

Dated: January 13, 2022

NOTICE (THE “NOTICE”) REGARDING THE JUDICIAL INSTRUCTION PROCEEDING (THE “ARTICLE 77 PROCEEDING”) CONCERNING THE INTERPRETATION AND APPLICATION OF CERTAIN PROVISIONS OF THE CONTRACTS GOVERNING THE SEVENTY-SEVEN RESIDENTIAL MORTGAGE-BACKED SECURITIZATION TRUSTS IDENTIFIED ON EXHIBIT A HERETO (INCLUDING ANY INDIVIDUALLY DESIGNATED LOAN GROUPS THEREIN, THE “SUBJECT TRUSTS,” AND THE RELATED CONTRACTS, THE “GOVERNING AGREEMENTS”).

THIS NOTICE IS HEREBY GIVEN TO THE HOLDERS OF CERTIFICATES ISSUED BY THE SUBJECT TRUSTS AND OTHER POTENTIALLY INTERESTED PERSONS WITH RESPECT TO THE SUBJECT TRUSTS (COLLECTIVELY, “POTENTIALLY INTERESTED PERSONS”).

THE OUTCOME OF THE ARTICLE 77 PROCEEDING COULD MATERIALLY AFFECT THE INTERESTS OF POTENTIALLY INTERESTED PERSONS. POTENTIALLY INTERESTED PERSONS AND OTHER NOTICE RECIPIENTS SHOULD READ THIS NOTICE AND THE MATERIALS REFERENCED HEREIN CAREFULLY IN CONSULTATION WITH THEIR LEGAL AND FINANCIAL ADVISORS.

THIS NOTICE CONTAINS IMPORTANT INFORMATION FOR POTENTIALLY INTERESTED PERSONS. ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE, AS APPLICABLE, ARE REQUESTED TO EXPEDITE THE RE-TRANSMITTAL OF THIS NOTICE TO POTENTIALLY INTERESTED PERSONS IN A TIMELY MANNER. CUSIP NUMBERS FOR THE SUBJECT TRUSTS MAY BE FOUND AT THE “LIST OF SUBJECT TRUSTS” PAGE ON THE WEBSITE CREATED FOR THE ARTICLE 77 PROCEEDING AT <http://www.USBearSACOArticle77.com>.

This Notice relates to the Article 77 Proceeding captioned *In the matter of the application of U.S. Bank National Association*, Index No. 656028/2021, commenced in the Supreme Court of the State of New York, County of New York (the “Court”) through the filing of a petition (NYSCEF No. 1) (the “Original Petition”) on October 18, 2021, seeking judicial instruction pursuant to New York Civil Practice Law and Rules (“CPLR”) § 7701. The Article 77 Proceeding has been assigned to Justice Andrew S. Borrok of the Commercial Division of the New York Supreme Court, New York County. The Court previously entered an order to show cause (NYSCEF No. 30) in the Article 77 Proceeding on November 29, 2021 (the “Original Order to Show Cause”), and Petitioner previously provided a notice dated November 29, 2021 concerning the proceeding.

This Notice is provided to inform Potentially Interested Persons that, on December 28, 2021, U.S. Bank National Association, solely in its capacities as trustee, securities administrator, paying agent, and/or calculation agent (as named in such role or as successor to the named party, the “Petitioner”) filed an amended petition (the “Amended Petition”) in the Article 77

