

At IAS Part 60 of the Supreme Court of the State of New York, held in and for the County of New York, at the Courthouse located at 60 Centre Street, New York, New York on the 24th day of December, 2018

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

In the matter of the application of
U.S. BANK NATIONAL ASSOCIATION, WELLS
FARGO BANK, NATIONAL ASSOCIATION,
WILMINGTON TRUST, NATIONAL ASSOCIATION,
WILMINGTON TRUST COMPANY, and CITIBANK,
N.A. (as Trustees, Indenture Trustees, Securities
Administrators, Paying Agents, and/or Calculation Agents
of Certain Residential Mortgage-Backed Securitization
Trusts),

Petitioners,

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

Index No. 651625/2018

Hon. Marcy S. Friedman
CONSENT
~~[PROPOSED]~~ PARTIAL
SEVERANCE ORDER
AND PARTIAL FINAL
JUDGMENT (LXS 2007-8H)

WHEREAS, the Petitioners identified in the above case caption commenced this proceeding under CPLR Article 77 by filing a petition (the "Petition") seeking judicial instructions concerning the administration and distribution of settlement payments (the "Settlement Payments") for 206 residential mortgage-backed securities trusts identified in Exhibit A to the Petition (the "Subject Settlement Trusts") under a Covered Loan Settlement Agreement dated as of November 30, 2016 and modified as of March 17, 2017 and a Transferor Loan Settlement Agreement dated September 5, 2017 and executed and accepted on October 13, 2017 (together with the Covered Loan Settlement Agreement, the "Settlement Agreements");

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

WHEREAS, pursuant to the Settlement Agreements, the Settlement Payments are to be apportioned among the Subject Settlement Trusts;

WHEREAS, by Order dated May 30, 2018 (the "Escrow Order"), the Court authorized and directed the Petitioners to place the Settlement Payments for the Subject Settlement Trusts in escrow;

WHEREAS, the Petitioners represent that they have complied with the escrow provisions of the Escrow Order and that the Settlement Payments for the Subject Settlement Trusts, plus any investment earnings thereon, are currently invested as directed in the Escrow Order;

WHEREAS, under the Order to Show Cause dated April 18, 2018 (the "Show Cause Order"), the Court directed the Petitioners to provide notice of this proceeding pursuant to the notice program described in the Show Cause Order (the "Notice Program"), and the Court found that the Notice Program was the best notice practicable, was reasonably calculated to put interested persons on notice of the proceeding, and constituted due and sufficient notice of the proceeding in satisfaction of federal and state due process requirements and other applicable law;

WHEREAS, the Notice Program directed that interested persons respond to the Petition on or before May 30, 2018;

WHEREAS, Petitioner U.S. Bank National Association ("U.S. Bank" or the "Subject Petitioner") is the trustee, successor trustee, and/or indenture trustee (in such capacities, the "Subject Trustee"), and the securities administrator, paying agent, and/or calculation agent for the Undisputed Trust (in such capacities, the "Subject Payment Administrator"), for LXS 2007-8H (the "Undisputed Trust");

WHEREAS, Poetic Holdings VII LLC (the "Responding Party") is the only party to have asserted an interest in this proceeding in the Undisputed Trust;

WHEREAS, in addition to seeking application of the Write-Up First Method, as defined in the Petition, the Responding Party raised with the Subject Petitioner the subject of the approach for applying the write-up of the Allocable Share among different classes of certificates, and such subject was not expressly raised in the Petition;

WHEREAS, by notice dated September 21, 2018 (the "September Notice"), the Subject Petitioner caused notice to be provided to Certificateholders and other interested parties of the Responding Party's proposed relief, and advising that absent a response by October 22, 2018 indicating opposition to the proposed relief, the Subject Petitioner anticipated that it would not oppose such relief;

WHEREAS, to this date no interested party has contacted the Subject Petitioner or appeared in this proceeding to oppose the Responding Party's proposed relief;

WHEREAS, the Responding Party agrees and consents to this Partial Severance Order and Partial Final Judgment (this "Order"), which resolves the issues described in the September Notice and those issues for which judicial instructions were sought concerning the administration and distribution of the Settlement Payments for the Undisputed Trust (the "Subject Allocable Share");

WHEREAS, as used herein, the term "Judgment Entry Date" means the date on which the Clerk's docketing of this Order first appears publicly on the New York State Court Electronic Filing System, without regard to when the Court actually signs or the Clerk actually enters this Order;

