAMU 2005-AR17, A1B3) on January 31, 2008. The purchase price was \$95.2715. On January 29, 2010, the investor sold its remaining interest in the Certificate. The sales price was \$30.51733.

1. Step 1: The investor uses Table A to determine that the Certificate Recovery Percentage is 100%.

2. Step 2: Using Table C, the investor determines that the Principal Factor of the Certificate in January 2008 was 0.470234. Given that the face amount of the Certificate purchased was \$100,000, the Principal Amount on Purchase Date was $\$47,023.40 = 0.470234 \times \$100,000$.
 3. Step 3: Using the Purchase Price of \$95.2715, the investor calculates the Expected Loss Percentage on Purchase Date as $0.047285 = 1 - (95.2715/100)$.
 4. Step 4: Using the Expected Loss Percentage in Step 3 and the Principal Amount in Step 2, the investor calculates the Expected Loss Amount on Purchase Date as $\$2,223.50 = 0.047285 \times \$47,023.40$.
 5. Step 5: The investor determines from Table C that the Principal Factor on the Sale Date is 0.373189. The Principal Amount on Sale Date is therefore $\$37,318.90 = 0.373189 \times \$100,000$.
 6. Step 6: Using the sale price of \$30.51733, the investor calculates the Expected Loss Percentage on Sale Date as $0.6948267 = 1 - (30.51733/100)$.
 7. Step 7: Using the Principal Amount from Step 5 and the Expected Loss Percentage from Step 6, the investor calculates the Expected Loss Amount on Sale Date as $\$25,930.17 = \$37,318.90 \times 0.6948267$.
 8. Step 8: Using Table D, the investor determines that the Realized Loss Factor on both the purchase dates and sale dates was 0. Therefore, the Realized Principal Losses between Purchase and Sale Dates is $\$0 = \$100,000 \times (0 - 0)$.
 9. Step 9: Given the Realized Principal Losses between Purchase and Sale Dates from Step 8, the Expected Loss Amount on Sale Date from Step 7, and the Expected Loss Amount on Purchase Date from Step 4, the investor determines that the Recognized Loss Amount is $\$23,706.67 = \$0 + \$25,930.17 - \$2,223.50$.
 10. Step 10: According to Table E, the Litigation Risk Discount is 0%.
 11. Step 11: Using the Recognized Loss Amount in Step 9, and the Litigation Risk Discount Percentage in Step 10, the investor determines the Pool A Recognized Recovery Amount to be $\$23,706.67 = \$23,706.67 \times (100\% - 0\%)$.
 12. Step 12: Using the Recognized Loss Amount in Step 9, the Certificate Recovery Percentage in Step 1, and the Litigation Risk Discount in Step 10, the investor determines the Pool B Recognized Recovery Amount to be $\$23,706.67 = \$23,706.67 \times 100\% \times (100\% - 0\%)$.
7. **Calculation of Recognized Recovery Amounts for Certificates Sold After the Settlement Date or Not Sold:** For each Certificate sold after the Settlement Date, or not sold, the Pool A and Pool B Recognized Recovery Amounts are calculated using the same steps set forth directly above, except that the calculation proceeds as if the Certificate was sold on September 22, 2014. For use in calculating the Expected Loss Percentage on Sale Date in Step 6, refer to Table B for the price of the corresponding Certificate on September 22, 2014.

Example 2: An investor purchases \$100,000 original face amount of Certificate 92922F7W2 (WAMU 2005-AR17, A1C3) on January 31, 2008. The purchase price was \$92.66405. However, the investor still owns the Certificate. In this case, the Recognized Recovery Amount is calculated as if the investor had sold on September 22, 2014. According to Table B, the price of the Certificate on September 22, 2014 is \$68.5827.