Proceeding. The Amended Petition modifies the list of Subject Trusts to add the “Group II Certificates” of SACO I 2005-10 (as that term is defined in the applicable pooling and servicing agreement) (“**SACO I 2005-10 (Grp. II)**”), and revises certain aspects of the Original Petition. As described more fully in the Amended Petition, the Article 77 Proceeding concerns the interpretation and application of certain provisions of the Governing Agreements with respect to issues regarding (i) the manner in which distributions are calculated and applied under the waterfalls after the aggregate outstanding principal balances of the Class A, Class M, and/or Class B classes of certificates are reduced to zero, and (ii) the treatment of borrower payments of deferred or forborne principal, interest, and/or other amounts on mortgages that have been subject to servicer modifications in connection with a default or a reasonably foreseeable default (as determined by servicers), which is a subsidiary issue that has the potential to impact issue (i). Petitioner seeks judicial instruction regarding these issues, which may impact the distribution and administration of funds totaling potentially in excess of \$191 million. Petitioner is also seeking an order that certificateholders and any other parties claiming rights in the Subject Trusts are barred from asserting claims against the Petitioner with respect to any conduct Petitioner takes in accordance with any orders of the Court. The resolution of the Article 77 Proceeding is ultimately expected to determine which classes of certificates will receive the funds in question.

On January 10, 2022, the Court issued an order (the “**Order to Show Cause**”), attached as Exhibit B hereto,¹ approving a notice program with respect to SACO I 2005-10 (Grp. II) and directing that, among other things, the schedule set forth in the Original Order to Show Cause shall apply to SACO I 2005-10 (Grp. II) (except with respect to the date of the submission, as set forth below), such that, among other things:

- Certificateholders and any other persons claiming an interest in the Subject Trusts shall show cause at IAS Part in Room 238 of New York County Courthouse, 60 Centre Street, New York, New York, on March 31, 2022 at 11 a.m. (the “**Final Hearing**”), why an order and judgment should not be entered granting the relief sought in the Amended Petition; resolving the questions presented by the Amended Petition and directing the Petitioner as the Court may so order; permanently barring litigation outside the context of this proceeding on any question, issue, objection, claim, or concern related to the matters addressed in the Amended Petition; and for such other and further relief as the Court deems just and proper;
- Certificateholders and any other persons claiming an interest in the Subject Trusts who wish to be heard on the merits of the matters presented in the Amended Petition may appear by counsel, or, subject to the limitation imposed by CPLR 321(a), in person at the Final Hearing and, subject to further order of the Court, may present such evidence or argument as may be proper and relevant; provided, however, that except for good cause shown, no certificateholder or any other person claiming an interest in the Subject Trusts shall be heard and nothing submitted by any certificateholder or such other person shall be considered by the Court unless such certificateholder or other person files and serves an answer to the Amended Petition, setting forth the certificateholder’s or other person’s notice of intention to appear, along with a description of the nature of

¹ As of the date of this Notice, the Order to Show Cause has been uploaded on the public docket, and entry of the Order to Show Cause by the office of the clerk is currently pending.

such certificateholder's or other person's interest with respect to the Subject Trusts and a statement of such certificateholder's or other person's objection or other position as to any matters before the Court, and the grounds therefor, as well as any supporting documents (the "**Submission**"), on or before January 18, 2022 (or, solely with respect to SACO I 2005-10 (Grp. II), on or before January 24, 2022); provided, however, further, that the filing of a Submission or other papers with the Court by any appearing person shall not preclude or prevent any other appearing person or Petitioner from challenging such appearing person's legal standing or right to appear in the Article 77 Proceeding on any grounds;

