

# Exhibit B

WILMINGTON  
TRUSTWilmington Trust, N.A.  
Rodney Square North  
1100 North Market Street  
Wilmington, DE 19890-0001**Notice to holders of:****SACO I Trust 2007-2  
MORTGAGE-BACKED CERTIFICATES, SERIES 2007-2  
(THE "CERTIFICATES")****CUSIPS<sup>1</sup>**

78581NAA0	78581NAF9	78581NAN2
78581NAB8	78581NAG7	78581NAP7
78581NAC6	78581NAH5	78581NAQ5
78581NAD4	78581NAJ1	78581NAR3
78581NAE2	78581NAT9	78581NAS1

**Please forward this notice to beneficial owners.**

Dated: December 21, 2016

This notice (the "**Notice**") is given to you by Wilmington Trust, National Association, not in its individual capacity, but solely in its capacity as trustee (solely in such capacity, the "**Trustee**") of the SACO I Trust 2007-2 (the "**Trust**") created pursuant to that certain Pooling and Servicing Agreement (the "**PSA**"), dated as of February 1, 2007, by and among Bear Stearns Asset Backed Securities I LLC, as Depositor, EMC Mortgage Corporation ("**EMC**"), as Sponsor and Company, U.S. Bank National Association ("**U.S. Bank**"), as Master Servicer and Securities Administrator (as successor to LaSalle Bank National Association), and the Trustee (as successor to Citibank, N.A.). Any capitalized term used herein but not otherwise defined herein shall have the meaning ascribed to such term in the PSA or the Trust Settlement Offer (defined below).

**Background**

As previously discussed in our prior notice dated September 1, 2016, November 2, 2016, and November 17, 2016 (the "**Prior Notices**"), the Trustee received a proposed RMBS Trust Settlement Agreement (the "**Trust Settlement Offer**") from EMC and JPMorgan Chase Bank, N.A ("**JPMC**"), which was attached to the Prior Notice dated September 1, 2016. As described in the Prior Notice dated November 17, 2016, following the Trustee's review of the Trust Settlement Offer, the Trustee accepted the Trust Settlement Offer subject to Final Court Approval (as defined in the Trust Settlement Offer). As contemplated by the Trust Settlement Offer, since accepting the Trust Settlement Offer the Trustee has entered into an agreement with EMC, JPMC, and JPMorgan Chase & Co. concerning tolling of the statute of limitations applicable to the Proposed Released Claims and dismissed without prejudice the pending litigation against JPMC as it relates to the Trust.

<sup>1</sup>Any CUSIP numbers appearing in this Notice or in its exhibits, schedules or attachments have been included solely for convenience. The Trustee assumes no responsibility for the selection or use of such numbers and makes no representations as to the correctness of the CUSIP numbers appearing herein.

**FILING OF TRUST INSTRUCTION PROCEEDING**

The purpose of this notice is to advise you that on December 16, 2016, Wilmington Trust, acting in its capacity as Trustee of the Trust, filed the *Petition of Wilmington Trust, National Association, Solely in The Corporate Trustee Capacity Set Forth Herein, for Instructions in the Administration of A Trust Pursuant to Minn. Stat. § 501C.0201 et seq.* (the "*Petition*"), File No: 62-TR-CV-16-61 in the District Court of Ramsey County, Minnesota (the "*Minnesota Court*"). The *Petition* seeks approval from the Court of the Trustee's acceptance and execution of the Trust Settlement Offer on behalf of the Trust, authorization to proceed with implementation thereof, including the allocation of the Settlement Payment amongst the loan groups of the Trust in accordance with the methodology contemplated by the *Petition* (or such other methodology as the *Minnesota Court* may instruct), the application and distribution of the Settlement Payment (as defined in the *Petition*) as a "Subsequent Recovery" under the PSA subject to the terms and conditions set forth in the Trust Settlement Offer, and approval of the Trustee's dismissal of the Litigation (as defined in the *Petition*) as to the Trust pursuant to the Trust Settlement Offer. The Trustee further requests the Court make a determination that the Trustee's actions taken in accepting the Trust Settlement Offer, including dismissing the Litigation, comply with all applicable duties and are fully authorized and protected by the PSA and related agreements and shall not subject the Trustee to liability, and that the Trustee is entitled to exculpation from liability in its decision to accept the Trust Settlement Offer and the implementation of its terms. Certificateholders are encouraged to read the *Petition* in its entirety.