1. Step 1: The investor uses Table A to determine that the Certificate Recovery Percentage is 100%.
2. Step 2: Using Table C, the investor determines that the Principal Factor of the Certificate in January 2008 was 1.0. Given that the face amount of the Certificate purchased was \$100,000, the Principal Amount on Purchase Date was $\$100,000 = 1.0 \times \$100,000$.
3. Step 3: Using the Purchase Price of \$92.66405, the investor calculates the Expected Loss Percentage on Purchase Date as $0.0733595 = 1 - (92.66405/100)$.
4. Step 4: Using the Expected Loss Percentage in Step 3 and the Principal Amount in Step 2, the investor calculates the Expected Loss Amount on Purchase Date as $\$7,335.95 = 0.0733595 \times \$100,000$.
5. Step 5: The investor determines from Table C that the Principal Factor on September 22, 2014 is 0.634489. The Principal Amount on Sale Date is therefore $\$63,448.90 = 0.634489 \times \$100,000$.
6. Step 6: The investor determines from Table B that the price of the Certificate on September 22, 2014 is \$68.5827. The investor calculates the Expected Loss Percentage on Sale Date as $0.314173 = 1 - (68.5827/100)$.
7. Step 7: Using the Principal Amount from Step 5 and the Expected Loss Percentage from Step 6, the investor calculates the Expected Loss Amount on the Sale Date as $\$19,933.93 = \$63,448.90 \times 0.314173$.
8. Step 8: Using Table D, the investor determines that the Realized Loss Factor on both the Purchase date and September 22, 2014 was 0. Therefore, the Realized Principal Losses between Purchase and Sale Dates is $\$0 = \$100,000 \times (0 - 0)$.
9. Step 9: Given the Realized Principal Losses between Purchase and Sale Dates from Step 8, the Expected Loss Amount on Sale Date from Step 7, and the Expected Loss Amount on Purchase Date from Step 4, the investor determines that the Recognized Loss Amount is $\$12,597.98 = \$0 + \$19,933.93 - \$7,335.95$.
10. Step 10: According to Table E, the Litigation Risk Discount is 0%.
11. Step 11: Using the Recognized Loss Amount in Step 9, and the Litigation Risk Discount in Step 10, the investor determines the Pool A Recognized Recovery Amount to be $\$12,597.98 = \$12,597.98 \times (100\% - 0\%)$.
12. Step 12: Using the Recognized Loss Amount in Step 9, the Certificate Recovery Percentage in Step 1, and the Litigation Risk Discount in Step 10, the investor determines the Pool B Recognized Recovery Amount to be $\$12,597.98 = \$12,597.98 \times 100\% \times (100\% - 0\%)$.

CALCULATION OF THE CLAIMANT'S RECOGNIZED CLAIMS AND DISTRIBUTION AMOUNTS

1. For each Certificate within a Tranche, a Claimant's Pool A Net Recognized Recovery Amount will be calculated by totaling all of the Claimant's Pool A Recognized Recovery Amounts for Certificates within that Tranche, including negative values. The resulting figure will be the Claimant's Pool A Net Recognized Recovery Amount for that Tranche.

2. A Claimant's "Pool A Recognized Claim" is the sum of all of Claimant's Pool A Net Recognized Recovery Amounts for all Tranches of Certificates if the total is greater than zero. Otherwise it is zero.
3. Pool A will be distributed to Claimants on a pro-rata basis based on the relative size of their Pool A Recognized Claims. Specifically, a "Pool A Distribution Amount" will be calculated for each Claimant, which shall be the Claimant's Pool A Recognized Claim divided by the total Pool A Recognized Claims of all Claimants, multiplied by the total amount in Pool A of the Net Settlement Fund.
4. For each Certificate within a Tranche, a Claimant's Pool B Net Recognized Recovery Amount will be calculated by totaling all of the Claimant's Pool B Recognized Recovery Amounts for Certificates within that Tranche, including negative values. The resulting figure will be the Claimant's Pool B Net Recognized Recovery Amount for that Tranche.
5. A Claimant's "Pool B Recognized Claim" is the sum of all of Claimant's Pool B Net Recognized Recovery Amounts for all Tranches of Certificates if the total is greater than zero. Otherwise it is zero.
6. Pool B will be distributed to Claimants on a pro-rata basis based on the relative size of their Pool B Recognized Claims. Specifically, a "Pool B Distribution Amount" will be calculated for each Claimant, which shall be the Claimant's Pool B Recognized Claims divided by the total Pool B Recognized Claims of all Claimants, multiplied by the total amount in Pool B of the Net Settlement Fund.

ADDITIONAL PROVISIONS

To the extent that any proceeds remain in the Net Settlement Fund after the Claims Administrator has caused distributions to be made to all Authorized Claimants then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distributions, any balance remaining in the Net Settlement Fund one (1) year from the date of the initial distribution of the Net Settlement Fund shall, if economically feasible, be re-distributed to Authorized Claimants who negotiated the checks sent to them in the initial distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. These re-distributions shall be repeated until the balance remaining in the Net Settlement Fund is *de minimis*. Such remaining balance shall then be donated to appropriate non-profit organization(s) designated by Plaintiffs' Counsel and approved by the Court.

Payment pursuant to the Plan of Allocation shall be conclusive against all Authorized Claimants. No person or entity shall have any claim based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further order(s) of the Court against Plaintiffs, Plaintiffs' Counsel, the Claims Administrator, Defendants' counsel, Defendants, or the other Released Parties.

All members of the Settlement Class who fail to timely submit an acceptable Proof of Claim Form by the deadline set forth in the Notice, or such other deadline as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments pursuant to the Settlement, but will in all other respects be subject to and bound by the terms of the Settlement, including the terms of the Judgment Order and the releases, injunctions, and assignments provided for therein.