- any Submission and any other written motions and papers required or permitted to be filed for any purpose in the Article 77 Proceeding (such as motions, briefs, notices of appearances, or other filings) shall be subject to the following requirements. Such papers shall be double-spaced and shall not exceed a total of fifteen (15) pages, not including documentary evidence, exhibits, or schedules thereto, unless an expansion of this page limitation is granted by the Court in advance of filing. For example, an answer with a notice of intention to appear, statement of grounds for the objection or other position, and memorandum of law in support shall together not exceed fifteen (15) pages;
- all papers required or permitted to be served by Petitioner or any party who appears shall be served by filing on "New York State Court's Electronic Filing" system ("**NYSCEF**"), unless a party or recipient is exempt from NYSCEF, in which case service shall be made by overnight mail or personal delivery;
- a preliminary status conference with counsel will be held on January 25, 2022 at 11:30 a.m. (the "**Preliminary Status Conference**") to discuss scheduling of future proceedings in the Article 77 Proceeding;
- no certificateholder or other person claiming an interest in the Subject Trusts (other than certificateholders or other persons who are natural persons) will be heard at the Preliminary Status Conference unless such certificateholder or person's counsel has filed a notice of appearance by electronic filing, by the date of the Preliminary Status Conference;
- a procedure and schedule for responses, if any, to Submissions shall be addressed at the Preliminary Status Conference;
- the Court retains exclusive jurisdiction over Petitioner, the Subject Trusts, and all beneficiaries in the Subject Trusts as well as any parties claiming any interests in the Subject Trusts (whether past, present or future) for all matters relating to the Amended Petition and the Article 77 Proceeding;
- any certificateholder or other person claiming an interest in the Subject Trusts who fails to appear at the Final Hearing or fails to answer the Amended Petition in the manner described in the applicable Order to Show Cause shall be deemed to have waived the right to be heard on the questions presented by the Amended Petition and from

appealing any order, resolution, or judgment issued in this proceeding and shall be forever and finally barred from raising the right to be heard on such questions in this or any other action or proceeding, unless the Court orders otherwise; and

- the Original Order to Show Cause remains in full force and effect with respect to the Subject Trusts to which the Original Order to Show Cause applies.

Following the Final Hearing, the Court will determine, among other things, whether to grant a judgment with respect to the requested instruction and other important matters described in the Amended Petition. If the Court grants such a judgment, and the judgment becomes final and non-appealable (including through the expiration of any time to apply for discretionary review), certificateholders and any other persons claiming an interest in the Subject Trusts, including SACO I 2005-10 (Grp. II) will be bound by the judgment regardless of whether they appeared in the Article 77 Proceeding or submitted any objection to the relief requested in the Amended Petition. The judgment may affect the rights and interests of certificateholders and other parties claiming an interest in the Subject Trusts (and their successors-in-interest, assigns, or transferees), including by, among other things, specifying the manner in which the Petitioner is to administer and distribute the funds at issue, as specified in more detail in the Amended Petition.

The Order to Show Cause also provides that with respect to SACO I 2005-10 (Grp. II), Petitioner shall cause “**Post-Zero Balance Collections**,” as that term is defined in the Amended Petition, net of any expenses and other fees payable under the applicable Governing Agreement(s) to be maintained on deposit, escrowed in a subaccount of the distribution account associated with such Subject Trust on an invested basis, until such time that the Court enters an order concerning the appropriate distribution of such funds and directing such distributions in accordance therewith, pursuant to the terms of an escrow agreement substantially in the form attached as Exhibit 2 to the Affirmation Of Nidhi Nina Yadava In Support Of Petition and Order to Show Cause filed on October 18, 2021 (NYSCEF No. 18).

For additional information on the matters addressed herein and concerning the Article 77 Proceeding, Potentially Interested Persons should review carefully the Amended Petition, the Order to Show Cause, the supporting papers, and other documents filed with the Court. These documents, any orders entered by the Court in the Article 77 Proceeding, and certain other information relevant to the Article 77 Proceeding will be made available within the “Court Documents” page on the website created for the Article 77 Proceeding at <http://www.USBearSACOArticle77.com>, which will be updated periodically. Potentially Interested Persons are encouraged to monitor this web site. Any documents filed with the Court may also be obtained by visiting the e-Courts tab within the Court’s website (available at: <http://www.nycourts.gov/>). In addition, the Subject Trusts are identified along with certificate class and CUSIP references within the “List of Subject Trusts” page on the website created for the Article 77 Proceeding at <http://www.USBearSACOArticle77.com>.

Potentially Interested Persons should NOT direct inquiries to the Court or the Clerk of the Court. If you have any questions about the Article 77 Proceeding, please contact the Petitioner by email at USBankRMBSNotices@usbank.com.

