

# **Exhibit 3**

STATE OF MINNESOTA  
COUNTY OF HENNEPIN

DISTRICT COURT  
PROBATE DIVISION  
FOURTH JUDICIAL DISTRICT

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**In the Matter of:**

Court File No.: 27-TR-CV-15-309

**The trusteeship created by Bear Stearns Asset  
Backed Securities I LLC relating to the  
issuance of certificates by SACO I Trust  
2006-7 pursuant to a Pooling and Servicing  
Agreement dated as of June 1, 2006**

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**ORDER WITH RESPECT TO PETITION OF WILMINGTON TRUST, NATIONAL  
ASSOCIATION, FOR INSTRUCTIONS IN THE ADMINISTRATION OF A TRUST  
PURSUANT TO MINN. STAT. § 501C.0201**

This matter came on for hearing on April 26, 2017, on the Petition (the "Petition") filed by Wilmington Trust, National Association, as Trustee (the "Trustee" or "Wilmington Trust"), for instructions with respect to the trusteeship created by Bear Stearns Asset Backed Securities I LLC relating to the issuance of certificates by SACO I Trust 2006-7 (the "Trust") pursuant to a Pooling and Servicing Agreement dated as of June 1, 2006. Eric R. Sherman of Dorsey & Whitney LLP, 50 South Sixth Street, Suite 1500, Minneapolis, Minnesota, and Christopher A. Riley, Alston & Bird LLP, 1201 West Peachtree Street, Suite 4900, Atlanta, Georgia, appeared on behalf of the Trustee. John B. Orenstein of Ross & Orenstein LLC, 222 South 9<sup>th</sup> Street, Suite 470, Minneapolis, Minnesota appeared on behalf of Fox's Weaver, LLC. Gregg M. Fishbein of Lockridge Grindal Nauen P.L.L.P., 100 Washington Ave. S., Suite 2200, Minneapolis, Minnesota, along with Peter W. Tomlinson and Daniel A. Friedman of Patterson Belknap Webb & Tyler LLP, 1133 Avenue of the Americas, New York, New York, appeared on behalf of FFI Funds, Ltd. and FYI Ltd. There were no other appearances in this matter. Based

upon all of the files, records, and proceedings herein, the Court, having been fully advised in the premises, hereby finds and orders as follows:

1. Wilmington Trust is a national banking association with an office in Minneapolis, Minnesota, duly established and existing, and authorized to accept and execute trusts.

2. Wilmington Trust is the duly appointed, qualified, and acting successor Trustee under that certain Pooling and Servicing Agreement dated as of June 1, 2006 (the "2006-7 PSA") among Bear Stearns Asset Backed Securities I LLC ("Depositor"), as depositor, EMC Mortgage Corporation (now known as EMC Mortgage LLC; "Seller"), as seller, U.S. Bank National Association ("U.S. Bank") (as successor-in-interest to Bank of America, N.A., as successor by merger to LaSalle Bank National Association), as master servicer and as securities administrator (in such capacity, the "2006-7 Securities Administrator"), and Citibank, N.A., as trustee. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the petition filed by the Trustee on March 9, 2017 in this action (the "Petition").

3. 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 and all other parties responsible for the administration of the Trust regarding the discharge of the Trustee's and other such parties' duties under the 2006-7 Governing Agreements, including the 2006-7 PSA. *See In re Florance*, 360 N.W.2d 626 (Minn. 1985). 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.

4. The Trustee has fully complied with all of the notice and publication requirements set forth in Minn. Stat. § 501C.0203, subd. 1, as reflected in the affidavits of publication and mailing filed with the Court Administrator.

5. The Court determines that the actions taken by the Trustee and the 2006-7 Securities Administrator to establish the Escrow Arrangement pending the resolution of this proceeding comply with all applicable duties and are fully authorized and approved, and shall not subject Wilmington Trust, individually or as the Trustee, or U.S. Bank, individually or as the 2006-7 Securities Administrator, to any liability whatsoever.

6. The Court determines that, based on the specific terms of the 2006-7 Governing Agreements and the Settlement Agreement and the arguments made in the briefing on file and at the hearing, the “write up first, pay second” method described in the Petition shall be followed in connection with distributing the Settlement Payment. Accordingly, the Court instructs the Trustee, the 2006-7 Securities Administrator, and any other party responsible for the administration of the Trust to withdraw the Settlement Payment from the Account and apply the Settlement Payment in accordance with the “write up first, pay second” method described in the Petition. Specifically, the 2006-7 Securities Administrator shall:

- a. First, on or prior to the Distribution Date which occurs in the calendar month in which this Order is entered (or the Distribution Date in the immediately following calendar month if this Order is entered not earlier than ten business days before such Distribution Date), transfer the Settlement Payment from the applicable account to the distribution account for the Trust; then
- b. Second, on the applicable Distribution Date, write up the Certificate Principal Balances of the 2006-7 Certificates by the amount of the Settlement Payment in the manner contemplated by the 2006-7 PSA and the Settlement Agreement; then
- c. Third, on the applicable Distribution Date, distribute the Settlement Payment to the holders of the 2006-7 Certificates based on the Certificate Principal Balance

for the 2006-7 Certificates after the 2006-7 Certificates have been written-up per Section 6(b) of this Order.

7. The Court determines that the actions of the Trustee, the 2006-7 Securities Administrator, and all other parties responsible for the administration of the Trust taken in connection with the implementation of the Settlement Agreement and the processing and distribution of the Settlement Payment as contemplated by this Order comply with all applicable duties and are fully authorized and protected by the 2006-7 Governing Agreements and the Settlement Agreement, and that Wilmington Trust, individually or as the Trustee, U.S. Bank, individually or as the 2006-7 Securities Administrator, and all other parties responsible for the administration of the Trust shall not be subject to any liability whatsoever in connection therewith.

8. The Court determines that Trustee, the 2006-7 Securities Administrator, and all other parties responsible for administering the Trust are entitled to exculpation from liability in connection with their implementation of the Settlement Agreement, the Escrow Arrangement, and processing and distribution of the Settlement Payment in accordance with this Order.

9. The Court orders that each Prior Order is supplemented by the Court's Order in this proceeding solely as provided therein and that the Court's Order in this proceeding shall not otherwise supplement, modify, amend, alter, change, or supersede or in any other way affect the Prior Order, including without limitation the orders therein that the Trustee's actions described in such Prior Order comply with all applicable duties under, and are fully authorized and protected by, the 2006-7 Governing Agreements and the Settlement Agreement and shall not subject Wilmington Trust, individually or as the Trustee, to liability.

10. This Order is final and binds the Trustee, the Trust, the 2006-7 Securities Administrator, parties to the 2006-7 Governing Agreements, the holders of the 2006-7 Certificates, calculation agents, paying agents, servicers, master servicers, securities administrators, all persons or entities claiming a beneficial, ownership, or other interest in the Trust, vested or contingent, even though unascertained or not in being, including, without limitation, all past, present, or future holders of the 2006-7 Certificates and their successors or assigns, 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.

11. The Trustee 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.

Dated: \_\_\_\_\_, 2017

BY THE COURT:

\_\_\_\_\_  
Judge of the District Court

Dated: \_\_\_\_\_, 2017

Recommended by:

\_\_\_\_\_  
Referee of the District Court

**Prepared by:**

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**Seen and Consented to:**

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