A copy of the *Petition*, exclusive of the exhibits, is attached as Appendix A to this notice. On December 19, 2016, the *Minnesota Court* entered an Order for Hearing (the "*Hearing Order*") setting January 23, 2017, at 2:30 p.m. CST as the hearing date on the *Petition*. The hearing will be held at the Ramsey County Courthouse, 15 West Kellogg Blvd, St. Paul, Minnesota. Any objections (including any objections by any Certificateholder) to the *Petition*, or any of the relief being sought therein, must be filed with the *Minnesota Court* and timely served in accordance with the *Hearing Order*. Any objection or other request for relief filed with the *Minnesota Court* should reference the *Minnesota Court* file number (62-TR-CV-16-61) and the date and time of the hearing (January 23, 2017 at 2:30p.m.). A copy of the *Hearing Order* is attached as Appendix B hereto.

You are entitled to appear at and participate in the hearing and, if you wish to, be represented by legal counsel of your choice at your own expense. The Trustee's counsel will be requesting approval by the Court of the relief set forth in the *Petition*. If no objections to the *Petition* are filed, the order requested by the Trustee may be entered. If you wish to appear at the hearing and be heard by the Court, you will be required at the time you address the Court to identify yourself and the principal amount of Certificates that you own. Any legal counsel representing you will need to produce the same information. **THE OUTCOME OF THE HEARING ON THE PETITION MAY AFFECT YOUR LEGAL RIGHTS AND YOUR POTENTIAL RECOVERY ON CERTIFICATES OWNED BY YOU. THE TRUSTEE URGES THE CERTIFICATEHOLDERS TO REVIEW THE PETITION CAREFULLY.**

Upon hearing the *Petition*, the *Minnesota Court* shall make an order it considers appropriate. The order will be final as to all matters determined by it and binding in rem upon the Trust and upon the interests of all beneficiaries (including Certificateholders), vested or contingent, even though unascertained or not in being. Minn. Stat. § 501C.0201. The Trustee will provide Certificateholders with notice of the final order of the *Minnesota Court*.

Please be advised that the Trustee reserves all of the rights, powers, claims, and remedies available to it under the PSA and applicable law. No delay or forbearance by the Trustee to exercise any right or remedy accruing upon the occurrence of a default, or otherwise under the terms of the PSA, other documentation relating thereto or under applicable law, shall impair any such right or remedy or constitute a waiver thereof or acquiescence therein. The Trustee expressly reserves all rights in respect of the PSA including, without limitation, its right to recover in full its fees and costs (including, without limitation, fees and costs incurred or to be incurred by it in performing its duties, indemnities owing or to become owing to it, compensation for its time spent and reimbursement for fees and costs of counsel and other agents it employs in performing its duties or to pursue remedies) and its right, prior to exercising any rights or powers in connection with the PSA at the request or direction of any Certificateholder, to receive security or indemnity satisfactory to it against all costs,

expenses and liabilities which might be incurred in compliance therewith, and all rights that may be available to it under applicable law or otherwise.

Questions or comments with respect to the Trust Settlement Offer should be directed to the Trustee at 1100 North Market Street, Wilmington, DE 19890-0001, Attention: Jennifer Luce (Facsimile No. (302) 636-4140; e-mail [rmbsettlemnt@wilmingtontrust.com](mailto:rmbsettlemnt@wilmingtontrust.com)), and questions or comments concerning the Other SACO Trust Settlement Offer should be directed to U.S. Bank at U.S. Bank National Association, 1 Federal Street, 10th Floor, Boston, MA 02110, Attention: Dawn Zanotti (Facsimile No. 866.350.1440; email: [dawn.zanotti@usbank.com](mailto:dawn.zanotti@usbank.com)).

### **Other Matters**

Certificateholders and other persons interested in the Trust should not rely on the Trustee, its counsel or any other advisors that may be retained by the Trustee, as their sole source of information. Although this Notice contains a summary of certain information, this Notice is not a complete summary or statement of such information, of relevant law or of relevant legal procedures and the Trustee makes no representation and accepts no responsibility or liability as to the completeness or accuracy of the information provided herein. Certificateholders should carefully consider the implications of the matters described in this Notice and consult with their own legal and financial advisors.

Please note that this Notice is not intended and should not be construed as investment, accounting, financial, legal, tax or other advice by or on behalf of the Trustee, or its directors, officers, affiliates, agents, attorneys or employees. Each person or entity receiving this Notice should seek the advice of its own advisors in respect of the matters set forth herein.

Please be further advised that the Trustee reserves all of the rights, powers, claims and remedies available to it under the PSA and applicable law. No delay or forbearance by the Trustee to exercise any right or remedy accruing upon the occurrence of a default, or otherwise under the terms of the PSA, other documentation relating thereto or under applicable law, shall impair any such right or remedy or constitute a waiver thereof or acquiescence therein.

The Trustee expressly reserves all rights in respect of the PSA including, without limitation, its right to recover in full its fees and costs (including, without limitation, fees and costs incurred or to be incurred by it in performing its duties, indemnities owing or to become owing to it, compensation for its time spent and reimbursement for fees and costs of counsel and other agents it employs in performing its duties or to pursue remedies) and its right, prior to exercising any rights or powers in connection with the PSA at the request or direction of any Certificateholder, to receive security or indemnity satisfactory to it against all costs, expenses and liabilities which might be incurred in compliance therewith, and all rights that may be available to it under applicable law or otherwise.