OTHER MATTERS

This Notice contains a summary of the matters and documents described herein and is not a complete statement of those matters or documents, or a summary or statement of relevant law or of relevant legal procedures. Potentially Interested Persons and other Notice recipients are urged to carefully review the documents referenced herein in their entirety and to consider the implications of the matters described in this Notice, and to consult with their own legal and financial advisors.

Potentially Interested Persons should not rely on the Petitioner, its counsel, experts or other advisors retained by the Petitioner, as their sole source of information.

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 Petitioner, or their 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 all matters set forth herein.

U.S. Bank National Association

solely in its capacities as trustee, securities administrator, paying agent, and/or calculation agent for the Subject Trusts

EXHIBIT A

Subject Trusts

1. BSABS 2003-HE1
2. BSABS 2004-FR1
3. BSABS 2004-FR3
4. BSABS 2004-HE10
5. BSABS 2004-HE11
6. BSABS 2004-HE3
7. BSABS 2004-HE4
8. BSABS 2004-HE5
9. BSABS 2004-HE6
10. BSABS 2004-HE7
11. BSABS 2004-HE8
12. BSABS 2004-HE9
13. BSABS 2005-AQ1
14. BSABS 2005-AQ2
15. BSABS 2005-CL1
16. BSABS 2005-EC1
17. BSABS 2005-FR1
18. BSABS 2005-HE1
19. BSABS 2005-HE10
20. BSABS 2005-HE11
21. BSABS 2005-HE12
22. BSABS 2005-HE2
23. BSABS 2005-HE3
24. BSABS 2005-HE4
25. BSABS 2005-HE5
26. BSABS 2005-HE6
27. BSABS 2005-HE7
28. BSABS 2005-HE8
29. BSABS 2005-HE9
30. BSABS 2006-AQ1
31. BSABS 2006-EC1
32. BSABS 2006-EC2
33. BSABS 2006-HE1
34. BSABS 2006-HE10
35. BSABS 2006-HE2
36. BSABS 2006-HE3
37. BSABS 2006-HE4
38. BSABS 2006-HE5
39. BSABS 2006-HE6
40. BSABS 2006-HE7
41. BSABS 2006-HE8
42. BSABS 2006-HE9
43. BSABS 2006-PC1
44. BSABS 2007-AQ1
45. BSABS 2007-AQ2
46. BSABS 2007-FS1
47. BSABS 2007-HE1
48. BSABS 2007-HE2
49. BSABS 2007-HE3
50. BSABS 2007-HE4
51. BSABS 2007-HE5
52. BSABS 2007-HE6
53. BSABS 2007-HE7
54. BSMFT 2006-SL1
55. BSMFT 2006-SL2
56. BSMFT 2006-SL3
57. BSMFT 2006-SL4
58. BSMFT 2006-SL5
59. BSMFT 2006-SL6
60. BSMFT 2007-SL1
61. BSMFT 2007-SL2
62. SACO I 2005-10 (Grp. II)
63. SACO I 2005-6
64. SACO I 2005-7
65. SACO I 2005-8
66. SACO I 2005-9
67. SACO I 2005-WM1
68. SACO I 2005-WM2
69. SACO I 2005-WM3
70. SACO I 2006-10
71. SACO I 2006-3
72. SACO I 2006-4
73. SACO I 2006-5
74. SACO I 2006-6
75. SACO I 2006-7
76. SACO I 2006-9
77. SACO I 2007-2

EXHIBIT B

**Order to Show Cause
(Attached)**

At IAS Part 53 of the Supreme Court of the State of New York, held in and for the County of New York, at the Courthouse, 60 Centre Street, New York, New York, on the 10 day of January, 2022

PRESENT:

Hon. Justice Andrew S. Borrok
J.S.C.

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

In the matter of the application of

U.S. BANK NATIONAL ASSOCIATION (as Trustee, Securities Administrator, Paying Agent, and/or Calculation Agent under various Pooling and Servicing Agreements),

Petitioner,

for judicial instructions pursuant to CPLR Article 77.