WHEREAS, as used herein, the term "Transfer Month" means the month of the Judgment Entry Date if the Judgment Entry Date is on or before the eighth calendar date of that month, and otherwise the month immediately following;

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

WHEREAS, as used herein, the term "AS Distribution Date" means the Distribution Date (as that term is defined in the applicable Governing Agreements) for the Undisputed Trust occurring in the Transfer Month; and

WHEREAS, for the Undisputed Trust, the term "Overcollateralization Amount Calculation" is used herein to refer to the terms in the applicable Governing Agreements prescribing that the "overcollateralization amount" is equal to the excess of the aggregate balances of the mortgage loans held by the Undisputed Trust over the aggregate certificate principal balances of certain designated classes of certificates and the term "Undercollateralization Amount Calculation" is used herein to refer to the terms in the applicable Governing Agreements prescribing that the "undercollateralization amount" is equal to the excess of the aggregate certificate principal balances of certain designated classes of certificates over the aggregate balances of the mortgage loans held by the Undisputed Trust, in each case as more fully defined and described in the applicable Governing Agreements;

NOW, THEREFORE, on the motion of the Petitioners and the Responding Party, it is hereby

ORDERED, ADJUDGED and DECREED that, on or before the Transfer Target Date, the Subject Trustee is to (i) cause escrowed assets to be liquidated to cash with a value equal to the Subject Allocable Share for the Undisputed Trust plus any investments earnings thereon, and (ii) cause the Subject Allocable Share and investment earnings thereon to be deposited in the distribution account of the Undisputed Trust. From the time of the aforementioned deposit, the

amount so deposited shall be deemed the Subject Allocable Share for the Undisputed Trust for all purposes under the Settlement Agreements and this Order; and it is further

ORDERED, ADJUDGED and DECREED that sums representing investment earnings accrued on the Subject Allocable Share not received at the time escrowed assets are liquidated to cash pursuant to the immediately preceding paragraph ("Trailing Interest") shall be distributed on the later of the AS Distribution Date or the Distribution Date for the month following the month such Trailing Interest is received by the Subject Trustee. Any Trailing Interest shall be deemed a Subject Allocable Share for the Undisputed Trust, and any Trailing Interest shall be administered and distributed as a Subject Allocable Share subject to the terms of the Settlement Agreements and this Order; and

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

ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Share for the Undisputed Trust, the Subject Payment Administrator (i) shall first increase the certificate principal balances of the applicable certificates in the amount of the Settlement Payment Write-Up by applying the subsequent recovery write-up instructions in the definition of "Certificate Principal Amount" in the Undisputed Trust's Governing Agreements in a manner that causes the Settlement Payment Write-Up to be applied sequentially, first to the Class A1 Certificates, until any outstanding realized losses have been reduced to zero dollars (\$0.00); second to the Class A2 Certificates, until any outstanding realized losses have been reduced to zero dollars (\$0.00); and so on, and (ii) after applying such increases, shall then distribute the Subject Allocable Share to certificateholders according to the distribution provisions of Section 5.02 of the Undisputed Trust's

Governing Agreements based on certificate principal balances that have been adjusted in accordance with clause (i) of this paragraph; and it is further

ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Share for the Undisputed Trust, the Subject Payment Administrator shall not account for either the distribution of the Subject Allocable Share or the accompanying Settlement Payment Write-Up when performing the Overcollateralization Amount Calculation or the Undercollateralization Amount Calculation; and it is further

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

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

ORDERED, ADJUDGED and DECREED that certificateholders, noteholders, and any other parties claiming rights or interests in any of the Undisputed Trust are barred from asserting claims against any Petitioner with respect to any conduct taken to implement and comply with the terms of this Order and with respect to such Petitioner's administration and distribution of the

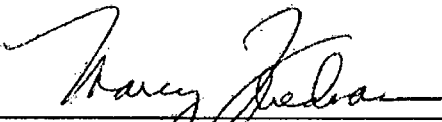
*Matter of U.S. Bank Natl Assn. (Article 77)
Consent Partial Sequestration Order and Partial Final
Judgment (LXS 2007-8H), Index No. 651625/18*

Settlement Payments with respect to such Undisputed Trust, so long as such conduct is performed.

in accordance with the terms of this Order; and it is further

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

Dated: New York, New York
~~November~~ __, 2018
Dec. 24





Hon. Marcy Friedman, J.S.C.

FILED

DEC 27 2018

**COUNTY CLERK'S OFFICE
NEW YORK**



Clerk: 

651625/18

Judgment

FILED

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AT 1:41 PM

N.Y., CO. CLK'S OFFICE