Prior to any distribution to Certificateholders, to the extent permitted under the PSA, funds held by the Trustee may be used first for payment of the fees and costs incurred or to be incurred by the Trustee in performing its duties, as well as for any indemnities owing or to become owing to the Trustee. This includes, but is not limited to, compensation for Trustee time spent, and the fees and costs of counsel and other agents it employs, to pursue remedies or other actions, including the resolution of the issues described in this Notice.

Recipients of this Notice are cautioned that this Notice is not evidence that the Trustee will recognize the recipient as a Certificateholder. The Trustee may also conclude that a specific response to particular inquiries from individual Certificateholders is not consistent with equal and full dissemination of information to all Certificateholders.

WILMINGTON TRUST, NATIONAL ASSOCIATION,  
not in its individual capacity, but solely as Trustee

APPENDIX A

[COPY OF PETITION (exclusive of exhibits)]

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

**In the Matter of:**

Court File No.: 62-TR-CV-16-61

**The trusteeship created by Bear Stearns Asset Backed Securities I LLC relating to the issuance of certificates by SACO I Trust 2007-2 pursuant to a Pooling and Servicing Agreement dated as of February 1, 2007**

**PETITION OF WILMINGTON TRUST, NATIONAL ASSOCIATION, AS TRUSTEE,  
FOR INSTRUCTIONS IN THE ADMINISTRATION OF A TRUST  
PURSUANT TO MINN. STAT. § 501C.0201 *et seq.***

TO THE DISTRICT COURT FOR THE SECOND JUDICIAL DISTRICT:

1. Petitioner Wilmington Trust, National Association, a national banking association ("Wilmington Trust"), solely in its corporate trustee capacity and not in its individual capacity (the "Trustee"), hereby files this Petition for Instructions in the Administration of a Trust Pursuant to Minn. Stat. § 501C.0201 *et seq.* (the "Petition") with the Court in connection with the trusteeship for the trust named SACO I Trust 2007-2 (the "Trust"), created pursuant to the Pooling and Servicing Agreement, dated as of February 1, 2007, (the "PSA") by and among EMC Mortgage Corporation (now known as EMC Mortgage LLC; "EMC"), as seller and company; Bear Stearns Asset Backed Securities I LLC ("Depositor"), as depositor; LaSalle Bank National Association, as master servicer<sup>1</sup> and as securities administrator; and Citibank, N.A. (the "Original Trustee"), as the original trustee.

<sup>1</sup> LaSalle Bank National Association has been replaced as master servicer by U.S. Bank National Association ("Master Servicer").

2. The Trust was created to securitize a separate pool of approximately 4,003 residential mortgage loans (the "Mortgage Loans") with a total principal balance of approximately \$203 million. Depositor purchased the Mortgage Loans from EMC pursuant to a Mortgage Loan Purchase Agreement dated as of February 28, 2007 (the "MLPA;" collectively with the PSA and/or any other agreements governing or related to the Trust, the "Governing Agreements"), securitized the Mortgage Loans, created the Trust, and conveyed all of its rights, title, and interest in the Trust Fund (as defined in the PSA) to the Original Trustee. The Trust then issued mortgage-backed certificates (the "Certificates") backed by the Mortgage Loans. The PSA provided that certain certificates were backed by Group I Mortgage Loans (as defined in the PSA) while other certificates were backed by Group II Mortgage Loans (as defined in the PSA).

3. Wilmington Trust is the successor Trustee for the Trust under the terms of the PSA. A copy of the PSA (exclusive of its exhibits) has been attached as **Exhibit A**. A copy of the MLPA has been attached as **Exhibit B**.

**JURISDICTION AND VENUE**

4. Wilmington Trust, successor Trustee of the Trust, is a bank organized under the laws of the United States with its principal place of business in Delaware. Wilmington Trust maintains an office in Minneapolis, Minnesota, where it administers trustee business.

5. This Court has jurisdiction over this Petition under Minn. Stat. § 501C.0202(1), (4) and (24) because the Trustee is seeking an instruction from the Court confirming the actions taken by the Trustee and instructing the Trustee regarding the discharge of the Trustee's duties under the Governing Agreements, including the PSA.

6. This Petition is properly venued in this Court pursuant to Minn. Stat. § 501C.0207(b) because prior proceedings with respect to the Trust were held in this Court.

7. The Trustee requests that the Court take jurisdiction in this matter as a proceeding *in rem*.

**The Basis of this Petition**

8. This Petition relates to a proposed settlement of certain claims of the Trust as described below.

9. The Trustee received an offer dated August 23, 2016, to settle certain claims related to the origination and servicing of the Mortgage Loans for the consideration described therein.