Index No. 656028/2021

ORDER TO SHOW CAUSE

Upon reading and filing the annexed First Amended Petition (the "Amended Petition") filed by U.S. Bank National Association ("U.S. Bank" or "Petitioner") dated December 28, 2021; the Affirmation of Nidhi Nina Yadava dated December 28, 2021 (the "Yadava Affirmation") and the exhibits annexed thereto; and U.S. Bank's Memorandum of Law in Support of Amended Petition dated December 28, 2021,

SUFFICIENT CAUSE THEREFORE BEING ALLEGED, IT IS

1. ORDERED that certificateholders and any other persons claiming an interest in "SACO I 2005-10 (Grp. II)" (as defined in the Amended Petition) (each such person, a "Potentially Interested Person," and all such persons collectively, "Potentially Interested Persons") show cause at IAS Part in Room 238 of New York County Courthouse, 60 Centre Street, New York, New York, on March 31, 2022 at 11 a.m. (the "Final Hearing"), why an order and judgment should not

be entered granting the relief sought in the Amended Petition; resolving the questions presented by the Amended Petition and directing the Petitioner as the Court may so order; permanently barring litigation outside the context of this proceeding on any question, issue, objection, claim, or concern related to the matters addressed in the Amended Petition; and for such other and further relief as this Court deems just and proper; and it is further

2. ORDERED that within five (5) days of the entry of this Order, Petitioner shall cause notice of this proceeding and of the Final Hearing to be provided by:

- a. mailing, by first class certified mail, a copy of a notice substantially in the form attached as Exhibit 2 to the Yadava Affirmation (the "Supplemental Notice") to all certificateholders listed on the certificate registry for SACO I 2005-10 (Grp. II) as of the date of the commencement of this action;
- b. electronically transmitting the Supplemental Notice to The Depository Trust Company ("DTC") to be posted to DTC's online Legal Notice System (LENS) in accordance with its established procedures;
- c. posting the Supplemental Notice on the Petitioner's investor reporting website with respect to SACO I 2005-10 (Grp. II); and
- d. posting the Supplemental Notice and all papers filed on the public docket in connection with this proceeding to a website created and maintained by Petitioner for this purpose, the address of which is identified in the Supplemental Notice;

(collectively, the "Supplemental Notice Program"); and it is further

3. ORDERED that the Supplemental Notice Program is reasonable, adequate, and is the best notice practicable, is reasonably calculated to put interested parties on notice of this action, constitutes due and sufficient notice of this proceeding in satisfaction of federal and state due process requirements and other applicable law, and is hereby approved; and it is further

4. ORDERED that within five (5) days of providing notice of this proceeding in accordance with the Supplemental Notice Program, Petitioner shall file with the Court proof of compliance with the Supplemental Notice Program in the form of one or more affidavit(s) of

service made on personal knowledge; and it is further

5. ORDERED that any Potentially Interested Person who wishes to be heard on the merits of the matters presented in the Amended Petition may appear by counsel, or, subject to the limitation imposed by CPLR 321(a), in person at the Final Hearing and, subject to further order of the Court, may present such evidence or argument as may be proper and relevant; provided, however, that except for good cause shown, no Potentially Interested Person shall be heard, and nothing submitted by any Potentially Interested Person shall be considered by the Court, unless such Potentially Interested Person files and serves an answer to the Amended Petition, setting forth the Potentially Interested Person's notice of intention to appear, along with a description of the nature of such Potentially Interested Person's interest with respect to SACO I 2005-10 (Grp. II) and a statement of such Potentially Interested Person's objection or other position as to any matters before the Court, and the grounds therefor, as well as any supporting documents (the "Submission"), on or before January ²⁴~~18~~, 2022; provided, however, further, that the filing of a Submission or other papers with the Court by any appearing person shall not preclude or prevent any other appearing person or Petitioner from challenging such appearing person's legal standing or right to appear in this proceeding on any grounds; and it is further