10. The MLPA (which was assigned by the Depositor to the Trustee) and the PSA, among other things, set forth the rights and obligations of the parties, contain representations and warranties of EMC, the servicers, and the Depositor, and describe the responsibilities and duties of the Trustee.

11. The Trustee seeks an order confirming that it shall not be liable to any Certificateholder or any other person for accepting the 2016 Settlement Offer (as defined below) or dismissing the Litigation (as defined below) on behalf of the Trust. The Trustee further seeks an order clarifying the manner in which the settlement proceeds should be allocated between the Certificates associated with the two Loan Groups (as defined in the PSA).

**Alleged Breaches of Representations and Warranties**

12. In the MLPA, EMC made representations and warranties about, among other things, the underwriting of the Mortgage Loans, the mortgaged property securing the loans, credit quality of the borrowers, documentation for the loans, the manner in which the loans were



originated, compliance with applicable laws, and the descriptions of each loan in the mortgage schedules. EMC is obligated to cure any breach of these representations and warranties.

13. Under both the MLPA and the PSA, if a party discovers or receives notice that EMC's representations and warranties under the MLPA are breached, and that breach materially and adversely affects the interest of the holders of the Certificates (the "Certificateholders") in any Mortgage Loan, that party must promptly notify certain other parties, including EMC. PSA § 2.03(d); MLPA § 7. EMC then has ninety days to cure the breach, and if it cannot do so, it must repurchase the Mortgage Loan at the Purchase Price (as defined in the PSA, Article I). *Id.*

14. The PSA also requires the servicers to service the mortgage loans in the Trust, which includes collecting principal and interest, pursuing foreclosure, and maintaining or selling foreclosed properties, in accordance with certain standards described in the PSA and other related transaction documents.

15. The Governing Agreements are valid, binding, and enforceable contracts, each of which is enforceable, separately or together, by the Trustee on behalf of the Trust and the Certificateholders. The Trustee has the authority to enforce the obligations of EMC and the servicer under the MLPA and/or the PSA, as applicable, on behalf of the Trust and for the benefit of the Certificateholders.

**The New York Litigation**

16. In May 2012, the Master Servicer, at the direction of certain Certificateholders, commenced an action on behalf of the SACO I 2006-5 Trust in the Supreme Court of the State of New York, County of New York, No. 651820/2012 (the "Litigation"). In January 2013, following consolidation of the Litigation with a related case, the plaintiffs filed an amended

complaint that asserted claims on behalf of the SACO I Trust 2006-3, SACO I Trust 2006-5, and SACO I Trust 2006-6 (collectively, the "Other SACO Trusts") as well as the Trust.

17. The Master Servicer asserted claims on behalf of the Trust concerning, *inter alia*, alleged breaches of representations and warranties and breaches of servicing obligations by EMC and JPMorgan Chase Bank, N.A. ("JPMC").

#### **The Prior Trust Instruction Petition**

18. The Trustee previously sought instructions from this Court in connection with the administration of the Trust. Specifically, on October 24, 2013, the Master Servicer and the Trustee, as trustees for the Other SACO Trusts and the Trust, filed the Joint Petition of U.S. Bank National Association and Wilmington Trust, National Association, in the Corporate Trustee Capacities Set Forth Herein, for Instructions in the Administration of Certain Trusts Pursuant to Minn. Stat. § 501B.16, Case No. 62-TR-CV-13-40 (the "Prior Petition"). In the Prior Petition, the petitioners sought authorization to, among other things, use repurchase proceeds received from EMC to reimburse certain Certificateholders for expenses related to a mortgage loan file review undertaken in connection with the Litigation. A copy of the Prior Petition (exclusive of the exhibits) is attached hereto as **Exhibit C**.

19. The Court held a hearing on the Prior Petition on December 2, 2013, and, on December 3, 2013, the Court entered the Findings of Fact, Conclusions of Law and Order for Judgment (the "Prior Order") granting the relief sought in the Prior Petition. A copy of the Prior Order is attached hereto as **Exhibit D**.

#### **2014 Settlement Offer**

20. While the Litigation was pending, in November 2013, JPMorgan Chase & Co., on behalf of itself and its direct and indirect subsidiaries (including EMC and JPMC) (collectively with JPMorgan Chase & Co., "JPMorgan"), made an offer to the trustees of hundreds of

residential mortgage backed securitization trusts, including the Trustee (collectively with the other trustees, the "RMBS Trustees"), to settle claims relating to alleged breach of certain obligations, representations, and warranties with respect to the mortgage loans deposited in those trusts (as modified on July 29, 2014, the "2014 Settlement Offer"). The 2014 Settlement Offer covered the Trust, along with other trusts.

21. As part of the 2014 Settlement Offer, the RMBS Trustees were offered up to \$4.5 billion on behalf of the various trusts, to be allocated among the trusts that accepted the 2014 Settlement Offer in accordance with a formula set forth in the proposed settlement agreement. The RMBS Trustees were afforded a period of time to evaluate and decide whether to accept the 2014 Settlement Offer on behalf of each covered trust.

22. The Trustee notified the Trust's Certificateholders of the 2014 Settlement Offer.

23. The RMBS Trustees retained several highly-qualified experts to assist them in evaluating the 2014 Settlement Offer. The RMBS Trustees' lead expert recommended, among other things, that the RMBS Trustees accept the 2014 Settlement Offer on behalf of covered trusts in which investors supporting the 2014 Settlement Offer had holdings exceeding opposing investors. The lead expert also recommended that the RMBS Trustees not reject the 2014 Settlement Offer on behalf of a covered trust unless an investor provided a satisfactory direction and indemnity to investigate and pursue claims against JPMorgan for such covered trust.

24. Also, the RMBS Trustees provided numerous informational notices to investors concerning the 2014 Settlement Offer and invited investors to provide a satisfactory direction and indemnity to either accept or reject the 2014 Settlement Offer.

25. Based on the application of his outlined criteria, the RMBS Trustees' lead expert recommended that the Trustee reject the 2014 Settlement Offer for the Certificates that were

backed by Group I Mortgage Loans and accept the 2014 Settlement Offer for the Certificates that were backed by Group II Mortgage Loans.

26. With respect to the Trust, a group of Certificateholders (the “Directing Certificateholders”) opposed the 2014 Settlement Offer and directed the Trustee to not accept the 2014 Settlement Offer on behalf of the Trust. The Directing Certificateholders held Certificates “evidencing not less than 25% of the aggregate Voting Rights of the Certificates” in the Trust.

27. Based on the direction received from the Directing Certificateholders (and the pendency of the Litigation) and pursuant to Section 10.01(d)(iii) of the PSA, the Trustee did not accept the 2014 Settlement Offer for the Trust, and the Litigation continued.

28. Wilmington Trust, solely in its capacity as trustee for certain trusts, and several other RMBS Trustees did, however, conditionally accept (subject to court approval, as described below) the 2014 Settlement Offer on behalf of hundreds of other trusts. The RMBS Trustees, each again solely in its respective capacity as trustee for one or more covered trusts, prosecuted an action in New York State Court (County of New York, Index No. 652382/2014) under Article 77 of the New York Civil Practice Law and Rules seeking a declaration that their acceptance of the 2014 Settlement Offer on behalf of each accepting trust comports with all applicable duties under the respective governing documents and any other applicable law, and that certificateholders in each accepting trust should be barred from asserting claims against any petitioning trustee with respect to the petitioning trustee’s evaluation and acceptance of the 2014 Settlement Offer in accordance with the terms memorialized in the 2014 Settlement Offer.

29. The New York State Court granted Wilmington Trust and the other trustees certain relief they sought in a decision dated August 12, 2016.

**2016 Settlement Offer**

30. On August 23, 2016, the Trustee received an offer from EMC and JPMC to settle the Trust’s claims against JPMorgan, including EMC and JPMC, relating to their alleged breach of certain obligations, representations, and warranties with respect to the Mortgage Loans (the “2016 Settlement Offer”). The Trustee subsequently secured an extension of the deadline by which it could accept the offer on behalf of the Trust to November 16, 2016.

31. Under the terms of the 2016 Settlement Offer, the Trust would release: “all alleged or actual claims . . . effective as of the Effective Date[] against [JPMorgan and all of its present and former direct and indirect subsidiaries, including but not limited to EMC and JPMC] that arise under or are based upon the Governing Agreements and that relate to the origination, sale, delivery, and/or servicing of Mortgage Loans to or in the Trusts.” Such claims include, without limitation, those based on (i) representations and warranties made by EMC and JPMC under the Governing Agreements; (ii) any alleged obligation to give notice of alleged breaches of representations and warranties; (iii) any alleged obligation of EMC or JPMC to enforce claims for breach of representations or warranties against the originator of a Mortgage Loan; (iv) the documentation of the Mortgage Loans held by the Trust; and (v) the servicing of the Mortgage Loans, including loan modifications.

32. In exchange for the releases detailed above, the Trust would receive two principal benefits under the Settlement—the “Settlement Payment” (described at Exhibit A of the 2016 Settlement Offer) and the adoption of servicing improvements by JPMorgan.