6. ORDERED that any Submission and any other written motions and papers required or permitted to be filed for any purpose in this proceeding (such as motions, briefs, notices of appearances, or other filings) shall be subject to the following requirements. Such papers shall be double-spaced and shall not exceed a total of fifteen (15) pages, not including documentary evidence, exhibits, or schedules thereto, unless an expansion of this page limitation is granted by the Court in advance of filing. For example, an answer with a notice of intention to appear, statement of grounds for the objection or other position, and memorandum of law in support shall

together not exceed fifteen (15) pages; and it is further

7. ORDERED that all papers required or permitted to be served by Petitioner or any party who appears shall be served by filing on "New York State Court's Electronic Filing" system ("NYSCEF"), unless a party or recipient is exempt from NYSCEF, in which case service shall be made by overnight mail or personal delivery; and it is further

8. ORDERED that a preliminary status conference with counsel will be held on January 25, 2022 at 11:30 a.m. (the "Preliminary Status Conference") to discuss scheduling of future proceedings herein; and it is further

9. ORDERED that no Potentially Interested Person (other than Potentially Interested Persons who are natural persons) will be heard at the Preliminary Status Conference unless such Potentially Interested Person's counsel has filed a notice of appearance by electronic filing, by the date of the Preliminary Status Conference; and it is further

10. ORDERED that a procedure and schedule for responses, if any, to Submissions shall be addressed at the Preliminary Status Conference; and it is further

11. ORDERED that the Court hereby retains exclusive jurisdiction over Petitioner, SACO I 2005-10 (Grp. II), and all beneficiaries in SACO I 2005-10 (Grp. II), as well as any parties claiming any interests in SACO I 2005-10 (Grp. II) (whether past, present or future) for all matters relating to the Amended Petition and this proceeding; and it is further

12. ORDERED that any Potentially Interested Person who fails to appear at the Final Hearing or fails to answer the Amended Petition in the manner described herein shall be deemed to have waived the right to be heard on the questions presented by the Amended Petition and from appealing any order, resolution, or judgment issued in this proceeding and shall be forever and finally barred from raising the right to be heard on such questions in this or any other action or

proceeding, unless the Court orders otherwise; and it is further

13. ORDERED that with respect to SACO I 2005-10 (Grp. II), the Petitioner shall cause "Post-Zero Balance Collections," as that term is defined in the Amended Petition, net of any expenses and other fees payable under the applicable governing contracts (the "Escrow Funds") to be maintained on deposit, escrowed in a subaccount of the distribution account associated with SACO I 2005-10 (Grp. II) on an invested basis, until such time that the Court enters an order concerning the appropriate distribution of such funds and directing such distributions in accordance therewith, pursuant to the terms of an escrow agreement substantially in the form attached as Exhibit 2 to the Affirmation Of Nidhi Nina Yadava In Support Of Petition and Order to Show Cause filed on October 18, 2021 (NYSCEF No. 18); and it is further

14. ORDERED that the Petitioner shall use commercially reasonable efforts to cause Escrow Funds to be invested and reinvested in the Morgan Stanley Institutional Liquidity Funds Treasury Securities Portfolio (Institutional Share Class) (ticker: MSUXX); and it is further

15. ORDERED that any earnings on the Escrow Funds shall be reinvested and inure to the benefit of certificateholders, and that Petitioner will not receive fees, interest, or other direct monetary benefit as a result of the Escrow Funds; and it is further

16. ORDERED that the investment earnings accrued on the Escrow Funds will be treated as principal amount received on the mortgage loans. Any issues concerning the distribution of investment earnings will be addressed in this Court's instructions issued at the conclusion of this proceeding; and it is further

17. ORDERED that the Order to Show Cause entered on November 29, 2021 (NYSCEF No. 30) ("Original Order to Show Cause") remains in full force and effect with respect to the "Subject Trusts" (as defined in the Original Order to Show Cause) subject thereto.

So ORDERED:

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HON. ANDREW BORROK
J.S.C.