33. Under Section 3.05 of the 2016 Settlement Offer, the Settlement Payment would be distributed in accordance with the distribution provisions of the PSA as though the Settlement Payment constitutes a “Subsequent Recovery” (as defined in the PSA), and, “[o]n the

Distribution Date immediately following [the deposit of the Settlement Payment in the Trust], the amount of the Subsequent Recoveries represented by the Settlement Payment [would] be applied to increase the Certificate Principal Balance of the Class of Certificates with highest payment priority to which Realized Losses have been allocated (*i.e.*, the Class A Certificates) in accordance with Section 6.04(b) of the respective Pooling and Servicing Agreements for SACO 2006-6 and SACO 2007-2 and Section 6.04(c) for SACO 2006-5, and as contemplated by the definition of ‘Certificate Principal Balance’ in each PSA[,]” and the “Trustee [would] next distribute the Settlement Payment[] on that Distribution Date as provided in Section 6.04(a) (and where applicable for SACO 2006-5, Section 6.04(b)) of the respective PSAs.”

34. The amount of the Settlement Payment is more than the amount the Trust would have expected to receive under the 2014 Settlement Offer had the Trust accepted that offer and the New York court approved such acceptance.

35. In addition to the Settlement Payment, an additional component of the 2016 Settlement Offer is the servicing protocol attached thereto. JPMorgan has agreed to implement various servicing improvements and remedies with respect to the Mortgage Loans within specified time periods set forth in the 2016 Settlement Offer, including, among others, a requirement that JPMorgan transfer to certain qualified subservicers servicing of loans that it services which have become 60 days delinquent.

36. The Trustee disclosed the 2016 Settlement Offer to all Certificateholders shortly after receipt and invited Certificateholders to contact the Trustee to express their views. The Trustee, by a separate notice, also disclosed to all Certificateholders that the Trustee had secured an extension of time to November 16, 2016, to either accept or reject the 2016 Settlement Offer on behalf of the Trust. Copies of the notices are attached hereto as **Exhibit E** and **Exhibit F**.

37. Since providing notice of the 2016 Settlement Offer, the majority of Certificateholders that have contacted the Trustee about the 2016 Settlement Offer have expressed support. Indeed, only one investor contacted the Trustee to express its opinion that the 2016 Settlement Offer should be rejected, and the Certificate Principal Balance of the Certificates that investor held was zero. In contrast, the Directing Certificateholders, who had directed the Trustee to reject the 2014 Settlement Offer on behalf of the Trust and maintain the Litigation, informed the Trustee that they supported the 2016 Settlement Offer.

38. The Trustee also engaged an expert to provide an independent assessment of the reasonableness and adequacy of the 2016 Settlement Offer. The expert, who had served as the lead expert who analyzed the 2014 Settlement Offer as described above, recommended the Trustee accept the 2016 Settlement Offer on behalf of the Trust.

39. On November 16, 2016, the Trustee conditionally accepted the 2016 Settlement Offer in respect of the Trust, subject to the Trustee successfully obtaining court approval of its decision. A copy of the 2016 Settlement Offer, as conditionally accepted by the Trustee on behalf of the Trust as set forth below, is attached as **Exhibit G**.

40. The Trustee provided another notice to Certificateholders informing them that the Trustee had conditionally accepted the 2016 Settlement Offer and indicating that the Trustee anticipated dismissing the Litigation and initiating this proceeding. A copy of this notice is attached hereto as **Exhibit H**.

41. In connection with the Trustee's acceptance of the 2016 Settlement Offer, on November 28, 2016, the Trustee executed a stipulation providing for the dismissal of the Litigation on a without-prejudice basis, which was subsequently ordered and entered by the court (the "Dismissal Order"). A copy of the Dismissal Order is attached as **Exhibit I**.

### Allocation of the Settlement Payment

42. The 2016 Settlement Offer does not include a method by which to allocate the Settlement Payment between the Certificates backed by Group I Mortgage Loans and those backed by Group II Mortgage Loans. The Trustee proposes that, in the event the Court approves acceptance of the 2016 Settlement Offer, the Settlement Payment be allocated between the certificates backed by Group I Mortgage Loans and Group II Mortgage Loans based on a ratio of the Realized Losses (as defined in the PSA) between Group I Mortgage Loans and Group II Mortgage Loans as of the date acceptance of the 2016 Settlement Offer is approved. The amounts from the Settlement Payment so allocated will be considered the Final Recovery Determination with respect to each covered Mortgage Loan and will be paid out to Certificateholders in accordance with the payment provisions set forth in the PSA and which each investor agreed to when it purchased its Certificate.

\* \* \*

43. The Trustee recognizes that, despite the communications it has received to date about the 2016 Settlement Offer, there may exist certain Certificateholders who may wish to pursue remedies for the alleged breaches in different ways. Absent instructions from the Court, different Certificateholders may wish to pursue different strategies relating to the Trust, and the Trustee may be subject to claims by individual Certificateholders who believe that the 2016 Settlement Offer is not in their individual interests. Piecemeal litigation would raise a substantial risk that the Trustee would be subject to conflicting judicial instructions in connection with the Trust. The trust instruction procedure provided under Minn. Stat. § 501C.0201, *et seq.*, is available, in part, so that trustees can avoid precisely such a result.



44. The Trustee therefore seeks an order, among other things, confirming its acceptance of the 2016 Settlement Offer, proposed allocation of the Settlement Payment between the Certificates backed by Group I Mortgage Loans and Group II Mortgage Loans, and dismissal of the Litigation.

**BASIS FOR RELIEF**

45. Section 501C.0202 of the Minnesota Statutes provides, in pertinent part, that a trustee may petition the district court for an order “to confirm an action taken by a trustee,” Minn. Stat. § 501C.0202(1), “to construe, interpret, or reform the terms of a trust,” Minn. Stat. § 501C.202(4), and “to instruct the trustee, beneficiaries, and any other interested parties in any matter relating to the administration of the trust and the discharge of the trustee’s duties,” Minn. Stat. § 501C.0202(24).

46. Here, the relief sought by the Trustee should be granted and the Trustee permitted to enter into the 2016 Settlement Offer.

47. The PSA grants to the Trustee the right to sue to enforce EMC’s repurchase obligations and the Servicer’s servicing obligations. Under longstanding principles of trust law, that power to sue includes the power to compromise claims in settlement.

48. In the PSA, the Depositor assigned to each applicable Trustee both its right, title, and interest in the pool of Mortgage Loans, and its right to demand a cure of any breach of EMC’s representations and warranties.

49. The Depositor’s assignment to the Trustee of all “right, title and interest” to the Mortgage Loans includes authorization under the PSA for the Trustee to settle claims on behalf of the Trust.

WHEREFORE, pursuant to the provisions of Minn. Stat. §§ 501C.0202, 501C.0203, 501C.0304, and all other applicable law, the Trustee in its trustee capacity described above respectfully requests that this Court:

- a. Take jurisdiction in this matter as a proceeding *in rem* and make and enter an order designating the time and place when the respective parties in interest may be heard upon the matters set forth in this Petition, and that notice of the hearing be served in the manner specified in the accompanying Order for Hearing and as provided by Minn. Stat. § 501C.0203, subd. 1;
- b. Undertake to represent all parties in interest who are unascertained or not in being, or who are minors or incapacitated, pursuant to the provisions of Minn. Stat. § 501C.0304.
- c. At such designated time and place make a further Order as follows:
  - i. determining that such Order is binding upon the Trustee, the Trust, the Certificateholders, calculation agents, paying agents, servicers, master servicers, securities administrators, and all other persons or entities involved in the administration of the Trust and/or the payment or reimbursement of expenses with respect to the Trust;
  - ii. approving the Trustee's acceptance, execution, and implementation of the 2016 Settlement Offer, including the application and distribution of the Settlement Payment as a "Subsequent Recovery" under the PSA subject to the terms and conditions set forth in the 2016 Settlement Offer, and approving the Trustee's dismissal of the Litigation pursuant to the 2016 Settlement Offer and the Dismissal Order;

iii. directing the Trustee to allocate the Settlement Payment between the Certificates backed by Group I Mortgage Loans and Group II Mortgage Loans based on a ratio of the Realized Losses between Group I Mortgage Loans and Group II Mortgage Loans as of the date this Court enters an order on this petition or allocate the Settlement Payment between Loan Groups in such manner as the Court determines is appropriate and finding that the amounts from the Settlement Payment so allocated will be considered the Final Recovery Determination with respect to each covered Mortgage Loan and will be paid out to Certificateholders in accordance with the payment provisions set forth in the PSA;

iv. finding that the application and distribution of the Settlement Payment in accordance with the Settlement Agreement is consistent with the Governing Agreements;

v. finding that the Trustee's actions taken to accept the 2016 Settlement Offer, including, without limitation, any actions taken by the Trustee in connection with the consideration, evaluation, acceptance, and implementation of the 2016 Settlement Offer (including the allocation of the Settlement Payment between the Certificates backed by Group I Mortgage Loans and Group II Mortgage Loans) and the dismissal of the Litigation pursuant to the 2016 Settlement Offer and the Dismissal Order comply with all applicable duties and are fully authorized and protected by the Governing Agreements, and shall not subject Wilmington Trust, National Association, individually or as Trustee, to liability;

- vi. directing that the Trust shall not be subject to the continuing supervision of the Court for the purposes of Minn. Stat. § 501C.0205 or General Rule of Practice 417.02; and
- vii. granting such other and further relief as the Court may deem lawful, just, and proper.

Dated: December 16, 2016

DORSEY & WHITNEY LLP

By /s/ Eric R. Sherman  
 Eric R. Sherman #0331430  
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 Minneapolis, MN 55402-1498  
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*Attorneys for Wilmington Trust, National  
 Association, as Trustee*

**ACKNOWLEDGMENT**

The undersigned hereby acknowledges that sanctions may be imposed under Minn. Stat. § 549.211.

/s/ Eric R. Sherman  
 Eric R. Sherman

**APPENDIX B**

**[Copy of Hearing Order]**

**FILED**

DEC 19 2016

COURT ADMINISTRATOR  
BY KA DEPUTYSTATE OF MINNESOTA  
COUNTY OF RAMSEYDISTRICT COURT  
SECOND JUDICIAL DISTRICT

In the Matter of:

Court File No.: 62-TR-CV-16-61

The trusteeship created by Bear Stearns Asset Backed Securities I LLC relating to the issuance of certificates by SACO I Trust 2007-2 pursuant to a Pooling and Servicing Agreement dated as of February 1, 2007

**ORDER FOR HEARING ON THE PETITION OF WILMINGTON TRUST, NATIONAL ASSOCIATION, AS TRUSTEE, FOR INSTRUCTIONS IN THE ADMINISTRATION OF A TRUST PURSUANT TO MINN. STAT. § 501C.0201, et seq.**

Wilmington Trust, National Association, a national banking association ("Wilmington Trust" or "Petitioner"), solely in its capacity as trustee (in such capacity, the "Trustee") for the above-captioned trust (the "Trust"), having filed the Petition of Wilmington Trust, National Association, as Trustee, for Instructions in the Administration of Trust Pursuant to Minn. Stat. § 501C.0201, et seq. (the "Petition"), and the Court having assumed jurisdiction of the proceeding *in rem* under sections 501C.0201 and 501C.0203, subdivision 1, of the Minnesota Statutes, now, upon motion of Dorsey & Whitney LLP, attorneys for Petitioner, hereby directs as follows:

**IT IS ORDERED** that:

1. A hearing upon the Petition will be held before the Honorable Jennifer L. Frisch, Judge of the District Court, Probate Division, at the Ramsey County Courthouse, Room 600, 15 West Kellogg Boulevard, St. Paul, Minnesota, on January 23, 2017, at 2:30 p.m., or as soon thereafter as counsel can be heard.

2. Notice of such hearing shall be given by publishing a copy of this Order one time in a legal newspaper of Ramsey County, Minnesota, at least twenty (20) days before the date of the hearing.

3. The Trustee is further directed to send copies of this Order and the Petition (exclusive of the exhibits), without duplication, at least fifteen (15) days prior to the hearing date set forth above, to all registered Certificateholders (as defined in the Petition) in the Trust at the address of such holders as shown in the Certificate register. To the extent that any of the Certificates (as defined in the Petition) are held through the Depository Trust Company or another indirect holding system, the Trustee is directed to send copies of this Order and the Petition (exclusive of the exhibits), without duplication, to the Depository Trust Company or such other indirect holding system consistent with its noticing procedures at least fifteen (15) days prior to the hearing date and such notice shall be sufficient. Upon sending this Order and the Petition to the registered Certificateholders, the Trustee shall complete the Affidavit of Mailing and such affidavit shall constitute sufficient evidence of mailing, so as to comply with the notice requirements of section 501C.0203, subdivision 1, of the Minnesota Statutes.

4. Interested persons may object to the Petition, or any of the relief being sought therein, by filing a memorandum of law setting forth their respective positions regarding the issues presented by the Petition, and serve therewith all counsel then of record in the matter, not later than five (5) days before the hearing date set forth above.

5. The parties in interest are hereby referred to the Petition provided to them and on file in the office of the Court Administrator for a specification of the matters to be considered at said hearing.

Dated: December 19, 2016

*Kimberly F. Smith*

Deputy Court Administrator  
Ramsey County District Court

**Prepared by:**

DORSEY & WHITNEY LLP  
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*Attorneys for Wilmington Trust, National Association, as Trustee*



**AFFIDAVIT OF MAILING**

STATE OF \_\_\_\_\_ )

) SS.

COUNTY OF \_\_\_\_\_ )

KNOW ALL MEN BY THESE PRESENTS, that on this day, before me, a notary public, personally came and appeared \_\_\_\_\_, as affiant, who, after being first duly sworn upon oath, stated:

1. My name is \_\_\_\_\_. I am over the age of 18 years. I have personal knowledge of the facts stated below.

2. On [insert date] \_\_\_\_\_, I mailed a copy of [describe document(s) mailed] \_\_\_\_\_ by first-class or certified mail [pick one] or other [please describe] \_\_\_\_\_ to [describe the recipient] \_\_\_\_\_.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Affiant

Subscribed and sworn to, or affirmed, before me on this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Notary Public

My commission expires: