

**IN THE SUPREME COURT OF NEVADA**

JPMORGAN CHASE BANK, N.A.,  
SUCCESSOR BY MERGER TO  
CHASE HOME FINANCE LLC,

Appellant,

v.

SFR INVESTMENTS POOL 1, LLC,

Respondent.

Supreme Court No. 71839

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Elizabeth A. Brown  
Clerk of Supreme Court

**APPEAL**

from the Eighth Judicial District Court, Clark County  
The Honorable NANCY L. ALLF, District Judge  
District Court Case No. A-12-672963-C

**APPELLANT'S APPENDIX – VOLUME 3**

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Affidavit of Service – JP Morgan Chase Bank, N.A.	December 20, 2012	1 AA 013
Affidavit of Service – National Default Servicing Corporation	December 20, 2012	1 AA 014
Affidavit of Service – Republic Silver State Disposal, Inc.	December 20, 2012	1 AA 015
Answer of JPMorgan Chase Bank, N.A., as Successor by Merger to Chase Home Finance LLC, and California Reconveyance Company	January 25, 2013	1 AA 016-021
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**CERTIFICATE OF SERVICE**

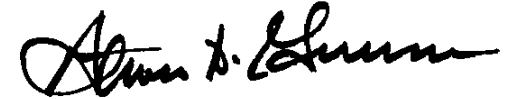
I certify that on April 21, 2017, I filed **Appellant's Appendix – Volume 3**.  
Service will be made on the following through the Court's electronic filing  
system:

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CLERK OF THE COURT

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JPMorgan Chase Bank, N.A., as successor by merger  
to Chase Home Finance LLC*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

SFR INVESTMENTS POOL 1, LLC a Nevada limited  
liability company,

Plaintiff,

v.

VENTA REALTY GROUP, a Nevada corporation,  
JPMORGAN CHASE BANK, NA, a National  
Association, successor by merger to CHASE HOME  
FINANCE LLC, a foreign limited liability corporation,  
ET AL.,

Defendants.

JPMORGAN CHASE BANK, N.A., as successor by  
merger to Chase Home Finance LLC,

Counter-Claimant,

vs.

SFR INVESTMENTS POOL 1, LLC, a Nevada  
limited liability company

Counter-Defendant.

CASE NO. A-12-672963-C

DEPT NO. 27

**PLAINTIFF JPMORGAN CHASE BANK, N.A.'S OPPOSITION TO SFR INVESTMENTS  
POOL 1, LLC'S MOTION FOR SUMMARY JUDGMENT**

Time of hearing: 10:30 a.m.  
Date of hearing: September 15, 2016

Plaintiff JPMorgan Chase Bank, N.A. (“Chase”) opposes the motion for summary judgment (“Motion”) filed by Defendant SFR Investments Pool 1, LLC (“SFR”). Chase bases this Opposition on the following points and authorities, the attached exhibits, the documents on file in this case, and any argument that the Court may hear.

## I. INTRODUCTION

SFR purportedly purchased the real property located at 1076 Slate Crossing #2, Henderson, Nevada 89002 (“Property”) at a homeowners’ association foreclosure sale (“HOA Sale”) held in 2012 pursuant to NRS 116.3116, *et seq.* SFR now seeks summary judgment on its claim to quiet title on the Property, based on a theory that the HOA Sale extinguished all liens recorded against the Property, included a federally-insured, first deed of trust held by Chase. SFR also seeks summary judgment on Chase’s counterclaim for unjust enrichment. As set forth herein, SFR’s Motion lacks merit and must be denied.

As a threshold matter, the Court cannot apply NRS 116.3116, *et seq.* in this case for several reasons:

- First, as the Ninth Circuit recently held, NRS 116.3116, *et seq.*, is facially unconstitutional. It is an “opt in” notice statute that violates the due process clauses of both the United States and Nevada Constitutions. The Court cannot apply an unconstitutional statute.
- Second, because Chase’s deed of trust is insured by the FHA, any law purporting to extinguish that deed of trust, including NRS 116.3116, *et seq.*, is preempted by the Supremacy and Property Clauses of the United States Constitution.
- Third, the Court should apply the Nevada Supreme Court’s holding in *SFR Investments Pool 1, LLC v. U.S. Bank, N.A.*, 130 Nev. \_\_\_, 334 P.3d 408 (2014) **only prospectively**. At the time of the HOA Sale in 2012, the real estate industry – including SFR’s own purchasing agent – understood that a property interest purchased at an association foreclosure sale remained subject to a first deed of trust. Under these facts, the Court cannot apply the 2014 *SFR* decision to the 2012 HOA Sale in this case.

Since NRS 116.3116, *et seq.* cannot apply in this case, SFR’s Motion cannot succeed.

Even if the Court ignored the foregoing constitutional constraints, SFR’s arguments still fail. Chase has at least demonstrated a genuine issue of material fact concerning (i) the adequacy of price paid by SFR; (ii) irregularities in the HOA Sale; and (iii) SFR’s alleged status as a bona fide purchaser (“BFP”). As such, the Court should preclude summary judgment. In addition,

SFR's reliance on the Foreclosure Deed to argue that the Court must presume SFR has title to the Property is misplaced. The plain language of the Foreclosure Deed does not provide SFR with free and clear title. It provides SFR with only the HOA's lien interest in the Property. Finally, contrary to SFR's assertions, neither the voluntary payment doctrine nor the doctrine of laches bars Chase's claim for unjust enrichment. For any one of these reasons, the Court cannot grant quiet title in SFR's favor and should dismiss its Motion.

## II. CHASE'S RESPONSE TO SFR'S STATEMENT OF FACTS

### A. Chase Disputes SFR's Proffered Facts

Presuming SFR's proffered facts are admissible, they are in dispute:<sup>1</sup>

SFR's Purportedly Undisputed Fact	Chase's Response
"Nevada adopted Uniform Common Interest Ownership Act as NRS 116, including NRS 116.3116(2)."	The referenced Act and statute speak for themselves.
"Association perfected and gave notice of its lien by recording its Declaration of Covenants, Conditions and Restrictions ("CC&Rs") in Book No. 20040518 as Instrument No. 0001999."	The referenced document speaks for itself.
"Grant, Bargain, Sale Deed, transferring the Property to Delaine L. Harned, recorded as Instrument No. 20080514-0005040."	The referenced document speaks for itself.
<p>"Deed of Trust in favor of Venta Realty Group, dba Venta Home Loans ("FDOT"), recorded as Instrument No. 20080514-0005041</p> <p>The FDOT contained a Planned Unit Development Rider that allowed the Lender to pay the Borrower's Association Assessment and add that amount to the Borrower's debt to Lender.</p> <p>The FDOT also included language that stated 'the Lender may do and pay whatever is necessary to protect the value of the Property and the Lender's rights in the Property, including payment of taxes, hazard insurance, and other items mentioned in paragraph 2.'"</p>	<p><b>Disputed.</b></p> <p>SFR mischaracterizes the Planned Unit Development Rider. Under the Planned Unit Development Rider, a lender may, but is not required to, pay assessments in the event of a default.</p>

<sup>1</sup> To the extent that SFR's "undisputed facts" refer to dates, Chase does not concede any date that is not reflected and supported by recorded documents.

1	SFR's Purportedly Undisputed Fact	Chase's Response
2	3 "Association recorded Notice of Delinquent 4 Assessment (the operative NODA) Instrument 5 No. 20100205-0001923. 6 The homeowner, Delaine L. Harned, was 7 mailed the Operative NODA."	The referenced document speaks for itself. Whether the homeowner received the NODA is irrelevant.
6	"Assignment of Deed of Trust on behalf of Chase Home Finance LLC recorded by California Reconveyance Company as Instrument No. 201012060000315."	The referenced document speaks for itself.
8	8 "Substitution of Trustee by MERS, on behalf of 9 Chase Home Finance as beneficiary under the 10 deed of trust, substituting California 11 Reconveyance Company as new trustee 12 recorded as Instrument No. 20101206- 13 0000316."	The referenced document speaks for itself.
12	12 "A Notice of Default and Election to Sell Under 13 Deed of Trust is recorded on behalf of the Bank 14 as Instrument No. 201012060000317."	The referenced document speaks for itself.
14	14 "Certificate of Mediation Foreclosure Program 15 recorded as Instrument No. 201104120001990. 16 This document states, "Non-Applicable 17 Property: The Beneficiary May Proceed with 18 the foreclosure process."	The referenced document speaks for itself. The referenced document and action taken after the foreclosure sale are immaterial.
17	17 "A Notice of Trustee's Sale is recorded by 18 California Reconveyance Company as trustee 19 to MERS as Instrument No. 20 2011060100003269. The sale was scheduled 21 for June 21, 2011."	The referenced document speaks for itself. Also, the proper instrument number is 201106010003269.
20	20 "A Second Notice of Trustee's Sale is recorded 21 by California Reconveyance Company as 22 trustee to MERS as Instrument No. 23 2011060100003269. The sale was scheduled 24 for October 20, 2011."	The referenced document speaks for itself. Also, the proper instrument number is 201109290003457.
23	23 "After more than 30 days elapsed from the date 24 of mailing of the operative NODA, Association 25 recorded a Notice of Default as Instrument No. 26 201203070000441. 27 Within 10 days of recordation, the Notice of 28 Default was thereafter mailed to numerous parties, including in pertinent part, Harned, Venta Realty Group, the Bank, California Reconveyance Company, and MERS. The Bank received the Notice of Default. The	The referenced document speaks for itself. The receipt of the referenced document and action taken after the foreclosure sale are immaterial.

1	SFR's Purportedly Undisputed Fact	Chase's Response
2	Bank does not dispute receiving this notice.	
3	The Bank did not make any attempts to pay the Association's lien after it received the Notice of Default."	
4		
5	"The Bank sent a letter to the homeowner advising that the Association sent the Bank the NOD. In that letter, the Bank advised the homeowner that if she did not 'take action to correct this situation, Chase may initiate the appropriate actions' to bring her account current with the 'association, pursuant to the terms of your mortgage.'"	Immaterial.
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10	"After more than 90 days elapsed from the date of the mailing of the Notice of Default, Association mailed a Notice of Trustee's Sale ('Notice of Sale') as Instrument No. 20120830-0003067.	The referenced document speaks for itself and recites hearsay.
11		Also, the document's proper name is the "Notice of Foreclosure Sale," and the instrument number is 20120830-00003067.
12	The Notice of Sale was mailed to numerous parties, including in pertinent part, Harned, Venta Realty Group, the Bank, California Reconveyance Company, and MERS.	The receipt of the referenced document and action taken after the Notice of Sale was sent by the foreclosure agent is immaterial.
13		
14	The Bank received the Notice of Sale. The Bank does not dispute receiving this notice.	
15		
16	The Bank took no action after it received the Notice of Sale."	
17	"The Notice of Sale was posted on the Property in a conspicuous place.	Immaterial.
18		Further, none of the documents SFR cites in support of these allegations indicate that the referenced document was posted for 20 consecutive days; SFR's documents recite only hearsay statements.
19	The Notice of Sale was thereafter posted at three public places within Clark County for 20 consecutive days.	
20	The Notice of Sale was published in the Nevada Legal News for three consecutive weeks."	
21		
22	"The Bank never exercised its right under the FDOT to set up an escrow account from which to pay the Association's assessments.	SFR's contentions as to the Bank's rights under the FDOT are not supported by its citation to Susan Newby's Declaration.
23		
24	The Bank never paid or tried to pay any portion of the Association's lien.	Next, whether the Bank tried to pay any portion of the Association's lien is not supported by SFR's citations.
25	The Bank did not challenge the foreclosure sale in any civil or administrative proceeding.	Furthermore, it is immaterial whether the Bank did or did not challenge the foreclosure sale.
26	No release of the superpriority portion of the Association's lien was recorded against the Property.	Regarding the release, it is <b>disputed</b> . As a preliminary matter, SFR's citations to the Declaration submitted by Robert Diamond ("Diamond Declaration" or "Diamond Decl.")
27		
28	No lis pendens was recorded against the	

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SFR's Purportedly Undisputed Fact	Chase's Response
Property.”	do not <i>in any way</i> support SFR's contentions. <i>See</i> Diamond Decl. ¶ 18, as cited to by SFR. Even assuming SFR correctly cited its contentions, the Diamond Declaration lacks foundation, as Mr. Diamond has no personal knowledge of the acts of third parties such as the Association and the Association trustee. Specifically, Mr. Diamond lacks knowledge as to whether the lien was in fact released. Further, he has no personal knowledge of whether there was a “super-priority” portion included in the lien. To the extent that Mr. Diamond relies on information provided by the Association, this assertion contains hearsay.  Regarding the lis pendens, this fact is immaterial and <b>disputed</b> . Again, SFR's citations to the Diamond Declaration do not support its contentions. <i>See</i> Diamond Decl. ¶ 19, as cited to by SFR. Even assuming SFR correctly cited its contentions, the Diamond Declaration lacks foundation, as Mr. Diamond has no personal knowledge of the acts of the Clark County Recorder. To the extent that Mr. Diamond relies on website information, his assertion contains hearsay.
“Association foreclosure sale took place and SFR placed the winning bid of \$6,100.00. This amount was paid by SFR.  There were multiple bidders in attendance at the sale.  No one acting on behalf of the Bank attended the Sale.”	<b>Disputed.</b> First, SFR's citation to the Diamond Declaration does not support this claim. <i>See</i> Diamond Decl. ¶ 15 (“SFR received a foreclosure deed from NAS that contains recitals regarding the noticing of the sale”).  Second, presumably SFR meant to cite to ¶ 14, but completely mischaracterizes the paragraph. The Diamond Declaration states only that during his time as a bidder for SFR, he “never attended a sale with only one qualified bidder in attendance.” Yet, no document attached to the Diamond Declaration indicates how many bidders attended this HOA Sale, and more importantly, how many of those bidders actually made at bid on the Property.  Finally, it is immaterial whether anyone acting on behalf of the Bank attended the sale.

SFR's Purportedly Undisputed Fact	Chase's Response
<p>“Trustee’s Deed Upon Sale (“Foreclosure Deed”) vesting title in SFR recorded as Instrument No. 20120925-0001230.</p> <p>As recited in the Foreclosure Deed, the Association foreclosure sale all requirements of law were complied with [sic], including but not limited to mailing of copies of notices, the recording of the Notice of Default, and the posting and publication of the Notice of Sale.</p> <p>SFR has no reason to doubt the recitals in the Foreclosure Deed. If there were any issues with delinquency or noticing, none of these were communicated to SFR.</p> <p>Further, neither SFR, nor its agent, have any relationship with the Association besides owning property within the community.</p> <p>Similarly, neither SFR, nor its agent, have any relationship with NAS, the Association’s agent, beyond attending auctions, bidding, and occasionally purchasing properties at publically-held auctions conducted by NAS, or having purchased some reverted properties through arm’s-length negotiations.”</p>	<p><b>Disputed.</b> The “Foreclosure Deed” recorded on September 25, 2012 as Clark County Recorded Instrument No. 201209250001230, states:</p> <p>Nevada Association Services, Inc. as agent for Paradise Court does hereby grant and convey, but without warranty express or implied, to: SFR Investments Pool I, LLC (herein called Grantee) . . . all its right, title and interest in and to that certain property...</p> <p><b>Ex. B, Foreclosure Deed.</b> The interest NAS had as agent for the Association was merely a lien interest, not a title interest.</p> <p>Additionally, the “Foreclosure Deed” speaks for itself. Chase also disputes the broad legal conclusion that the sale “complied with all requirements of law” and the implication that the document references recording of the Notice of Default.</p> <p>Next, SFR’s doubts and subjective beliefs are immaterial and irrelevant to this case. To the extent the Court could construe these doubts and subjective beliefs as a material fact, Chase disputes them. As set forth below, SFR had inquiry notice to confirm the circumstances of the sale but chose to be willfully ignorant when it purchased the property.</p> <p>Finally, as noted above, to the extent these assertions regarding SFR’s relationship with the Association and NAS are based on what other members of SFR replayed, such statements are hearsay.</p>
<p>“Substitution of Trustee in favor of National Default Servicing Corporation (“NDSC”) recorded as Instrument No. 20121011-0001602.”</p>	<p>The referenced document speaks for itself.</p>
<p>“Notice of Trustee’s Sale under the deed of trust recorded by NDSC as Instrument No. 20121011-0001603.”</p>	<p>The referenced document speaks for itself.</p>
<p>“SFR filed its Complaint for quiet title against the Bank.”</p>	<p>Immaterial and the referenced document speaks for itself.</p>
<p>“SFR filed its Notice of Lis Pendens on the Property.”</p>	<p>Immaterial and the referenced document speaks for itself.</p>

SFR's Purportedly Undisputed Fact	Chase's Response
"The Bank filed its Answer to SFR's Complaint."	Immaterial and the referenced document speaks for itself.
"Nevada Supreme Court issues <u>SFR Investments Pool 1, LLC v. U.S. Bank, N.A.</u> , opinion holding that a properly held association foreclosure sale pursuant to NRS 116.31162-116.31168 extinguishes a first deed of trust."	While the referenced opinion speaks for itself, Chase disputes any implication that the opinion applies retroactively to the foreclosure sale in this case.
"The Bank filed its Amended Answer to SFR's Complaint and Counterclaim against SFR."	Immaterial and the referenced document speaks for itself.
"SFR filed its Answer to the Bank's Counterclaim."	Immaterial and the referenced document speaks for itself.

## B. Additional Facts That Preclude Summary Judgment

SFR's conveniently ignores facts precluding summary judgment in its favor. First, at the time of the HOA Sale, the Association's "Declaration of Covenants, Conditions & Restrictions and Reservation of Easements" ("CC&Rs") contained a mortgage protection provision ("Mortgage Protection Provision") that expressly subordinated the HOA's lien to a first deed of trust. **Ex. C**, CC&Rs. Second, Robert "Bob" Diamond, an experienced real estate investor who has purchased more than 185 properties for himself, attended the HOA Sale on SFR's behalf. **Ex. D**, P. Kelso Dep., 64:13-14. *See also* **Ex. E**, R. Diamond Dep., Case No. A-13-678842-C, 5:6-7:18. Mr. Diamond understood the properties he acquired on behalf of SFR, from association foreclosure sales, remained subject to a deed of trust.

**Q. So you understood that if you purchased a property at an HOA foreclosure sale and then a bank foreclosed, you would lose the investment?**

**A. To my knowledge.**

\* \* \*

Q. This question is: You just said that you thought you were getting a property free and clear.

A. Well, I don't know about free and clear. I'll correct it. I felt that you were getting ownership of the property is really what I meant to say. So as you paid these attorneys [at Alessi] handling these, then you'd have to come back and get your paperwork [e.g., the foreclosure deed] that you have new ownership. Okay. **Is the loan still on the property? Yes. That I do know.**



1 **Ex. E**, R. Diamond Dep., 69:21–70:3, 75:14–76:11 (emphasis added). *See also id.*, 11:8-23  
2 (testifying that a bank foreclosed on a property he purchased at an association sale *after* the date of  
3 the association sale); **Ex. D**, P. Kelso Dep., 52:22–54:3, 134:7-14 (testifying that SFR knew “the  
4 homes were going for the prices that they were [] because of the risk of litigation [] associated  
5 with it,” that SFR knew it may lose the litigation, and that “probably somebody associated with  
6 the First Deed of Trust” would be involved in the litigation).

7 Moreover, lease agreements used by SFR in 2012 reflect this investment strategy and  
8 SFR’s belief that it acquired its interest in the Property subject to a first deed of trust. *See Ex. F*,  
9 Foreclosure Addendum. The Foreclosure Addendum used by SFR in 2012 – the same year as the  
10 HOA Sale – advised tenants that lenders maintained a security interest in the property after an  
11 association foreclosure and, further, that a lender’s foreclosure would divest SFR of its **legal**  
12 ownership:

13 1. SFR'S PURCHASE AT HOMEOWNER'S ASSOCIATION FORECLOSURE  
14 SALE. Tenant(s) is notified that SFR Investments Pool I, LLC ("SFR" or  
15 "LANDLORD") purchased the Leased Property at a foreclosure auction conducted  
16 by a homeowner's association. SFR is the title owner of the Leased Property. If the  
17 previous owner of the Leased Property borrowed money from a lender and secured  
18 the loan with a deed of trust on the Leased Property, **the lien holder/lender may  
have the right to foreclose on the Leased Property if the borrower does not pay  
on the loan.** SFR is in the process of negotiating with **any lien holder/lender that  
maintained its security interest in the property after the homeowner's  
association foreclosure sale.**

19 \* \* \*

20 3. TERMS OF LEASE AGREEMENT. During any foreclosure period [by a lien  
21 holder/lender], the Tenant(s) shall honor ALL CONDITIONS of the current Lease  
22 Agreement including, but not limited to, the timely payment of rent as stated in the  
23 Lease Agreement. Nevada law grants the title owner of a property a redemption  
24 period, and **SFR remains as the legal owner of record until the actual time of  
the foreclosure sale.**

25 Finally, SFR presumably collects rent on the Property pursuant to its investment model.  
26 Here, SFR paid \$6,100 for a property with a market value of \$82,000 on the date of the HOA Sale.  
27 **Ex. D**, P. Kelso Dep. 87:17-18; **Ex. G**, Expert Report by Scott Dugan. After the HOA Sale, Chase  
28 paid taxes and insurance on the Property. **Ex. A**, Declaration of JPMorgan Chase Bank, N.A.  
29 (“Chase Decl.”) & **Ex. A-4**, Escrow Activity. SFR has clearly received a windfall, and in the  
event the Court quiets title in its favor (which it should not), Chase is entitled to recoup the

benefits SFR received at Chase's expense.

### III. SFR IS NOT ENTITLED TO SUMMARY JUDGMENT

SFR's Motion lacks merit. **First**, and as a threshold matter, the Court cannot apply NRS 116.3116, *et seq.* in this case. Doing so would violate Due Process and the Supremacy and Property Clauses of the U.S. Constitution. Moreover, fairness requires that the Court only prospectively apply the Nevada Supreme Court's holding in *SFR*. **Second**, under *Shadow Wood Homeowners Assoc. v. New York Community Bancorp* and the Restatement (Third of Property: *Mortgages* (1997) (hereinafter, "Restatement"), the facts of this case justify setting aside the HOA Sale. 132 Nev. Adv. Op. 5, 366 P.3d 1105, 1111 (2016). **Third**, since SFR had notice of the sale improprieties, it cannot claim bona fide purchaser ("BFP") status. SFR's reliance on the Foreclosure Deed likewise fails to establish title in SFR's favor, as the plain language of this non-warranty provision provides SFR with only the HOA's lien interest in the Property, not the former homeowner's fee interest (much less free and clear title). **Fourth**, even assuming the Court could ignore the applicable law and factual record to quiet title in SFR's favor (which it cannot), Chase's alternative claim for unjust enrichment must survive. Contrary to SFR's arguments, the voluntary payment doctrine has no application in this case. For these reasons, the Court must deny SFR's Motion.

#### A. NRS 116.3116, *et seq.* Is Facially Unconstitutional

The Court cannot apply NRS 116.3116, *et seq.* ("State Foreclosure Statute") as enacted in 2012 because it is facially unconstitutional. As the Ninth Circuit recently concluded in *Bourne Valley Court Trust v. Wells Fargo Bank, N.A.*, the State Foreclosure Statute violates due process on its face by requiring lien holders to "opt in" to ensure it receives notice of an association foreclosure sale. Appeal No. 15-15233, 2016 WL 4254983 (9th Cir. Aug. 12, 2016). The Court cannot enforce this facially unconstitutional statute.

##### 1. The State Foreclosure Statute Violates Due Process On Its Face

A party may challenge the constitutionality of a statute in two ways: based on the statute's application to the specific facts of a case (i.e., an as-applied challenge) or based on the statute's intrinsic terms that violated a constitutional right from the day of the law's enactment (i.e., a facial

1 challenge). *See Ezell v. City of Chicago*, 651 F.3d 684, 698-99 (7th Cir. 2011); *Women’s Med.*  
2 *Prof’l Corp. v. Voinovich*, 130 F.3d 187, 193 (6th Cir. 1997) (“[I]f a statute is unconstitutional on  
3 its face, the State may not enforce the statute under any circumstances.”). Unlike as-applied  
4 challenges that must consider the facts of a particular case, for a facial challenge, “individual  
5 application of the facts do[es] not matter,” and “the plaintiff’s personal situation becomes  
6 irrelevant. It is enough that ‘[w]e have only the [statute] itself’ and the ‘statement of basis and  
7 purpose that accompanied its promulgation.’” *Ezell*, 651 F.3d at 697 (citing *Reno v. Flores*, 507  
8 U.S. 292, 300-01 (1993)). *See also John Doe No. 1 v. Reed*, 561 U.S. 186, 194 (2010); *Women’s*  
9 *Med. Prof’l Corp. v. Voinovich*, 130 F.3d 187, 193 (6th Cir. 1997).

## 10 2. Due Process Requires Actual Notice To Lenders

11 The Due Process Clause of the United States Constitution requires that “at a minimum,  
12 [the] deprivation of life, liberty or property by adjudication be preceded by notice and opportunity  
13 for hearing appropriate to the nature of the case.” *Mullane*, 339 U.S. at 314; *accord Bourne*  
14 *Valley*, 2016 WL 4254983, at \*3 (“Before it takes an action that will adversely affect an interest in  
15 life, liberty, or property, a State must provide notice reasonably calculated, under all  
16 circumstances, to apprise interested parties of the pendency of the action and afford them an  
17 opportunity to present their objections.” (internal quotations and alterations omitted)). This basic  
18 constitutional premise applies to a mortgagee that faces extinguishment of its lien interest. *See*  
19 *Mennonite Bd.*, 462 U.S. 791. Thus, state action affecting such real property must be  
20 accompanied by “notice reasonably calculated, under all circumstances, to apprise interested  
21 parties of the pendency of the action and afford them an opportunity to present their objections.”  
22 *Tulsa Prof’l Collection Services, Inc. v. Pope*, 485 U.S. 478, 484 (1988); *accord Bourne Valley*,  
23 2016 WL 4254983, at \*3. “When notice is a person’s due, *process which is a mere gesture is not*  
24 *due process.*” *Mullane*, 339 U.S. at 314 (emphasis added), *cited by SFR*, 334 P.3d at 422  
25 (dissenting op.); *accord Kotecki v. Augusztiny*, 87 Nev. 393, 395, 487 P.2d 925, 0926 (1971).

26 The United States Supreme Court emphasized the importance of the notice requirement in  
27 *Mennonite Bd. of Missions v. Adams*, where the Court addressed whether a mortgagee was entitled  
28 to actual notice before its lien could be extinguished at a tax sale. The Court held that any

1 reasonably-ascertainable party with an interest in real property subject to deprivation must receive  
2 actual notice of the event that causes the deprivation:

3 Since a mortgagee clearly has a legally protected property interest, he is entitled to  
4 notice reasonably calculated to apprise him of a pending tax sale. **“When the  
5 mortgagee is identified in a mortgage that is publicly recorded, constructive  
6 notice by publication must be supplemented by notice mailed to the  
7 mortgagee’s last known available address, or by personal service.”**

8 462 U.S. at 798 (emphasis added); *see also id.* at 800 (“Notice by mail or other means as certain to  
9 ensure actual notice is a minimum constitutional precondition to a proceeding which will  
10 adversely affect the liberty or property interests of *any* party, whether unlettered or well versed in  
11 commercial practice.”) (emphasis in original).

12 Here, the Nevada Legislature gave, by the State Foreclosure Statute, homeowners’  
13 associations the right to non-judicially foreclose. This **statutorily-created** foreclosure mechanism  
14 must therefore comply with due process before it can extinguish a deed of trust that, **but for** the  
15 State’s enactment of the statute, would enjoy priority status. *See J.D. Constr., Inc. v. IBEX Int’l  
16 Grp., LLC*, 126 Nev. Adv. Rep. 36, 240 P.3d 1033, 1040 (2010); *Bourne Valley*, 2016 WL  
17 4254983, at \*5 (“In this context, where the mortgage lender and the homeowners’ association had  
18 no preexisting relationship, the Nevada Legislature’s enactment of the Statute is a ‘state action.’”).  
19 Under U.S. Supreme Court and Ninth Circuit precedent, the State Foreclosure Statute must require  
20 actual notice to any reasonably-ascertainable mortgagee to satisfy the demands of due process.

### 21 3. The Statute’s “Opt-In” Process Fails To Satisfy Due Process

22 The State Foreclosure Statute does not include any express or mandatory notice provision  
23 requiring notice to a lender or other lienholder – an overarching constitutional defect that infects  
24 the entire homeowner’s association foreclosure scheme. As the Ninth Circuit explained, the State  
25 Foreclosure Statute’s “peculiar” notice scheme unconstitutionally required lien holders “to ask the  
26 homeowners’ association to please keep it in the loop regarding the homeowners’ association’s  
27 foreclosure plans”:

28 Thus, despite that only the homeowners’ association knew when and to what extent  
a homeowner had defaulted on her dues, the burden was on the mortgage lender to  
ask the homeowners’ association to please keep it in the loop regarding the  
homeowners’ association’s foreclosure plans. How the mortgage lender, which

1 likely had no relationship with the homeowners' association, should have known to  
2 ask is anybody's guess, and indeed Bourne Valley offers no arguments here. But  
this system was not just strange; in our view, it was also unconstitutional.

3 \* \* \* [The State Foreclosure Statute] shifted the burden of ensuring adequate notice  
4 from the foreclosing homeowners' association to a mortgage lender. It did so  
5 without regard for: (1) whether the mortgage lender was aware that the homeowner  
6 had defaulted on her dues to the homeowners' association, (2) whether the mortgage  
lender's interest had been recorded such that it would have been easily discoverable  
through a title search, or (3) whether the homeowners' association had made any  
effort whatsoever to contact the mortgage lender.

7 *Bourne Valley*, 2016 WL 4254983, at \*3-4. None of the State Foreclosure Statute's four notice  
8 provisions mandate actual notice to a mortgagor. Rather, each required the mortgagor to "opt-in"  
9 and request notice. Such a system is unconstitutional.

#### 10 11 **4. Recent Amendments Confirm that the State Foreclosure Statute Was an Unconstitutional Opt-In Provision**

12 "[W]hen the [Nevada] Legislature substantially amends a statute, it is ordinarily presumed  
13 that the Legislature intended to change the law." *Pub. Emps. Benefits Program v. Las Vegas*  
14 *Metro. Police Dep't*, 124 Nev. 138, 156-57, 179 P.3d 542, 554 (2008); *accord Metz v. Metz*, 120  
15 Nev. 786, 792, 101 P.3d 779, 783-84 (2004); *Pellegrini v. State*, 117 Nev. 860, 874, 34 P.3d 519,  
16 528 (2001). Here, the Nevada Legislature recently passed two bills to amend the notice provisions  
17 contained in NRS Chapter 116, thereby confirming that the State Foreclosure Statute required a  
18 deed of trust beneficiary to opt in before it was assured of receiving notice. *See* S.B. 306, 78th  
19 Leg., 2015 Nev. Stat. 266; A.B. 141, 78th Leg., 2015 Nev. Stat. 304. As the *Bourne Valley* court  
20 explained, these 2015 amendments provide "further evidence that the version of the Statute  
21 applicable in this action did not require notice unless it was requested. If the Statute already  
22 required homeowners' associations affirmatively to provide notice, there would have been no need  
23 for the amendment." *Bourne Valley*, 2016 WL 4254983, at \*4, n. 4.

24 The first bill, S.B. 306, amends numerous provisions of Chapter 116 in response to the  
25 *SFR* decision. Most significantly, S.B. 306 amends NRS 116.31163 to categorically require an  
26 association to mail its notice of default to any holder of a recorded security interest. *See id.* § 3.  
27 The bill also amends NRS 116.311635 to categorically require an association to mail its notice of  
28

1 sale to any security interest holder. *See id.* § 4. An association must mail each notice to the interest  
2 holder's address on file with the Nevada Division of Financial Institutions. *See id.* §§ 3-4. In  
3 addition, S.B. 306 provides a mortgagee with a right of redemption for 60 days after an association  
4 foreclosure sale. *See id.* § 6.

5 The second bill, A.B. 141, focuses solely on notice. It amends NRS 116.31163(2), which  
6 governs the mailing of an association's notice of default. Therefore, the amended statute requires  
7 an association to mail its notice of default to any holder of a recorded security interest, regardless  
8 of whether the holder of the interest has opted in for such notice.

9 The legislative history further demonstrates the Legislature did **not** believe the pre-  
10 amendment version of Chapter 116 required notice. *See, e.g., Hrg. On S.B. 306 before the S.*  
11 *Comm. On Jud.*, 2015 Leg., 78th Sess., at 6 (Nev. 2015),  
12 [www.leg.state.nv.us/Session/78th2015/Minutes/Senate/JUD/Final/829.pdf](http://www.leg.state.nv.us/Session/78th2015/Minutes/Senate/JUD/Final/829.pdf) (statement of Senator  
13 Scott Hammond); *Hrg. On S.B. 306 before the Assemb. Comm. On Jud.*, 2015 Leg., 78th Sess., at  
14 2:02:40, 2:03:35 (Nev. 2015), *available at*  
15 [http://nvleg.granicus.com/MediaPlayer.php?view\\_id=14&clip\\_id=4497](http://nvleg.granicus.com/MediaPlayer.php?view_id=14&clip_id=4497) (statement of Senator  
16 Aaron D. Ford). As the United States District Court for the District of Nevada explained, "the  
17 very need for these amendments indicates that the Nevada Legislature perceived that the statutes  
18 previously did not require such notice, i.e., that NRS 116.31168 did not incorporate NRS  
19 107.090(3)-(4)." *U.S. Bank, N.A. v. SFR Invests. Pool 1, LLC*, 124 F. Supp. 3d 1063, 2015 WL  
20 5023450, \*12, 2015 U.S. Dist. LEXIS 112807, \*34 (Aug. 26, 2015). While the Legislature's  
21 amendments "probably avoid any facial due process notice issues going forward," *id.*, the  
22 legislative histories of S.B. 306 and A.B. 141 demonstrate that the State Foreclosure Statute did  
23 not require notice to lenders. It only required notice if a deed of trust beneficiary **affirmatively**  
24 **requested** it.

25 The Court cannot enforce the version of NRS 116.3116, *et seq.* under which the  
26 Association foreclosed. *Ezell v. City of Chicago*, 651 F.3d 684, 698 (7th Cir. 2011) ("The remedy  
27 [for a facial challenge] is necessarily directed at the statute itself and must be injunctive and  
28

1 declaratory; a successful facial attack means the statute is wholly invalid and cannot be applied to  
2 anyone.”).<sup>2</sup>

3 **B. The Federally-Insured Deed of Trust Trumps SFR’s Interests**

4 SFR contends that the HOA Sale extinguished the federally-insured deed of trust held by  
5 Chase. Mot. at 22. SFR is wrong. Rather, because the deed of trust held by Chase is insured by  
6 the FHA, the HOA Sale violated the Supremacy Clause and Property Clause of the United States  
7 Constitution. *See* **Ex. A**, Chase Decl., **Ex A-1**, Note, & **Ex. A-2**, Mortgage Insurance Certificate.  
8 SFR attempts to undermine this position by erroneously claiming that Chase does not have  
9 standing to bring a federal preemption claim. *Id.* SFR is again wrong.

10 **1. Chase Has Standing to Assert a Federal Preemption Claim**

11 There is no bar against private parties raising a federal preemption argument. *See Thunder*  
12 *Props., Inc. v. Wood*, No. 3:14-cv-00068-RCJ-WGC, 2015 WL 1926768, at \*4 (D. Nev. Apr. 28,  
13 2015) (“[W]hether N.R.S. 116.3116 as applied to federally insured mortgages conflicts with [the  
14 Supremacy Clause] is a question of law that may be raised by any party, and not just a government  
15 agency.” (citing *Armstrong v. Exceptional Child Care Ctr., Inc.*, 135 S. Ct. 1378, 1383 (2015)));  
16 *see also Saticoy Bay LLC v. SRMOF II 2012-1 Trust*, No. 2:13-CV-1199, 2015 WL 1990076, at  
17 \*4 (D. Nev. Apr. 30, 2015) (“Plaintiff cites no case law, nor does the court know of any, limiting  
18 federal preemption arguments to government parties.”); *Cambridge Capital*, 842 F. Supp. 499  
19 (S.D. Fla. 1993) (referencing the same); *Grimsley v. Bd. of Cty. Comm’rs of Atoka Cty., Okla.*, 9  
20 F. App’x 970, 973 n.3 (10th Cir. 2001) (noting that private party injured by a sale without FDIC  
21 consent could bring claim invoking the operation of FDIC’s property-protection statute); *Beal*

22  
23 <sup>2</sup> A 1993 amendment to NRS 116.3116, *et seq.* further confirms that the scheme at issue  
24 did not require actual notice. As originally enacted in 1991, NRS 116.31168(1) read: “The  
25 provisions of NRS 107.090 apply to the foreclosure of an association’s lien as if a deed of trust  
26 were being foreclosed. The request must identify the lien by stating the names of the unit’s owner  
27 and the common-interest community. The association must also give reasonable notice of its intent  
28 to foreclose to all holders of liens in the unit who are known to it.” 1991 Statutes of Nevada, Page  
570 (Chapter 245, AB 221). In 1993, the Legislature deleted the underlined sentence, and in the  
same bill, added NRS 116.31163 & 116.311635, thereby indicating its intent to alter the original  
requirement for actual notice to opt-in notice. 1993 Statutes of Nevada, Pages 2355 & 2373  
(Chapter 573, AB 612).

1 *Bank*, 973 F. Supp. 130, 133 (E.D.N.Y. 1997) (discussing private parties who asserted claims to  
2 protect property interest by invoking the operation of the FDIC's similar property-protection  
3 statute.). Therefore, Chase has adequate standing to bring federal preemption claims against SFR.

4 **2. An Actual Conflict Exists Between NRS 116.3116, *et seq.* and the FHA**  
5 **Insurance Program**

6 Where state legislation interferes with a federal purpose "or operates to impede or  
7 condition the implementation of federal policies and programs," the state legislation is preempted.  
8 *See Rust v. Johnson*, 597 F.2d 174, 179 (9th Cir. 1979); *accord Crosby v. Nat'l Foreign Trade*  
9 *Council*, 530 U.S. 363, 372 (2000) ("[S]tate law is naturally preempted to the extent of any  
10 conflict with a federal statute."). NRS 116.3116, *et seq.*, is in clear conflict with the Federal  
11 Housing Administration's ("FHA") insurance program.

12 Congress authorized the Department of Housing and Urban Development ("HUD") to  
13 insure individual mortgagors who lenders would otherwise deem too risky for a loan. This  
14 program's purpose is to "expand[ ] homeownership opportunities, strengthen neighborhoods and  
15 communities, and ensure[ ] a maximum return to the mortgage insurance funds." 24 C.F.R.  
16 291.1(a)(2). However, the FHA's ability to realize a "maximum return to the mortgage insurance  
17 funds" depends entirely on HUD's ability to obtain title to and sell those properties securing an  
18 FHA-insured loan. *See* 24 C.F.R. § 291.1(a)(2).

19 When homeowners' associations foreclose on homes instead of allowing HUD to dispose  
20 of the properties, the FHA is wholly deprived of money to replenish its funds. What is more,  
21 when associations foreclose on FHA-insured properties, lenders have less incentive to loan money  
22 to high-risk/low-income applicants since the insurance would not protect against their foreclosure.  
23 *Sec'y of HUD v. Sec'y of HUD*, 117 F. Supp. 2d 970, 980 (C.D. Cal. 2000) (holding that the  
24 extinguishment of FHA insured property "will frustrate the purpose of the program—i.e., to insure  
25 home loans extended by private lenders to enable low to moderate income buyers to purchase a  
26 home."). This clearly conflicts with the purposes of the FHA program. There is no question that  
27 the Supremacy Clause preempts the State Foreclosure Statute. As such, SFR's Motion cannot  
28 stand.



1                   **3.       HUD's Interest in the Property is Not Attenuated**

2           Furthermore, HUD's property interest is **not** too attenuated to be "property" under the  
3 Property Clause. The basic function of HUD in insuring certain mortgages is to not only advance  
4 the purpose mandated by Congress, but also to realize a return on the properties it insured. The  
5 FHA is the only government agency that operates entirely from self-generated income. *See* The  
6 Federal Housing Administration (FHA), U.S. DEP'T OF HOUSING AND URBAN DEV., *available at*  
7 [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/fhahistory](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/fhahistory). When its funding  
8 is wholly reliant upon properties insured by its associations, HUD clearly has a greater interest in  
9 their disposal. It is thus inapposite to say that HUD's interest is too attenuated under the Property  
10 Clause.<sup>3</sup> Accordingly, this Court must reject SFR's attempt to quiet title in its favor.

11                   **C.       The SFR Decision Cannot Apply Retroactively**

12           SFR relies on the Nevada Supreme Court's *SFR* decision to argue that a homeowners  
13 association lien has "priority over a first deed of trust." Mot. at 8:20-21. *SFR* cannot apply  
14 retroactively to the 2012 HOA Sale in this case, however. As the Nevada Supreme Court  
15 explains, in certain cases, a new judicial ruling will apply only prospectively when fairness  
16 requires. *Breithaupt v. USAA Prop. & Cas. Ins. Co.*, 110 Nev. 31, 35, 867 P.2d 402, 405 (1994).  
17 To determine whether the 2014 *SFR* decision can apply to the 2012 HOA Sale in this case, this  
18 Court must consider: (1) whether the decision "establish[ed] a new principle of law, either by  
19 overruling clear past precedent on which litigants may have relied, or by deciding an issue of first  
20 impression whose resolution was not clearly foreshadowed"; (2) "whether retrospective operation  
21 will further or retard" the rule announced by *SFR*; and (3) "whether retroactive application 'could  
22 produce substantial inequitable results.'" *Id.* (quoting *Chevron Oil Co. v. Huson*, 404 U.S. 97,  
23 106-07, 92 S. Ct. 349, 355 (1971)); *see also* Chase's Motion at 25:16-27:7. Each of these factors  
24 favors of limiting *SFR* to prospective effect only.

25  
26                   <sup>3</sup> Moreover, HUD's interest in the property is closely tied with Chase's interest. Though  
27 the FHA may have insured the loan, Chase is the beneficial interest holder of the deed of trust.  
28 This is yet another reason why Chase has adequate standing to assert preemption on behalf of the  
federal government.

1 First, *SFR* decided an issue of first impression whose resolution was not clearly  
2 foreshadowed. Until *SFR*, actors in the Nevada real estate market understood that a sale under  
3 Chapter 116 *would not* extinguish a first deed of trust recorded against a property. *SFR*'s own  
4 bidding agent—an experienced real estate investor—believed *SFR* acquired properties subject to a  
5 bank's mortgage loan:

6 Q. This question is: You just said that you thought you were getting a property free  
7 and clear.

8 A. Well, I don't know about free and clear. I'll correct it. I felt that you were getting  
9 ownership of the property is really what I meant to say. So as you paid these  
10 attorneys [at Alessi] handling these, then you'd have to come back and get your  
paperwork [e.g., the foreclosure deed] that you have new ownership. Okay. **Is the  
loan still on the property? Yes. That I do know.**

11 **Ex. E**, R. Diamond Dep., 69:21–70:3, 75:14–76:11 (emphasis added). *See also id.*, 11:8–23  
12 (testifying that a bank foreclosed on a property he purchased at an association sale *after* the date of  
13 the association sale). Further, *SFR*'s own 2012 Foreclosure Addendum reflects *SFR*'s  
14 understanding that properties it acquired from an association foreclosure sale remained subject to a  
15 lender's security interest. *See Ex. F*, Foreclosure Addendum. This addendum advised *SFR*'s  
16 tenants that a lien holder like Chase still had a security interest after a foreclosure sale

17 Second, giving retroactive effect to the *SFR* decision does not promote the underlying goal  
18 of NRS 116.3116(2). According to *SFR*, the statute's purpose is to force mortgage lenders to pay  
19 off assessments under the threat of losing their security interests. *See SFR*, 334 P.3d at 414. With  
20 respect to sales after the *SFR* decision, this rationale arguably makes sense: now that lienholders  
21 know an HOA foreclosure can extinguish a first deed of trust, they know to pay off the super-  
22 priority portion of the assessment lien. Lienholders cannot pay off liens that were foreclosed  
23 *before* the *SFR* decision, however. Allowing a pre-*SFR* sale to extinguish a lender's security  
24 interest serves no discernible public policy.

25 Third, giving retroactive effect to *SFR* produces substantial inequitable results. It is unfair  
26 for a first deed of trust to be extinguished for pennies on the dollar by a Chapter 116 foreclosure  
27 when no one understood that this was the law in Nevada. *See Premier One Holdings, Inc. v. BAC*  
28 *Home Loans Servicing, LP*, No. 2:13-cv-00895-JCM-GWF, 2013 U.S. Dist. LEXIS 112590, at

\*10 (D. Nev. 9, 2013) (noting that it “would be completely absurd” to allow \$3,197.47 in HOA fees to extinguish a deed of trust securing a \$305,992 loan). It also harms homeowners, since it makes them personally liable to their lender for the full remaining balance of their mortgage loan. *See In re Krohn*, 52 P.3d 774, 780 (Ariz. 2002) (“[P]ublic policy and the courts should not endorse extraordinary bargains at the expense of already troubled debtors.”).

Finally, giving retroactive effect to *SFR* provides real estate speculators a windfall amounting to hundreds of millions, if not billions, of dollars. *See id.* at 779 (“Windfall profits, like those reaped by bidders paying grossly inadequate prices at foreclosure sales, do not serve the public interest and do no more than legally enrich speculators.”). Accordingly, the Court should not apply *SFR* retroactively to the HOA Sale held in this case, held more than two years before the *SFR* came down. *See generally Christiana Tr. v. K&P Homes*, No. 2:15-cv-01534-RCJ-VCF, 2015 U.S. Dist. LEXIS 152385, at \*14-16 (D. Nev. Nov. 9, 2015).

#### **D. The HOA Sale Was Tainted by Unfairness**

Even if the Court chose to ignore the foregoing constitutional constraints (which it should not), Chase has presented contrary evidence that necessarily defeats summary judgment. As set forth in more detail below, Chase can demonstrate a number of improprieties in the HOA Sale, including inadequate price coupled with unfairness and a lack of BFP. Indeed, the property sold for approximately 7.4% of its value, which is grossly inadequate by any measure. *See Ex. G*, Expert Report by Scott Dugan. *See also Ex. A*, Chase Decl. & *Ex. A-3*, Residential Broker Price Opinion (“BPO”). Further, the HOA Sale was unfair to Chase, as evidenced by: the language in the CC&Rs; the HOA’s failure to identify in its foreclosure notices whether any portion of the HOA’s lien included a super-priority amount; and the HOA’s failure to disburse any sale proceeds to Chase. In light of these considerations, the Court should deny SFR’s Motion.

##### **1. Chase Is Entitled to an Equitable Remedy**

SFR contends *Shadow Wood Home Owners Association, Inc. v. N.Y. Cmty. Bankcorp.* precludes Chase from setting aside a foreclosure sale on equitable grounds because *Shadow Wood* involved a homeowner, not a lienholder. 132 Nev. Adv. Op. 5, 366 P.3d 1105 (2016); Motion at 11:27–12:7. In support of this argument, SFR argues that a homeowner can seek equitable relief

1 because it has a bundle of property rights, whereas a lienholder merely has a collateral interest that  
2 gives it a right to foreclose and can be compensated with money damages. *Id.* at 12:2-5. This  
3 contention has no merit.

4 Nowhere in its analysis does the *Shadow Wood* Court hold that only property owners may  
5 set aside a foreclosure sale on equitable grounds. Rather, *Shadow Wood* explicitly recognized that  
6 parties other than property owners can seek to quiet title, stating that “a plaintiff **not in possession**  
7 still may seek to quiet title by invoking the court’s inherent equitable jurisdiction to settle title  
8 disputes.” 366 P.3d at 1111. Other cases recognize this principle by permitting lienholders to  
9 challenge foreclosure actions. *See, e.g., Nationstar Mort., LLC v. Amber Hills II Homeowners*  
10 *Ass’n, Inc.*, 2016 WL 1298108, at \*4-5 (D. Nev. Mar. 31, 2016) (rejecting argument that lender’s  
11 quiet title claim was time-barred and permitting lender to proceed with its suit for quiet title);  
12 *Wells Fargo Bank, N.A. v. Premier One Holdings, Inc.*, No. 67873 (Nev. June 22, 2016) (finding  
13 meritless the argument that the lender had no standing to argue the commercial reasonableness of  
14 the sale).

15 Nevada courts have specifically held that a deed of trust constitutes a property interest.  
16 *Leyva v. Nat’l Default Serv. Corp.*, 255 P.3d 1275, 1279 (Nev. 2011) (holding that an assignment  
17 of a deed of trust must be in writing signed by the assignor because a deed of trust conveys an  
18 estate or interest in land as contemplated by the statute of frauds); *Summa v. Greenspun*, 96 607  
19 P.2d 569, 572 (Nev. 1980) (holding that the statute of frauds applies to the surrender of a deed of  
20 trust because, unlike a mortgage, a trust deed “conveys the trustor’s title or interest in land to the  
21 trustee,” and is “a conveyance of an interest in land within the statute of frauds”); *Ray v. Hawkins*,  
22 76 Nev. 164, 350 P.2d 998, 999 (1960) (explaining that a trust deed is a conveyance of land, but  
23 declining to decide whether an incomplete reference in a trust deed means it transferred fee title or  
24 instead operated like a mortgage).

25 By way of further illustration, in recognizing that Nevada is a “title theory” state, the  
26 Nevada Supreme Court has held that a trust deed conveys an interest properly characterized as  
27 “title.” *See, e.g., Thomas v. BAC Home Loans Servicing, LP*, No. 56587, 2011 WL 6743044, at \*3  
28 (Nev. 2011) (“[A] deed of trust conveys to the trustee the legal title of the property for the purpose

1 of securing the borrower's performance under the note and deed of trust for the benefit of the  
2 beneficiary.") (emphasis added). Similarly, in a case holding that a promissory note secured by a  
3 deed of trust has been paid in full, the Nevada Supreme Court affirmed a trial court order  
4 "requiring reconveyance of title." *Miller v. York*, 92 Nev. 226, 548 P.2d 941, 942, 945 (1976).  
5 While the "title" conveyed in a trust deed is not *possessory* title, *Edelstein v. Bank of N.Y. Mellon*,  
6 128 Nev. Adv. Rep. 48, 286 P.3d 249 (2012), it is still a property interest.

7 Even if a deed of trust did not constitute a property interest (which it does), equity compels  
8 the Court to permit lienholders to sue for quiet title. Any "bundle of rights" from the homeowner  
9 standpoint is necessarily impacted by the existence, or non-existence, of a senior deed of trust  
10 since having a lien impacts the extent of that "bundle." For instance, if a borrower has fee title to  
11 a property that is bought using a loan, which in turn is secured by a deed of trust, the borrower's  
12 "bundle of rights" in the property is subject to that deed of trust. If only the borrower may set  
13 aside the foreclosure sale, it could revive its "bundle of rights" to the exclusion of the lender's  
14 deed of trust. This is an untenable result. Moreover, precluding a lienholder from seeking quiet  
15 title unfairly punishes an innocent party. Stated differently, the property owner is directly  
16 responsible for the deficiency allowing the association to foreclose, whereas a lienholder is not.

## 17 2. The HOA Sale Price Was Grossly Inadequate

18 SFR relies on *Shadow Wood*, *Golden v. Tomiyasu*, and *Long v. Town* to argue that in  
19 addition to inadequacy of price, "there must . . . be a showing of fraud, unfairness, or oppression"  
20 to set aside a foreclosure sale. SFR's Motion at 13:16-18. This reliance is misplaced. *Golden* and  
21 *Long* are inapposite, as they predate the Restatement by 15 years or more. *Golden*, 79 Nev. 503,  
22 387 P.2d 989 (Nev. 1963); *Long v. Towne*, 98 Nev. 11, 639 P.2d 528 (1982). Further, *Shadow*  
23 *Wood* explicitly supports an analysis under the Restatement, as it cites Restatement (Third) of  
24 Prop.: Mortgages 8.3 cmt. b for the proposition that "a court is warranted in invalidating a sale  
25 where the price is **less than 20 percent of fair market value.**" 366 P.3d at 1112 (emphasis  
26 added).

27 SFR has not provided any evidence of the adequacy of the HOA Sale price. Rather, SFR  
28 speculatively suggests that since it out bid multiple bidders, (without even identifying any other

1 bidders), the price it paid is conclusive of adequacy. *See* Motion at 16:11-17. This argument is  
2 not enough to win summary judgment and is problematic for several reasons. First, SFR's use of  
3 the term "multiple" exaggerates the fact there was one bidder other than SFR at the HOA Sale.  
4 *See Ex. H*, S. Moses & C. Yergensen Dep. 62:22-63:1 ("It looks like there were two bidders on  
5 the property.") Second, SFR's attempt to purchase a property with a fair market value of \$67,100  
6 (by a BPO just a few months before the HOA Sale) for a mere \$6,100 constitutes a grossly  
7 inadequate price under the Restatement. *See Ex. A*, Chase Decl. & *Ex. A-3*, BPO. Additionally,  
8 an expert valued the Property at \$82,000 on the date of the HOA Sale. *Ex. G*, Expert Report of  
9 Scott Dugan. The \$6,100 purchase price of \$6,100 is only 7.4% of the Property's fair market  
10 value as of the date of the HOA Sale. Thus, SFR's purchase price is so low that it would be an  
11 abuse of discretion for this Court to refuse to invalidate the sale. *See* Restatement § 8.3 cmt. b. At  
12 the very least, the HOA Sale is rendered suspect due to the grossly inadequate sale price.<sup>4</sup>

13 **3. The HOA Sale Was Rife With Irregularities Amounting to Unfairness**  
14 **That Cannot Be Ignored**

15 Even if the Court required improprieties beyond an inadequate price, *see Golden v.*  
16 *Tomiyasu*, 387 P.2d at 989, the HOA Sale was marred by irregularities that amount to unfairness.  
17 First, the Association purported to foreclose on a lien created pursuant to its CC&Rs, which  
18 contains a Mortgage Protection Provision that protected the First Deed of Trust. *See Ex. C*,  
19 CC&Rs (expressly prohibiting a lien from "defeat[ing] or render[ing] invalid the rights of the  
20 beneficiary under any Recorded first deed of trust"). This is a perfect example of  
21 misrepresentation amounting to fraud, and at a minimum, is unfair.

22 Second, the Association permitted the sale to go forward even though there were only 2  
23 bidders at the sale, one of which was SFR. *See Ex H*, S. Moses & C. Yergensen Dep. 62:22-63:1.

24 <sup>4</sup> SFR unconvincingly tries to justify the amount it paid by arguing that the HOA Sale  
25 occurred in a "forced-sale context." Mot. at 14:14-16, 15:28. Yet, the analysis in *Shadow Wood*  
26 as to the adequacy of price does not rely on the forced sale amount. Rather, the *Shadow Wood*  
27 Court cited to the Restatement, which specifically calls for a comparison between the foreclosure  
28 sale price and the property's fair market value. *Shadow Wood* at 366 P.3d at 1112. Even *Golden*  
*v. Tomiyasu* requires the use of fair market value as the yardstick for measuring adequacy of price.  
387 P.2d at 990.

1 Such cannot result in a competitive bidding process leading to an adequate price, as demonstrated  
2 by the grossly inadequate price SFR paid for the Property. Third, the Association failed to  
3 disburse its sale proceeds to Chase, despite making payments to Delaine Harned, the borrower  
4 who granted Chase the first deed of trust (“Borrower”). **Ex. H**, Dep. of S. Moses & C. Yergenson  
5 69:2-6. If Chase was actually a subordinate lienholder, as SFR claims, Chase should have  
6 received payment before the Borrower. *See* NRS 116.31164(7)(c) (requiring distribution from the  
7 profits of the sale “in the order of priority of any subordinate claim of record.”).

8 These inconsistencies in the Association’s actions demonstrate fraud, oppression, and  
9 unfairness in the HOA Sale that warrant its invalidation. SFR, however, ignores these glaring  
10 problems and focuses solely on the issue of notice. Whether or not Chase actually received notice  
11 of the sale is not dispositive. Indeed, *Shadow Wood* emphasized a consideration of the “entirety  
12 of the circumstances” when analyzing association foreclosure sales. 366 P.3d at 1114-15.  
13 Applied to the present case, one thing clearly outweighs any considerations of notice: that SFR  
14 paid significantly less than 20% of the value of the Property. In fact, SFR paid significantly less  
15 than 10%. As noted, under the Restatement, which Nevada Courts have continuously adopted,  
16 this alone is a strong enough “circumstance” to invalidate the sale. This holds true even under  
17 *Golden* and *Long*, both decided nearly two decades before the Restatement was adopted. Thus,  
18 the Court should deny SFR’s motion for summary judgment.

19 **E. Bona Fide Purchaser Status Cannot Save SFR**

20 SFR asserts that, even if the HOA Sale was invalid, SFR is a bona fide purchaser. *See*  
21 Mot. at 17:23-24. To support this claim SFR argues that it “had no notice of a competing or  
22 superior interest in the Property . . . .” Mot. at 19:12-13. Nevada law and the evidence in this case  
23 demonstrate otherwise.

24 **1. SFR Is Not A Bona Fide Purchaser**

25 “The bona fide doctrine protects a subsequent purchaser’s title against competing legal or  
26 equitable claims of which the purchaser had no notice at the time of the conveyance.” 25 *Corp. v.*  
27 *Eisenman Chem. Co.*, 101 Nev. 664, 709 P.2d 164, 172 (1985) (citing 77 Am.Jur.2d Vendor and  
28 Purchaser § 633 at 754 (1975) and *Berge v. Fredericks*, 95 Nev. 183, 591 P.2d 246 (1979)). A

1 subsequent purchaser is not a bona fide purchase if he, she, or it is under a duty to enquire. *Tai-Si*  
2 *Kim v. Kearney*, 838 F. Supp. 2d 1077, 1088 (D. Nev. 2012) (citing *Berge v. Fredericks*, 95 Nev.  
3 183, 591 P.2d 246, 249 (1979)). A duty to inquire arises when a purchaser “possesses facts which  
4 would lead a reasonable person under the circumstances to investigate. Even if the subsequent  
5 purchaser does not actually conduct an investigation, the law deems him or her to have  
6 constructive notice of whatever the investigation would uncover.” *Id.* (internal citation omitted).

7 SFR is not a bona fide purchaser of the Property. SFR knew that the Property was at risk  
8 of competing claims to title by virtue of the Association sale on September 21, 2012. *See Ex. D*,  
9 P. Kelso Dep.at 53:21-54:3 (Hardin “was aware when he was bidding on these properties  
10 [including 1076 Slate Crossing #2] and purchasing them from the HOA sales that there was a risk  
11 of litigation”); *id.* at 54:7-12 (SFR knew “the homes were going for the prices that they were []  
12 because of the risk of litigation [] associated with it”); *id.* at 134:7-12 (testifying that “probably  
13 somebody associated with the First Deed of Trust” would be involved in the litigation); *id.* at  
14 129:12-16, 130:16-22. SFR also knew that a court could find that the deed of trust was not  
15 extinguished by the sale. *Id.* at 56:2-9 (SFR knew “**that there was that possibility that the**  
16 **Court wouldn’t rule with SFR’s interpretation**” of NRS 116) (emphasis added); *id.* at 129:17-  
17 24. Despite such risk, SFR nevertheless purchased the Property.<sup>5</sup>

18 Moreover, the recorded documents in this case would have caused a reasonable person in  
19 SFR’s position to investigate the sale. *See* NRS 111.315 (recording operates as notice to third  
20 persons). All of the foreclosure notices state that the Association is foreclosing pursuant to its  
21 CC&Rs. *Ex. B*, Foreclosure Deed. This fact should have led SFR to review the CC&Rs to  
22 determine whether the foreclosing Association lied to lenders about subordinating the HOA’s  
23

---

24 <sup>5</sup> Furthermore, investors, such as SFR, believed they could make money by “rent[ing] [the  
25 property] out until the mortgage-holding bank gets around to foreclosing and trying to take  
26 possession.” *See Ex. I*, H. Smith, “Shrewd Investors Snap Up HOA Liens, Rent Out Houses,”  
27 *Review Journal* (posted Mar. 18, 2013), available at  
28 [www.reviewjournal.com/business/housing/shrewd-investors-snap-hoa-liens-rent-out-houses](http://www.reviewjournal.com/business/housing/shrewd-investors-snap-hoa-liens-rent-out-houses).  
Then, upon the bank’s foreclosure, these investors would also recoup the amount of the lien. To  
say that SFR was unaware of the First Deed of Trust at the time when numerous investors were  
using banks’ property interests to their advantage is to ignore the obvious.



1 position to that of the lender. SFR, however, did not investigate the facts. *See Ex. D*, P. Kelso  
2 Dep.at 108:9-10; 134:22-135:10. Cloaking SFR with bona fide purchaser status would unfairly  
3 reward SFR for remaining oblivious, ignoring signs that the sale was flawed, and acting  
4 oppressively by exploiting NRS Chapter 116 to the unfair detriment of the lender. The Court  
5 should reject any argument that SFR is a bona fide purchaser. It is not.

## 6 **2. Bona Fide Purchaser Status Is Not Dispositive**

7 Even if SFR is a bona fide purchaser (which it is not), such status is not dispositive. In  
8 *Shadow Wood*, the Nevada Supreme Court instructed that courts determining whether to set aside  
9 a foreclosure sale “must consider the **entirety of the circumstances** that bear on the equities” to  
10 determine whether to set aside an association’s sale. *Shadow Wood*, 366 P.3d at 1114 (emphasis  
11 added). Accordingly, the *Shadow Wood* Court considered **all** the issues raised by the parties. *Id.*  
12 at 1115. Notably, the Nevada Supreme Court held that a purchaser’s BFP status is not dispositive.  
13 Rather, if a purchaser is found to be a BFP, then the district court may consider the harm to the  
14 innocent purchaser when deciding whether it is equitable to set aside the association foreclosure  
15 sale. *Id.* at 1115. In other words, **BFP status is merely one factor for the district court to**  
16 **evaluate as part of the “entirety of circumstances.”** *Id.* at 1114. Based on SFR’s admitted  
17 knowledge of the risk of competing claims to title, the recorded documents, and SFR’s lack of  
18 investigation, the equities clearly weigh in favor of Chase, or, at the very least, preclude summary  
19 judgment.

## 20 **F. Chase Is Not Barred By The Doctrine of Laches**

21 “Laches [is] an equitable doctrine [that] may be invoked when delay by one party  
22 prejudices the other party such that granting relief to the delaying party would be inequitable.  
23 *Besnilian v. Wilkinson*, 117 Nev. 519, 25 P.3d 187, 189 (2001). SFR argues that because Chase  
24 did not assert its interest in the Property prior to the HOA Sale, laches now bars Chase from  
25 asserting any defense or claim. However, “to invoke laches, the party must show that the delay  
26 caused **actual prejudice**.” *Id.* (emphasis added). *Home Sav. Ass'n v. Bigelow*, 105 Nev. 494, 779  
27 P.2d 85, 86 (1989) (explaining that the “condition of the party asserting laches must become so  
28 changed that he cannot be restored to his former state”). SFR has not only failed to demonstrate

1 delay, it has also failed to demonstrate any prejudice. Indeed, should the Court recognize the First  
2 Deed of Trust, SFR would not be prejudiced by the rents it has received from leasing the Property.  
3 This, coupled with Chase's payment of insurance and taxes, has provided SFR with a windfall.  
4 Without any prejudice (much less delay), Chase cannot be barred by laches.

#### 5 IV. CHASE'S CLAIM FOR UNJUST ENRICHMENT SURVIVES

6 The Court cannot disregard the pertinent law and facts of this case to quiet title in SFR's  
7 favor. However, if it does, Chase, through its claim for unjust enrichment, seeks reimbursement  
8 for the post-HOA Sale funds that it spent to maintain the Property. *See Ex. A*, Chase Decl. & A-4,  
9 Escrow Activity. In its Motion, SFR asserts that the voluntary payment doctrine or "fundamental  
10 principles of justice or equity and good conscience" bar Chase's unjust enrichment claim. Mot. at  
11 22:1-3. Both arguments fail.

##### 12 A. The Voluntary Payment Doctrine Does Not Apply To This Case

13 As the party asserting the voluntary payment doctrine, SFR "bears the burden of proving  
14 its applicability." *See Nev. Ass'n Servs., Inc. v. Dist. Ct.*, 338 P.3d 1250, 1254 (Nev. 2014). The  
15 voluntary payment doctrine bars a party that has paid taxes or assessments: (1) from recovering  
16 overpayments **from the taxing or assessing body itself**, and (2) only if the party that paid did so  
17 voluntarily and **with full knowledge of the facts**. *Id.* at 1254; *see also Berrum v. Otto*, 127 Nev.  
18 372, 255 P.3d 1269, 1273 n.5 (2011). SFR fails to establish either element of this defense.

19 As to the first element, the purpose of the voluntary payment doctrine "is to encourage  
20 stability and certainty for the **taxing** entity." *Berrum*, 255 P.3d at 1273 n.5 (emphasis added).  
21 Indeed, each of the three cases SFR cites in support of its Motion involves a party's attempt to  
22 recover payments from the taxing or assessing entities. *See Nev. Ass'n Servs., Inc.*, 338 P.3d at  
23 1252 (seeking to recover community association fees from the association); *Best Buy Stores v.*  
24 *Benderson-Wainberg Assocs.*, 668 F.3d 1019, 1023 (8th Cir. 2012) (seeking to recover from  
25 landlord insurance-related costs billed by and paid to landlord); *Randazzo v. Harris Bank Palatine,*  
26 *N.A.*, 262 F.3d 663, 666 (7th Cir. 2001) (seeking to recover stock proceeds paid to a bank in  
27 relation to bank's claim that it had a legal right to such proceeds).

28 Here, Chase is not seeking to recover tax payments from the government or insurance

1 payments from the insurer. Rather, Chase seeks to recover these payments from SFR, as it  
2 unfairly benefited by Chase's disbursements.<sup>6</sup>

3 As to the second element, SFR has not offered – and cannot offer – any evidence to show  
4 that Case made tax and insurance payments **with full knowledge** of the fact that SFR owned the  
5 Property free and clear. On the contrary, SFR's purported interest is a central issue in this case.  
6 Unless and until the Court renders a judgment in SFR's favor (which would be improper for the  
7 reasons stated herein), Chase has no way to know that SFR is, in fact, the Property's owner or that  
8 its deed of trust is extinguished. The voluntary payment doctrine does not apply to this case.<sup>7</sup>

9 **B. Equity Requires SFR To Reimburse Chase**

10 SFR's argument that it did "not retain[]" property belonging to [Chase]" because Chase  
11 does not possess an ownership interest in the Property defies logic. Motion at 22:6-10. Unjust  
12 enrichment pertains not only to the retention of money or property but also to retention of "a  
13 benefit to the loss of another." *Topaz Mut. Co. v. Marsh*, 108 Nev. 845, 839 P.2d 606, 613 (1992).  
14 It would be both inequitable and unjust for SFR to retain such benefits conferred upon it by  
15 Chase's payment property taxes and hazard insurance – the absence of a lien for failure to pay  
16 taxes and the property of the property in the event of a hazard.<sup>8</sup>

17 **V. CONCLUSION**

18 For the reasons set forth above, the Court should deny SFR's Motion. If, however, the  
19 Court grants SFR's Motion, it must award, to Chase, its damages for unjust enrichment.

20  
21  
22  
23 <sup>6</sup> Chase asserts its unjust enrichment claim in the alternative in the event that the Court  
deems the First Deed of Trust was extinguished.

24 <sup>7</sup> Even if the voluntary payment doctrine does apply to payments made to entities other  
25 than the taxing or assessing bodies (which it does not), Chase's payments constitute an exception  
to the rule, as it made the tax and insurance payments to protect its collateral.

26 <sup>8</sup> SFR's claim that it did not benefit from the insurance payments "unless the Bank made  
27 SFR an additional insured," Mot. at 21:25, likewise lacks merit. The benefit conferred on SFR  
28 was the **protection of the Property** that it claims to own.

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DATED: August 29, 2016

BALLARD SPAHR LLP

By: /s/ Lindsay Demaree

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**CERTIFICATE OF SERVICE**

Pursuant to N.R.C.P. 5(b), I HEREBY CERTIFY that on the August 29, 2016, I served a true and correct copy of the foregoing **PLAINTIFF JPMORGAN CHASE BANK, N.A.'S OPPOSITION TO SFR INVESTMENTS POOL 1, LLC'S MOTION FOR SUMMARY JUDGMENT**, on the following parties in the manner set forth below:

☐ E-MAIL TRANSMISSION

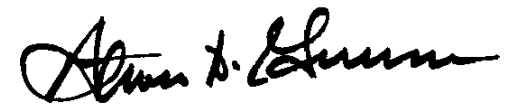
☐ U.S. MAIL, POSTAGE PREPAID

☒ Via the Wiznet E-Service-generated "Service Notification of Filing" upon all counsel set up to receive notice via electronic service in this matter

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/s/ Mary Kay Carlton  
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7 *Attorneys for Defendant and Counterclaimant*  
8 *JPMorgan Chase Bank, N.A., as successor by merger to*  
9 *Chase Home Finance LLC*

10 DISTRICT COURT  
CLARK COUNTY, NEVADA

11 SFR INVESTMENTS POOL 1, LLC, a Nevada  
12 limited liability company,

CASE NO. A-12-672963-C

13 Plaintiff,

DEPT NO. 27

14 v.

15 VENTA REALTY GROUP, a Nevada corporation,  
16 JPMorgan Chase Bank, NA, a national Association,  
successor by merger to CHASE HOME FINANCE  
17 LLC, a foreign limited liability corporation, ET  
AL.,

18 Defendants.

19 JPMORGAN CHASE BANK, N.A., as successor  
20 by merger to Chase Home Finance LLC,

21 Counter-Claimant,

22 vs.

23 SFR INVESTMENTS POOL 1, LLC a Nevada  
24 Limited liability company

Counter-Defendant.

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**APPENDIX OF EXHIBITS TO  
OPPOSITION TO SFR INVESTMENTS POOL 1, LLC'S  
MOTION FOR SUMMARY JUDGMENT**

<b>Exhibit</b>	<b>Document</b>	<b>Appendix Page</b>
A	Declaration of JPMorgan Chase Bank, N.A.	001-006
A-1	Note	007-013
A-2	Mortgage insurance Certificate	014-015
A-3	Residential Broker Price Opinion	016-029
A-4	Escrow Activity	030-061
B	Foreclosure Deeded recorded in the Official Records as Instrument No. 201209250001230	062-066
C	Excerpts of the Declaration of Covenants, Conditions and Restrictions for Paradise Court recorded in the Official Records as Instrument # 20040518-000199	067-077
D	Excerpts of Deposition of Paulina Kelso taken on June 24, 2016	078-090
E	Excerpts of Deposition of Robert Diamond taken on July 14, 2016	091-101
F	Foreclosure Addendum to Residential Lease Agreement Dated November 3, 2012	102-103
G	Defendants' Designation of Initial Expert Witness served October 13, 2015	104-139
H	Excerpts of Deposition of Susan Moses and Chris Yergensen taken January 8, 2016	140-144
I	News Article in Las Vegas Review Journal - Shrewd Investors Snap up HOA Liens dated March 18, 2013	145-147

DATED this 29<sup>th</sup> day of August 2016.

BALLARD SPAHR LLP

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**CERTIFICATE OF SERVICE**

Pursuant to N.R.C.P. 5(b), I HEREBY CERTIFY that on the August 29, 2016, I served a true and correct copy of the foregoing **APPENDIX OF EXHIBITS TO OPPOSITION TO SFR INVESTMENTS POOL 1, LLC'S MOTION FOR SUMMARY JUDGMENT**, on the following parties in the manner set forth below:

☐ E-MAIL TRANSMISSION

☐ U.S. MAIL, POSTAGE PREPAID

☒ Via the Wiznet E-Service-generated "Service Notification of Filing" upon all counsel set up to receive notice via electronic service in this matter

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/s/ Mary Kay Carlton  
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# EXHIBIT A

# EXHIBIT A

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*Attorneys for Defendant and Counterclaimant  
JPMorgan Chase Bank, N.A., as successor by  
merger to Chase Home Finance LLC*

DISTRICT COURT  
CLARK COUNTY, NEVADA

SFR INVESTMENTS POOL 1, LLC a Nevada  
limited liability company,

Plaintiff,

v.

VENTA REALTY GROUP, a Nevada  
corporation, JP MORGAN CHASE BANK,  
N.A., a national association, successor by  
merger to CHASE HOME FINANCE LLC, a  
foreign limited liability corporation, ET AL.,

Defendants.

JPMORGAN CHASE BANK, N.A., as successor  
by merger to Chase Home Finance LLC,

Counter-Claimant,

vs.

SFR INVESTMENTS POOL 1, LLC, a Nevada  
limited liability company

Counter-Defendant.

CASE NO. A-12-672963-C

DEPT NO. 27

DECLARATION OF JPMORGAN CHASE BANK, N.A.,  
AS SUCCESSOR BY MERGER TO CHASE HOME FINANCE LLC

1 I, Evan L. Grageda, declare under the penalty of perjury of the laws of the  
2 State of Nevada as follows:

3 1. My name is Evan L. Grageda. I have personal knowledge of and am  
4 competent to testify as to the facts stated herein by virtue of my employment as  
5 authorized signer for JPMorgan Chase Bank, N.A. ("Chase").

6 2. As an authorized signer, I am familiar with certain systems and  
7 databases maintained by Chase that contain data regarding certain loans owned  
8 and/or serviced by Chase. This Declaration is based upon my review of Chase's  
9 systems and databases containing business and servicing records for the loan made  
10 to Delaine L. Harned.

11 3. Entries in Chase's systems and databases are made at or near the time  
12 of the events recorded by, or from information transmitted by, persons with  
13 knowledge. Chase maintains and keeps these systems and databases in the ordinary  
14 course of Chase's regularly conducted business activity, and it is the regular practice  
15 of Chase to keep and maintain information regarding loans owned and/or serviced by  
16 Chase. Chase's systems and databases consist of records that were made and kept by  
17 Chase in the course of its regularly conducted activities pursuant to its regular  
18 business practice of creating such records. These systems and databases store  
19 Chase's business records.

20 4. I have reviewed public documents identified in the following  
21 paragraphs. I have also reviewed Chase's business records.

22 5. Chase's business records and my review of the public documents reflect  
23 the following:

- 24 a. On or about May 7, 2008, Delaine L. Harned ("Borrower") obtained a  
25 loan from Venta Realty Group, DBA Venta Home Loans, a Nevada  
26 Corporation ("Venta Realty") in the amount of \$159,497.00 (the  
27 "Loan"). The Loan is secured by real property located at 1076 Slate  
28 Crossing Lane #2, Henderson, Nevada 89002 (the "Property").

1 Borrower executed a Deed of Trust (the "Deed of Trust") and a Note  
2 (the "Note") in connection with the Loan. The Note reflects that it is  
3 a Federal Housing Authority ("FHA") loan insured by the FHA. A  
4 redacted but otherwise true and correct copy of the Note is attached  
5 as Exhibit A-1 to this Declaration.

6 b. The Deed of Trust is recorded in Clark County Recorder's Office as  
7 Instrument No. 20080514-0005041 and identifies Mortgage  
8 Electronic Registration Systems, Inc. ("MERS") as the beneficiary,  
9 solely as nominee for Venta Realty, its successors and assigns. The  
10 Deed of Trust reflects that the Loan is insured by the FHA.

11 c. An Assignment of Deed of Trust is recorded in Clark County  
12 Recorder's Office as Inst # 201012060000315, whereby MERS  
13 assigned the beneficial interest in the Deed of Trust to Chase Home  
14 Finance LLC.

15 6. Chase's business records related to the Loan include a Mortgage  
16 Insurance Certificate confirming the Loan and secured Property were insured by the  
17 FHA. A redacted but otherwise true and correct copy of the Mortgage Insurance  
18 Certificate is attached as Exhibit A-2 to this Declaration.

19 7. Chase's business records related to the Loan include a Residential  
20 Broker Price Opinion, dated February 25, 2012. A redacted but otherwise true and  
21 correct copy of the Residential Broker Price Opinion is attached as Exhibit A-3 to this  
22 Declaration.

23 8. Chase's business records related to the Loan include Escrow Activity  
24 indicating that Chase continued to pay taxes and homeowners insurance on the  
25 Property after the date of the homeowner association foreclosure sale. A true and  
26 correct copy of the Escrow Activity is attached as Exhibit A-4 to this Declaration.

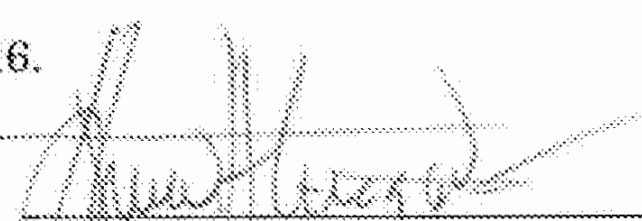
27 a. The Escrow Advance Activity demonstrates the following \$6,277.06  
28 in payments:

BALLARD SPAHR LLP  
160 NORTH CITY PARKWAY, SUITE 1750  
LAS VEGAS, NEVADA 89106  
(702) 471-7930 FAX (702) 471-7979

<i>Date</i>	<i>Amount</i>	<i>Item</i>
12/21/12	\$192.68	County Tax
02/12/13	\$192.68	County Tax
04/09/13	\$700.03	Homeowners Insurance
07/29/13	\$199.81	County Tax
09/19/13	\$199.29	County Tax
12/17/13	\$199.29	County Tax
02/18/14	\$199.29	County Tax
04/08/14	\$806.99	Homeowners Insurance
07/29/14	\$205.87	County Tax
09/18/14	\$205.26	County Tax
12/17/14	\$205.26	County Tax
02/06/15	\$205.26	County Tax
04/07/15	\$931.60	Homeowners Insurance
07/30/15	\$212.63	County Tax
09/17/15	\$211.83	County Tax
12/12/15	\$211.83	County Tax
2/8/16	\$211.83	County Tax
4/11/16	\$985.63	Homeowners Insurance
<u>TOTAL</u>	\$6,277.06	


9. I declare under the penalty of perjury under the law of the State of Nevada that the foregoing facts are true and correct.

Executed on this 15<sup>th</sup> day of July, 2016.

  
Evan L. Grageda  
Authorized Signer  
JPMorgan Chase Bank, N.A.

BALLARD SPAHR LLP  
100 NORTH CITY PARKWAY, SUITE 1750  
LAS VEGAS, NEVADA 89106  
(702) 471-7000 FAX (702) 471-7070

1 Submitted by:  
2 BALLARD SPAHR LLP

3   
4 Abran E. Vigil (Nevada Bar No. 7548)  
5 Lindsay C. Demaree (Nevada Bar No. 11949)  
6 *Attorneys for Defendant and Counterclaimant*  
7 *JPMorgan Chase Bank, N.A., as successor by*  
8 *merger to Chase Home Finance LLC*

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CASE NO. A-12-672963-C

**EXHIBIT A-1**  
**TO**  
**JPMORGAN CHASE BANK, N.A.'S**  
**DECLARATION**

# Exhibit A-1

MIN: [REDACTED]

**NOTE**

Loan Number: [REDACTED]



FHA Case No. [REDACTED]

MAY 7, 2008  
[Date]

LAS VEGAS  
[City]

NEVADA  
[State]

1076 SLATE CROSSING LANE #2, HENDERSON, NEVADA 89002  
[Property Address]

## 1. PARTIES

"Borrower" means each person signing at the end of this Note, and the person's successors and assigns.  
"Lender" means VENTA REALTY GROUP, DBA VENTA HOME LOANS, A NEVADA CORPORATION and its successors and assigns.

## 2. BORROWER'S PROMISE TO PAY; INTEREST

In return for a loan received from Lender, Borrower promises to pay the principal sum of ONE HUNDRED FIFTY-NINE THOUSAND FOUR HUNDRED NINETY-SEVEN AND 00/100 Dollars (U.S. \$ 159,497.00), plus interest, to the order of Lender. Interest will be charged on unpaid principal, from the date of disbursement of the loan proceeds by Lender, at the rate of SIX AND 000/1000 percent ( 6.000 %) per year until the full amount of principal has been paid.

## 3. PROMISE TO PAY SECURED

Borrower's promise to pay is secured by a mortgage, deed of trust or similar security instrument that is dated the same date as this Note and called the "Security Instrument." The Security Instrument protects the Lender from losses which might result if Borrower defaults under this Note.

## 4. MANNER OF PAYMENT

### (A) Time

Borrower shall make a payment of principal and interest to Lender on the 1st day of each month beginning on JULY 1, 2008 . Any principal and interest remaining on the 1st day of JUNE, 2038 , will be due on that date, which is called the "Maturity Date."

### (B) Place

Payment shall be made at 1290 S JONES BLVD, STE 150, LAS VEGAS, NEVADA 89146

, or at such other place

as Lender may designate in writing by notice to Borrower.

### (C) Amount

Each monthly payment of principal and interest will be in the amount of U.S. \$ 956.27 . This amount will be part of a larger monthly payment required by the Security Instrument, that shall be applied to principal, interest and other items in the order described in the Security Instrument.

### (D) Allonge to this Note for Payment Adjustments

If an allonge providing for payment adjustments is executed by Borrower together with this Note, the covenants of the allonge shall be incorporated into and shall amend and supplement the covenants of this Note as if the allonge were a part of this Note.



(Check applicable box.)

- ☐ Growing Equity Allonge  
☐ Graduated Payment Allonge  
☐ Other [specify]:

#### 5. BORROWER'S RIGHT TO PREPAY

Borrower has the right to pay the debt evidenced by this Note, in whole or in part, without charge or penalty, on the first day of any month. Lender shall accept prepayment on other days provided that Borrower pays interest on the amount prepaid for the remainder of the month to the extent required by Lender and permitted by regulations of the Secretary. If Borrower makes a partial prepayment, there will be no changes in the due date or in the amount of the monthly payment unless Lender agrees in writing to those changes.

#### 6. BORROWER'S FAILURE TO PAY

##### (A) Late Charge for Overdue Payments

If Lender has not received the full monthly payment required by the Security Instrument, as described in Paragraph 4(C) of this Note, by the end of fifteen calendar days after the payment is due, Lender may collect a late charge in the amount of FOUR AND 000/1000 percent ( 4.000 %) of the overdue amount of each payment.

##### (B) Default

If Borrower defaults by failing to pay in full any monthly payment, then Lender may, except as limited by regulations of the Secretary in the case of payment defaults, require immediate payment in full of the principal balance remaining due and all accrued interest. Lender may choose not to exercise this option without waiving its rights in the event of any subsequent default. In many circumstances, regulations issued by the Secretary will limit Lender's rights to require immediate payment in full in the case of payment defaults. This Note does not authorize acceleration when not permitted by HUD regulations. As used in this Note, "Secretary" means the Secretary of Housing and Urban Development or his or her designee.

##### (C) Payment of Costs and Expenses

If Lender has required immediate payment in full, as described above, Lender may require Borrower to pay costs and expenses including reasonable and customary attorneys' fees for enforcing this Note to the extent not prohibited by applicable law. Such fees and costs shall bear interest from the date of disbursement at the same rate as the principal of this Note.

#### 7. WAIVERS

Borrower and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require Lender to demand payment of amounts due. "Notice of Dishonor" means the right to require Lender to give notice to other persons that amounts due have not been paid.

#### 8. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to Borrower under this Note will be given by delivering it or by mailing it by first class mail to Borrower at the Property Address above or at a different address if Borrower has given Lender a notice of Borrower's different address.

Any notice that must be given to Lender under this Note will be given by delivering it or by mailing it by first class mail to Lender at the address stated in Paragraph 4(B) or at a different address if Borrower is given a notice of that different address.

#### 9. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in

this Note. Lender may enforce its rights under this Note against each person individually or against all signatories together. Any one person signing this Note may be required to pay all of the amounts owed under this Note.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Note.

*Delaine L. Harned* (Seal)  
DELAINE L. HARNED -Borrower

\_\_\_\_ (Seal)  
\_\_\_\_ -Borrower

\_\_\_\_ (Seal)  
\_\_\_\_ -Borrower

\_\_\_\_ (Seal)  
\_\_\_\_ -Borrower

\_\_\_\_ (Seal)  
\_\_\_\_ -Borrower

\_\_\_\_ (Seal)  
\_\_\_\_ -Borrower

Pay to the Order of \_\_\_\_\_  
Without Recourse  
JPMorgan Chase Bank, N.A.  
By *Shirley G. Bird*  
Shirley G. Bird  
Vice President

[Sign Original Only]

see attached  
allonge



# ALLONGE

Loan Number: [REDACTED]

Loan Date: MAY 7, 2008

Borrower(s): DELAINE L. HARNED

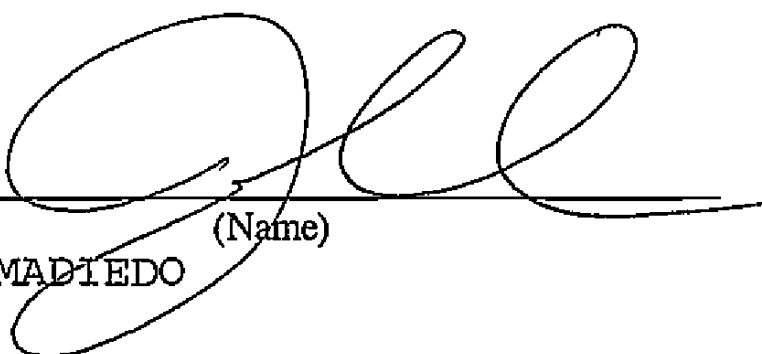
Property Address: 1076 SLATE CROSSING LANE #2, HENDERSON, NEVADA 89002

Principal Balance: \$159,497.00

PAY TO THE ORDER OF  
JPMORGAN CHASE BANK, N.A.

Without Recourse

Company Name: VENTA REALTY GROUP, DBA VENTA HOME LOANS

By:  PRESIDENT  
(Name) (Title)  
JASON MADIEDO



**EXHIBIT A-2**  
**TO**  
**JPMORGAN CHASE BANK, N.A.'S**  
**DECLARATION**



FHA Connection

Redacted

[Home](#) [Main Menu](#) [ID Maintenance](#) [E-mail Us](#) [Contact Us](#)

Welcome Redacted

[Single Family FHA](#) [Single Family Origination > Case Processing > Mortgage Insurance Certificate](#)

## Mortgage Insurance Certificate

[Help Links](#)

SUCCESS

[Other Functions](#)

MORTGAGE INSURANCE CERTIFICATE SUCCESSFULLY COMPLETED

This Certificate is evidence of insurance of the mortgage loan described herein under the indicated Section of the National Housing Act (P.L. 479 48 Stat. 1246, 12 U.S.C., 1701 et seq.) and regulations of the U.S. Department of Housing and Urban Development published in the Code of Federal Regulations (24 CFR 200.1 et seq.).

FHA Case Number:	ADP Code	Amortization Plan	Program I.D.	LTV Ratio	Borrower Type	Living Units	Control Number
Redacted	Redacted		00	97.00	1	01	Redacted
Name of Mortgagor (last, first, MI):				Mortgage Amount	Interest Rate	Monthly Payment (P/I)	
HARNED, DELAINE				159497	6.000	956.27	
Name of Co-Mortgagor (last, first, MI):				Maturity Date	First Payment	Endorsement Date	
				06/38	07/08	06/17/08	
Address of Property: 1076 2 SLATE CROSSING LN, HENDERSON, NV 890020000							
Mortgagee Name, Address, and ID Number: Redacted VENTA REALTY GROUP INC 1290 S JONES BLVD STE 150 LAS VEGAS, NV 89146-0909							

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[New Request](#)

Message Board Monday June 09, 2008

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[HUD Multifamily Housing Page](#) | [HUDCLIPS](#) | [Lenders Information](#) | [Mortgagee Letters](#)

**EXHIBIT A-3**  
**TO**  
**JPMORGAN CHASE BANK, N.A.'S**  
**DECLARATION**





# Exhibit A-3 RESIDENTIAL BROKER PRICE OPINION

Redacted

Loan #	Redacted	Relationship #	Old Republic Default																																																																																																																																																																
REO #		This BPO is the	<input type="checkbox"/> Interior <input type="checkbox"/> 2nd Opinion <input type="checkbox"/> Updated <input type="checkbox"/> Exterior																																																																																																																																																																
Property Address	1078 SLATE CROSSING LN Unit # 102	City	HENDERSON																																																																																																																																																																
Subject Parcel #	179-34-713-236	Borrower's Name	DELAINE L HARNED																																																																																																																																																																
DATE: 2/25/2012																																																																																																																																																																			
State: NV Zip: 89002 County: Clark																																																																																																																																																																			
<b>I. GENERAL MARKET CONDITIONS</b>																																																																																																																																																																			
Current market condition: <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining																																																																																																																																																																			
Employment conditions: <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining																																																																																																																																																																			
Market price of this type property has: <input type="checkbox"/> Decreased 65 % in past 12 months																																																																																																																																																																			
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Estimated percentages of owner vs. tenants in neighborhood: 70 % Owner occupant 30 % Tenant																																																																																																																																																																			
There is a <input type="checkbox"/> Normal Supply <input type="checkbox"/> Oversupply <input type="checkbox"/> Shortage of comparable listings in the neighborhood																																																																																																																																																																			
Approximate number of comparable units for sale in neighborhood: 11																																																																																																																																																																			
No. of competing listings in neighborhood that are REO or Corporate owned: 5																																																																																																																																																																			
No. of boarded or blocked-up homes: 0																																																																																																																																																																			
<b>II. SUBJECT MARKETABILITY</b>																																																																																																																																																																			
Neighborhood Boundaries defined																																																																																																																																																																			
1 mile radius																																																																																																																																																																			
Range of sales in the neighborhood is \$ 71,000.00 to \$ 83,000.00 Total # of Properties 5																																																																																																																																																																			
Range of listings in the neighborhood is \$ 77,950.00 to \$ 78,700.00 Total # of Properties 11																																																																																																																																																																			
The subject is an <input type="checkbox"/> Over improvement <input type="checkbox"/> Under improvement <input type="checkbox"/> Appropriate improvement for the neighborhood																																																																																																																																																																			
Normal marketing time in the area is: 36 days.																																																																																																																																																																			
Are all types of financing available for the property? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, explain																																																																																																																																																																			
Has the property been on the market in the last 12 months? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, \$ 75,000.00 list price (include MLS printout)																																																																																																																																																																			
Is the subject currently listed for sale: <input type="checkbox"/> Yes <input type="checkbox"/> No Current list price: \$ 75,000.00 Listing Date: 08/10/2011																																																																																																																																																																			
If listed, provide the brokers name: Frank Napoli Firm: PRUDENTIAL AMERICANA Phone # 702-521-7138																																																																																																																																																																			
Subjects total DOM for the past year: 90 Starting Listing Price: \$ 85,000.00																																																																																																																																																																			
First price reduction: DOM 9 Price: \$ 75,000.00 Second price reduction: DOM 0 Price: \$ 0.00 Third price reduction: DOM 0 Price: \$ 0.00																																																																																																																																																																			
To the best of your knowledge, why did it not sell? Subject property is a short sale and is in escrow as of 11/08/11 with an all cash offer.																																																																																																																																																																			
Subjects Last Sale Price: \$ 162.00 Sales Date: 05/14/2008																																																																																																																																																																			
Additional Prior Sale Price within past 24 months: \$ 0.00 Sales Date:																																																																																																																																																																			
Unit Type: <input type="checkbox"/> Single family detached <input type="checkbox"/> Condo <input type="checkbox"/> Co-op <input type="checkbox"/> Units # <input type="checkbox"/> Single family attached <input type="checkbox"/> Townhouse <input type="checkbox"/> Modular <input type="checkbox"/> Mobile home																																																																																																																																																																			
If condo or other association exists: Fee \$ 95.00 <input type="checkbox"/> Monthly <input type="checkbox"/> Annually Current? <input type="checkbox"/> Yes <input type="checkbox"/> No Fee delinquent? \$ .00																																																																																																																																																																			
The fee includes: <input checked="" type="checkbox"/> Insurance <input checked="" type="checkbox"/> Landscape <input type="checkbox"/> Pool <input type="checkbox"/> Tennis Other Management																																																																																																																																																																			
Association Contact: RPMG Name: RPMG Phone # 7029337764																																																																																																																																																																			
Project Name: Paradise Court Total Number of units: 346 Legal action <input type="checkbox"/> Yes <input type="checkbox"/> No																																																																																																																																																																			
<b>III. COMPETITIVE CLOSED SALES</b>																																																																																																																																																																			
<table><thead><tr><th>ITEM</th><th>SUBJECT</th><th>COMPARABLE NUMBER 1</th><th>COMPARABLE NUMBER 2</th><th>COMPARABLE NUMBER 3</th></tr></thead><tbody><tr><td>Address</td><td>1076 SLATE CROSSING LN Unit # 102 HENDERSON NV 89002</td><td>1095 SHEER PARADISE LN HENDERSON NV 89002</td><td>1084 SLATE CROSSING LN HENDERSON NV 89002</td><td>1149 AMARILLO SKY PL HENDERSON NV 89002</td></tr><tr><td>Unit #</td><td></td><td></td><td></td><td></td></tr><tr><td>Proximity to Subject</td><td></td><td>1 block</td><td>1 block</td><td>1 block</td></tr><tr><td>Sale Price</td><td>\$ 162.00</td><td>\$ 78000.00</td><td>\$ 83000.00</td><td>\$ 71000.00</td></tr><tr><td>Price / Gross Living Area</td><td>\$ 47.52 sq.ft.</td><td>\$ 55.20 sq.ft.</td><td>\$ 58.74 sq.ft.</td><td>\$ 50.24 sq.ft.</td></tr><tr><td>List Price at Sale</td><td></td><td>78000.00</td><td>88000.00</td><td>75000.00</td></tr><tr><td># of Price Reductions</td><td></td><td>2</td><td>1</td><td>3</td></tr><tr><td>Sale Type (Reo/Short Sale/ Forc)</td><td></td><td>REO</td><td>REO</td><td>Short Sale</td></tr><tr><td>Sale Date &amp; Days on Market</td><td>05/14/2008 90</td><td>2012-02-15 78</td><td>2012-02-03 148</td><td>2012-01-20 221</td></tr><tr><td>VALUE ADJUSTMENTS</td><td>DESCRIPTION</td><td>DESCRIPTION + (-) \$ Adjustment</td><td>DESCRIPTION + (-) \$ Adjustment</td><td>DESCRIPTION + (-) \$ Adjustment</td></tr><tr><td>Sale or Financing Concessions</td><td></td><td>N/A</td><td>N/A</td><td>N/A</td></tr><tr><td>Location (city/rural)</td><td>Suburban</td><td>SUBURBAN</td><td>SUBURBAN</td><td>SUBURBAN</td></tr><tr><td>Leasehold/Fee Simple</td><td>Fee Simple</td><td>FEE SIMPLE</td><td>FEE SIMPLE</td><td>FEE SIMPLE</td></tr><tr><td>Lot Size</td><td>0.02</td><td>0.02</td><td>0.02</td><td>0.02</td></tr><tr><td># of units</td><td>1</td><td>1 SFR</td><td>1 SFR</td><td>1 SFR</td></tr><tr><td>View</td><td>Average</td><td>AVERAGE</td><td>AVERAGE</td><td>AVERAGE</td></tr><tr><td>Appeal &amp; Quality</td><td>Average</td><td>AVERAGE</td><td>AVERAGE</td><td>GOOD -10000.00</td></tr><tr><td>Year Built</td><td>2005</td><td>2005</td><td>2005</td><td>2005</td></tr><tr><td>Condition</td><td>Average</td><td>AVERAGE</td><td>AVERAGE</td><td>AVERAGE</td></tr><tr><td>Above Grade</td><td>Total Bdrms. Baths</td><td>Total Bdrms. Baths</td><td>Total Bdrms. Baths</td><td>Total Bdrms. Baths</td></tr><tr><td>Room Count</td><td>6 3 2</td><td>5 2 2.5 (750.00)</td><td>5 2 2.5 (750.00)</td><td>5 3 2.5 (750.00)</td></tr><tr><td>Gross Living Area</td><td>1412 sq.ft.</td><td>1413 sq.ft.</td><td>1413 sq.ft.</td><td>1413 sq.ft.</td></tr><tr><td>Basement &amp; Finished Rooms Below Grade</td><td>None</td><td>NONE</td><td>NONE</td><td>NONE</td></tr><tr><td>Heating / Cooling</td><td>Central</td><td>CENTRAL</td><td>CENTRAL</td><td>CENTRAL</td></tr><tr><td>Garage / Carport</td><td>2CarAtt</td><td>2CARATT</td><td>2CARATT</td><td>2CARATT</td></tr><tr><td>Porch/Patio/Deck</td><td>PATIO</td><td>PATIO</td><td>PATIO</td><td>PATIO</td></tr><tr><td>Fireplaces</td><td>FIREPLACE</td><td>YES</td><td>YES</td><td>YES</td></tr><tr><td>Fence, Pool, etc</td><td>FENCE</td><td>FENCE</td><td>FENCE</td><td>FENCE</td></tr><tr><td>Other / Functional Utility</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td></tr><tr><td>Net Adj. (Total)</td><td></td><td>+ - \$ (750.00)</td><td>+ - \$ (750.00)</td><td>+ - \$ (10,750.00)</td></tr><tr><td>Adjusted Sale Price of Comparables</td><td></td><td>\$ 77250.00</td><td>\$ 82250.00</td><td>\$ 60250.00</td></tr></tbody></table>				ITEM	SUBJECT	COMPARABLE NUMBER 1	COMPARABLE NUMBER 2	COMPARABLE NUMBER 3	Address	1076 SLATE CROSSING LN Unit # 102 HENDERSON NV 89002	1095 SHEER PARADISE LN HENDERSON NV 89002	1084 SLATE CROSSING LN HENDERSON NV 89002	1149 AMARILLO SKY PL HENDERSON NV 89002	Unit #					Proximity to Subject		1 block	1 block	1 block	Sale Price	\$ 162.00	\$ 78000.00	\$ 83000.00	\$ 71000.00	Price / Gross Living Area	\$ 47.52 sq.ft.	\$ 55.20 sq.ft.	\$ 58.74 sq.ft.	\$ 50.24 sq.ft.	List Price at Sale		78000.00	88000.00	75000.00	# of Price Reductions		2	1	3	Sale Type (Reo/Short Sale/ Forc)		REO	REO	Short Sale	Sale Date & Days on Market	05/14/2008 90	2012-02-15 78	2012-02-03 148	2012-01-20 221	VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION + (-) \$ Adjustment	DESCRIPTION + (-) \$ Adjustment	DESCRIPTION + (-) \$ Adjustment	Sale or Financing Concessions		N/A	N/A	N/A	Location (city/rural)	Suburban	SUBURBAN	SUBURBAN	SUBURBAN	Leasehold/Fee Simple	Fee Simple	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE	Lot Size	0.02	0.02	0.02	0.02	# of units	1	1 SFR	1 SFR	1 SFR	View	Average	AVERAGE	AVERAGE	AVERAGE	Appeal & Quality	Average	AVERAGE	AVERAGE	GOOD -10000.00	Year Built	2005	2005	2005	2005	Condition	Average	AVERAGE	AVERAGE	AVERAGE	Above Grade	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths	Room Count	6 3 2	5 2 2.5 (750.00)	5 2 2.5 (750.00)	5 3 2.5 (750.00)	Gross Living Area	1412 sq.ft.	1413 sq.ft.	1413 sq.ft.	1413 sq.ft.	Basement & Finished Rooms Below Grade	None	NONE	NONE	NONE	Heating / Cooling	Central	CENTRAL	CENTRAL	CENTRAL	Garage / Carport	2CarAtt	2CARATT	2CARATT	2CARATT	Porch/Patio/Deck	PATIO	PATIO	PATIO	PATIO	Fireplaces	FIREPLACE	YES	YES	YES	Fence, Pool, etc	FENCE	FENCE	FENCE	FENCE	Other / Functional Utility	N/A	N/A	N/A	N/A	Net Adj. (Total)		+ - \$ (750.00)	+ - \$ (750.00)	+ - \$ (10,750.00)	Adjusted Sale Price of Comparables		\$ 77250.00	\$ 82250.00	\$ 60250.00
ITEM	SUBJECT	COMPARABLE NUMBER 1	COMPARABLE NUMBER 2	COMPARABLE NUMBER 3																																																																																																																																																															
Address	1076 SLATE CROSSING LN Unit # 102 HENDERSON NV 89002	1095 SHEER PARADISE LN HENDERSON NV 89002	1084 SLATE CROSSING LN HENDERSON NV 89002	1149 AMARILLO SKY PL HENDERSON NV 89002																																																																																																																																																															
Unit #																																																																																																																																																																			
Proximity to Subject		1 block	1 block	1 block																																																																																																																																																															
Sale Price	\$ 162.00	\$ 78000.00	\$ 83000.00	\$ 71000.00																																																																																																																																																															
Price / Gross Living Area	\$ 47.52 sq.ft.	\$ 55.20 sq.ft.	\$ 58.74 sq.ft.	\$ 50.24 sq.ft.																																																																																																																																																															
List Price at Sale		78000.00	88000.00	75000.00																																																																																																																																																															
# of Price Reductions		2	1	3																																																																																																																																																															
Sale Type (Reo/Short Sale/ Forc)		REO	REO	Short Sale																																																																																																																																																															
Sale Date & Days on Market	05/14/2008 90	2012-02-15 78	2012-02-03 148	2012-01-20 221																																																																																																																																																															
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION + (-) \$ Adjustment	DESCRIPTION + (-) \$ Adjustment	DESCRIPTION + (-) \$ Adjustment																																																																																																																																																															
Sale or Financing Concessions		N/A	N/A	N/A																																																																																																																																																															
Location (city/rural)	Suburban	SUBURBAN	SUBURBAN	SUBURBAN																																																																																																																																																															
Leasehold/Fee Simple	Fee Simple	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE																																																																																																																																																															
Lot Size	0.02	0.02	0.02	0.02																																																																																																																																																															
# of units	1	1 SFR	1 SFR	1 SFR																																																																																																																																																															
View	Average	AVERAGE	AVERAGE	AVERAGE																																																																																																																																																															
Appeal & Quality	Average	AVERAGE	AVERAGE	GOOD -10000.00																																																																																																																																																															
Year Built	2005	2005	2005	2005																																																																																																																																																															
Condition	Average	AVERAGE	AVERAGE	AVERAGE																																																																																																																																																															
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths																																																																																																																																																															
Room Count	6 3 2	5 2 2.5 (750.00)	5 2 2.5 (750.00)	5 3 2.5 (750.00)																																																																																																																																																															
Gross Living Area	1412 sq.ft.	1413 sq.ft.	1413 sq.ft.	1413 sq.ft.																																																																																																																																																															
Basement & Finished Rooms Below Grade	None	NONE	NONE	NONE																																																																																																																																																															
Heating / Cooling	Central	CENTRAL	CENTRAL	CENTRAL																																																																																																																																																															
Garage / Carport	2CarAtt	2CARATT	2CARATT	2CARATT																																																																																																																																																															
Porch/Patio/Deck	PATIO	PATIO	PATIO	PATIO																																																																																																																																																															
Fireplaces	FIREPLACE	YES	YES	YES																																																																																																																																																															
Fence, Pool, etc	FENCE	FENCE	FENCE	FENCE																																																																																																																																																															
Other / Functional Utility	N/A	N/A	N/A	N/A																																																																																																																																																															
Net Adj. (Total)		+ - \$ (750.00)	+ - \$ (750.00)	+ - \$ (10,750.00)																																																																																																																																																															
Adjusted Sale Price of Comparables		\$ 77250.00	\$ 82250.00	\$ 60250.00																																																																																																																																																															



## RESIDENTIAL BROKER PRICE OPINION

Redacted

REQ #:	Loan #:	Redacted	Relationship #:	Old Republic Default
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IV. CURRENT OCCUPANCY STATUS

Occupancy Status: Owner ☐ Vacant ☐ Tenant ☐ Other ☐

Ownership Status: Main residence ☐ Rented ☐

V. MARKETING OCCUPANCY STRATEGY

Occupancy Status: Owner ☐ Vacant ☐ Tenant ☐ Other ☐

Estimated Rent: \$ 700.00 per month

☐ As-is ☐ Minimal Lender Required Repairs ☐ Repaired

Most Likely Buyer: ☐ Owner occupant ☐ Investor

VI. REPAIRS

Itemize ALL repairs needed to bring property from its present "as-is" condition to average marketable condition for the neighborhood. Check those repairs you recommend that we perform for most successful marketing of the property.

<input type="checkbox"/>		\$		<input type="checkbox"/>		\$	
<input type="checkbox"/>		\$		<input type="checkbox"/>		\$	
<input type="checkbox"/>		\$		<input type="checkbox"/>		\$	
<input type="checkbox"/>		\$		<input type="checkbox"/>		\$	
<input type="checkbox"/>		\$		<input type="checkbox"/>		\$	

GRAND TOTAL FOR ALL REPAIRS \$ 00

VII. COMPETITIVE LISTINGS

ITEM	SUBJECT	COMPARABLE NUMBER 1	COMPARABLE NUMBER 2	COMPARABLE NUMBER 3			
Address	1076 SLATE CROSSING LN. UNIT # 102 HENDERSON NV 89002	1105 PLEASURE LN HENDERSON NV 89002	1080 SLATE CROSSING LN HENDERSON NV 89002	1158 HEAVENLY HARVEST PL HENDERSON NV 89002			
Unit #							
Proximity to Subject		2 blocks	1 block	1 block			
List Price	\$ 75,000.00	\$ 78,000.00	\$ 78,000.00	\$ 78,200.00			
Price / Gross Living Area	\$ 47.52 sq.ft.	\$ 55.20 sq.ft.	\$ 55.20 sq.ft.	\$ 55.34 sq.ft.			
Original List Price	85,000.00	78,000.00	84,900.00	86,600.00			
# of Price Reductions	3	0	1	2			
Verification Sources	TaxRecords	MLS	MLS	MLS			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment
Sale or Financing Concessions		N/A		N/A		N/A	
Days on Market		6		34		72	
Location (city/rural)	Suburban	Suburban		Suburban		Suburban	
Leasehold/Fee Simple	Fee Simple	FEE SIMPLE		FEE SIMPLE		FEE SIMPLE	
Lot Size	0.02	0.02		0.02		0.02	
View	Average	Average		Average		Average	
Appeal & Quality	Average	Average		Average		Average	
Year Built	2005	2005		2005		2005	
Condition	Average	Average		Average		Average	
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths	
Room Count	6 3 2	5 3 2.5	(750.00)	5 3 2.5	(750.00)	5 3 2.5	(750.00)
Gross Living Area	1412 sq.ft.	1413 sq.ft.		1413 sq.ft.		1413 sq.ft.	
Basement & Finished Rooms Below Grade	None	None		None		None	
Heating / Cooling	Central	Central		Central		Central	
Garage / Carport	2CarAtt	2CarAtt		2CarAtt		2CarAtt	
Porch/Patio/Deck	PATIO	PATIO		PATIO		PATIO	
Fireplaces	FIREPLACE	NO		YES		YES	
Fence, Pool, etc	FENCE	FENCE		FENCE		FENCE	
Other / Functional Utility	N/A	N/A		N/A		N/A	
Net Adj.(Total)		<input type="checkbox"/> + <input type="checkbox"/> -	\$ (750.00)	<input type="checkbox"/> + <input type="checkbox"/> -	\$ (750.00)	<input type="checkbox"/> + <input type="checkbox"/> -	\$ (750.00)
Adjusted Sale Price of Comparables			\$ 77,250.00		\$ 77,250.00		\$ 77,450.00

VIII. THE MARKET VALUE (The value must fall within the indicated value of the Competitive Closed Sales).

	Market Value	Suggested List Price
AS IS 90 to 120 day value	\$ 67,100.00	\$ 67,100.00
REPAIRED 90 to 120 day value	\$ 67,100.00	\$ 67,100.00
Quick sale value	\$ 63,999.00	\$ 63,999.00
Land Value	\$ 15,000.00	

Last Sale of Subject, Price \$ 162.00 Date 05/14/2008

IX. COMMENTS (Include specific positives/negatives, special concerns, encroachments, easements, water rights, environmental concerns, flood zones, etc. Attach addendum if additional space is needed.)

(1): All comparables are considered to be the most recent, similar and qualified comparables available for which reliable information could be obtained and are deemed to be indicators of value. Some adjustments were not warranted due to current market conditions and have no affect on final market value. The OA says that the subject has a total of 6 rooms,3 beds,2 baths and 1,412 sq ft and public records says that the subject has a total of 5 rooms,3 beds,2.5 baths and 1,413 sq ft(2): Subject property is a 1413 square foot, two story attached town home featuring 3 bedrooms & 2.5 baths with a 2 car attached garage and a small fenced in backyard located in a HOA governed gated community with a community clubhouse & swimming pool in the southeast area of the city of Henderson. Subject property shows no noted environmental or sales concerns at time of initial complete inspection. Subject property was put onto the market on 8/13/11 at the list price of \$85,000. There was a price reduction on 8/22/11 of \$75,000. Subject property was put into escrow on 9/23/11 at the list price of \$75,000. Escrow fell out on 10/19/11 and the subject property was put back onto the market at the list price of \$75,000. Subject property was put back into escrow on 11/08/11 at the list price of \$75,000. Due to increasing number of REO and Short Sale listings as indicated in the local MLS within the past 6 months in the subject

★ OLD REPUBLIC ★

Signature: ★ ★ ★ Date: 2/25/2012

Firm Name: RED CROWN REALTY Completed By: Manes, Jim

Phone No.: 702-688-1429 Fax No.: Do not have

Email Address: reckingofvegas@aol.com Broker / Agent Lic #: S:0055572

Broker distance to subject Property: 1 Years of Experience: 9

Redacted

SUBJECT PHOTOGRAPH ADDENDUM

File No.

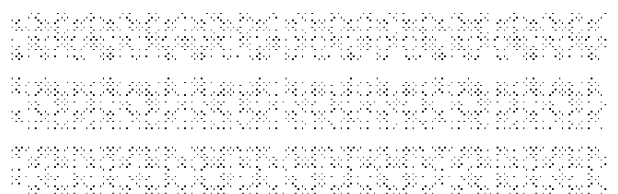
Redacted

Borrower/Client	DELAINÉ L. HARNED				
Property Address	1076 SLATE CROSSING LN, Unit # 102				
City	HENDERSON	County	Clark	State	NV
				Zip Code	89002
Lender					

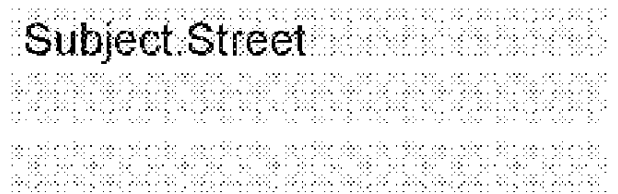
FRONT OF  
SUBJECT PROPERTY



REAR OF  
SUBJECT PROPERTY



STREET SCENE



Redacted

ADDITIONAL PHOTOGRAPH ADDENDUM

File No. Redacted

Borrower/Client	DELAINE L HARNED			
Property Address	1076 SLATE CROSSING LN, Unit# 102			
City	HENDERSON	County	Clark	State NV Zip Code 89002
Lender				

Subject Address	
IMG_9404.JPG	

Subject Address	
IMG_9410.JPG	

Subject Interior	
IMG_9414.JPG	



Redacted

ADDITIONAL PHOTOGRAPH ADDENDUM

File No. Redacted

Borrower/Client	DELAINE L HARNED			
Property Address	1076 SLATE CROSSING LN, Unit# 102			
City	HENDERSON	County	Clark	State NV Zip Code 89002
Lender				

Subject Interior

IMG\_9415.JPG

Subject Interior

IMG\_9416.JPG

Subject Interior

IMG\_9417.JPG

Redacted

ADDITIONAL PHOTOGRAPH ADDENDUM

File No.

Redacted

Borrower/Client	DELAINE L HARNED			
Property Address	1076 SLATE CROSSING LN, Unit # 102			
City	HENDERSON	County	Clark	State NV Zip Code 89002
Lender				

Subject Interior

IMG\_9418.JPG

Subject Interior

IMG\_9419.JPG

Subject Interior

IMG\_9420.JPG

Redacted

ADDITIONAL PHOTOGRAPH ADDENDUM

File No. Redacted

Borrower/Client	DELAINE L HARNED			
Property Address	1076 SLATE CROSSING LN, Unit# 102			
City	HENDERSON	County	Clark	State NV Zip Code 89002
Lender				

Subject Interior

IMG\_9421.JPG

Subject Interior

IMG\_9422.JPG

Subject Interior

IMG\_9423.JPG

Redacted

ADDITIONAL PHOTOGRAPH ADDENDUM

File No. Redacted

Borrower/Client	DELAINE L HARNED			
Property Address	1076 SLATE CROSSING LN, Unit# 102			
City	HENDERSON	County	Clark	State NV Zip Code 89002
Lender				

Subject Interior  
IMG\_9424.JPG

Subject Interior  
IMG\_9425.JPG

Subject Interior  
IMG\_9431.JPG



Redacted

ADDITIONAL PHOTOGRAPH ADDENDUM

File No. Redacted

Borrower/Client	DELAINE L HARNED			
Property Address	1076 SLATE CROSSING LN, Unit# 102			
City	HENDERSON	County	Clark	State NV Zip Code 89002
Lender				

Subject Interior  
IMG\_9432.JPG

Subject Interior  
IMG\_9434.JPG

Subject Interior  
IMG\_9435.JPG

Redacted

ADDITIONAL PHOTOGRAPH ADDENDUM

File No. Redacted

Borrower/Client	DELAINE L HARNED			
Property Address	1076 SLATE CROSSING LN, Unit# 102			
City	HENDERSON	County	Clark	State NV Zip Code 89002
Lender				

Subject Interior  
IMG\_9436.JPG

Redacted

COMPARABLES PHOTOGRAPH ADDENDUM  
(Comps 1-3)

File No. Redacted

Borrower/Client	DELAINE L HARNED			
Property Address	1076 SLATE CROSSING LN, Unit # 102			
City	HENDERSON	County	Clark	State NV Zip Code 89002
Lender				

Comparable Sale 1

1095 SHEER PARADISE LN		
HENDERSON	NV	89002
Date of Sale:	2012-02-15	
Sale Price:	78000.00	
Sq. Ft.:	1413	
\$ / Sq. Ft.:	55.20	

Comparable Sale 2

1084 SLATE CROSSING LN		
HENDERSON	NV	89002
Date of Sale:	2012-02-03	
Sale Price:	83000.00	
Sq. Ft.:	1413	
\$ / Sq. Ft.:	58.74	

Comparable Sale 3

1149 AMARILLO SKY PL		
HENDERSON	NV	89002
Date of Sale:	2012-01-20	
Sale Price:	71000.00	
Sq. Ft.:	1413	
\$ / Sq. Ft.:	50.24	

LISTING COMPARABLE PHOTOGRAPH ADDENDUM

Redacted

File No. Redacted

Borrower/Client	DELAINE L HARNED			
Property Address	1076 SLATE CROSSING LN, Unit# 102			
City	HENDERSON	County	Clark	State NV Zip Code 89002
Lender				

Listing # 1

Listing 1 Front
1105 Pleasure Ln
Henderson, NV 89002

Listing # 2

Listing 2 Front
1080 Slate Crossing Ln
Henderson, NV 89002

Listing # 3

Listing 3 Front
1156 Heavenly Harvest Pl
Henderson, NV 89002

Redacted

LOCATION MAP ADDENDUM

File No.

Redacted

Borrower/Client DELAINE L HARNED

Property Address 1076 SLATE CROSSING LN, Unit: # 102

City HENDERSON County Clark State NV Zip Code 89012

Lender



S: Subject: 1076 SLATE CROSSING LN, Unit: # 102

1: Sale #1: 1095 Sheer Paradise Ln

2: Sale #2: 1084 Slate Crossing Ln

3: Sale #3: 1149 Amarillo Sky Pl

L1: Listing #1: 1105 Pleasure Ln

L2: Listing #2: 1080 Slate Crossing Ln

L3: Listing #3: 1158 Heavenly Harvest Pl

**EXHIBIT A-4**  
**TO**  
**JPMORGAN CHASE BANK, N.A.'S**  
**DECLARATION**

# Exhibit A-4

## Escrow Activity 9/21/2012 - 10/7/2014

JPMORGAN CHASE BANK, N.A. -- 465

Loan Number: **Redacted**

Borrower Name: HARNED, DELAINE L

### 10/03/14 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 10/03/2014

Due Date: 09/2009

Tot Received: \$59.32+

Escrow Pd: \$59.32+

Tran Code: 161

### 10/03/14 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

Proc Date: 10/03/2014

Due Date: 06/2015

Net Disbursed: \$59.32-

Escrow Payee: RBP

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code: 310

### 09/18/14 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 09/18/2014

Due Date: 09/2009

Tot Received: \$205.26+

Escrow Pd: \$205.26+

Tran Code: 161

### 09/18/14 09/01/14 COUNTY TAX

**Redacted**

Transaction Description:

COUNTY TAX

Disb Check No: WIRE

Proc Date: 09/18/2014

Due Date: 09/2014

Net Disbursed: \$205.26-

Escrow Payee: 27003

CLARK COUNTY

CLARK COUNTY - TREASURER

500 S GRAND CENTRAL PKWY

LAS VEGAS NV 89106

(702) 455-4323

Batch No: EGL

Tran Code: 312

### 09/04/14 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 09/04/2014

Due Date: 09/2009

Tot Received: \$59.32+

Escrow Pd: \$59.32+

## Escrow Activity 9/21/2012 - 10/7/2014

JPMORGAN CHASE BANK, N.A. -- 465

Loan Number: **Redacted**

Borrower Name: HARNED, DELAINE L

Tran Code: 161

09/04/14 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

Proc Date: 09/04/2014

Due Date: 06/2015

Net Disbursed: \$59.32-

Escrow Payee: RBP

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code: 310

08/02/14 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 08/02/2014

Due Date: 09/2009

Tot Received: \$59.32+

Escrow Pd: \$59.32+

Tran Code: 161

08/02/14 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

Proc Date: 08/02/2014

Due Date: 06/2015

Net Disbursed: \$59.32-

Escrow Payee: RBP

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code: 310

07/29/14 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 07/29/2014

Due Date: 09/2009

Tot Received: \$205.87+

Escrow Pd: \$205.87+

Tran Code: 161

07/29/14 08/01/14 COUNTY TAX

**Redacted**

Transaction Description:

COUNTY TAX

Disb Check No: WIRE

Proc Date: 07/29/2014

Due Date: 08/2014



## Escrow Activity 9/21/2012 - 10/7/2014

JPMORGAN CHASE BANK, N.A. -- 465

Loan Number: **Redacted**

Borrower Name: HARNED, DELAINE L

Net Disbursed: \$205.87-  
Escrow Payee: 27003  
CLARK COUNTY  
CLARK COUNTY - TREASURER  
500 S GRAND CENTRAL PKWY  
LAS VEGAS NV 89106  
(702) 455-4323  
Batch No: EGL  
Tran Code: 312

### 07/03/14 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:  
ESCROW ADVANCE  
Proc Date: 07/03/2014  
Due Date: 09/2009  
Tot Received: \$59.32+  
Escrow Pd: \$59.32+  
Tran Code: 161

### 07/03/14 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 07/03/2014  
Due Date: 06/2015  
Net Disbursed: \$59.32-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 06/04/14 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:  
ESCROW ADVANCE  
Proc Date: 06/04/2014  
Due Date: 09/2009  
Tot Received: \$60.44+  
Escrow Pd: \$60.44+  
Tran Code: 161

### 06/04/14 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 06/04/2014  
Due Date: 06/2014  
Net Disbursed: \$60.44-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

## Escrow Activity 9/21/2012 - 10/7/2014

JPMORGAN CHASE BANK, N.A. -- 465

Loan Number: **Redacted**

Borrower Name: HARNED, DELAINE L

05/02/14 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 05/02/2014

Due Date: 09/2009

Tot Received: \$60.44+

Escrow Pd: \$60.44+

Tran Code: 161

05/02/14 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

Proc Date: 05/02/2014

Due Date: 06/2014

Net Disbursed: \$60.44-

Escrow Payee: RBP

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code: 310

04/08/14 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 04/08/2014

Due Date: 09/2009

Tot Received: \$806.99+

Escrow Pd: \$806.99+

Tran Code: 161

04/08/14 04/01/14 HOMEOWNERS INSURANCE

**Redacted**

Transaction Description:

HOMEOWNERS INSURANCE

Disb Check No: WIRE

Proc Date: 04/08/2014

Due Date: 04/2014

Net Disbursed: \$806.99-

Escrow Payee: 59501

FARMERS

\*TELEPROCESSED BILLINGS\*

(999) 999-9999

Batch No: FAR

Tran Code: 351

04/04/14 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 04/04/2014

Due Date: 09/2009

Tot Received: \$60.44+

Escrow Pd: \$60.44+

Tran Code: 161

## Escrow Activity 9/21/2012 - 10/7/2014

JPMORGAN CHASE BANK, N.A. -- 465

Loan Number: **Redacted**

Borrower Name: HARNED, DELAINE L

### 04/04/14 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE  
Proc Date: 04/04/2014  
Due Date: 06/2014  
Net Disbursed: \$60.44-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 03/03/14 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 03/03/2014  
Due Date: 09/2009  
Tot Received: \$60.44+  
Escrow Pd: \$60.44+  
Tran Code: 161

### 03/03/14 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE  
Proc Date: 03/03/2014  
Due Date: 06/2014  
Net Disbursed: \$60.44-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 02/18/14 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 02/18/2014  
Due Date: 09/2009  
Tot Received: \$199.29+  
Escrow Pd: \$199.29+  
Tran Code: 161

### 02/18/14 02/01/14 COUNTY TAX

**Redacted**

Transaction Description:

COUNTY TAX

Disb Check No: WIRE  
Proc Date: 02/18/2014  
Due Date: 02/2014  
Net Disbursed: \$199.29-  
Escrow Payee: 27003  
CLARK COUNTY  
CLARK COUNTY - TREASURER

## Escrow Activity 9/21/2012 - 10/7/2014

JPMORGAN CHASE BANK, N.A. -- 465

Loan Number: **Redacted**

Borrower Name: HARNED, DELAINE L

500 S GRAND CENTRAL PKWY  
LAS VEGAS NV 89106  
(702) 455-4323  
Batch No: EGL  
Tran Code: 312

### 02/03/14 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:  
ESCROW ADVANCE  
Proc Date: 02/03/2014  
Due Date: 09/2009  
Tot Received: \$60.44+  
Escrow Pd: \$60.44+  
Tran Code: 161

### 02/03/14 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 02/03/2014  
Due Date: 06/2014  
Net Disbursed: \$60.44-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 01/03/14 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:  
ESCROW ADVANCE  
Proc Date: 01/03/2014  
Due Date: 09/2009  
Tot Received: \$60.44+  
Escrow Pd: \$60.44+  
Tran Code: 161

### 01/03/14 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 01/03/2014  
Due Date: 06/2014  
Net Disbursed: \$60.44-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 12/17/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

## Escrow Activity 9/21/2012 - 10/7/2014

JPMORGAN CHASE BANK, N.A. -- 465

Loan Number: **Redacted**

Borrower Name: HARNED, DELAINE L

### ESCROW ADVANCE

Proc Date: 12/17/2013  
Due Date: 09/2009  
Tot Received: \$199.29+  
Escrow Pd: \$199.29+  
Tran Code: 161

### 12/17/13 12/01/13 COUNTY TAX

**Redacted**

Transaction Description:

COUNTY TAX

Disb Check No: WIRE

Proc Date: 12/17/2013

Due Date: 12/2013

Net Disbursed: \$199.29-

Escrow Payee: 27003

CLARK COUNTY

CLARK COUNTY - TREASURER

500 S GRAND CENTRAL PKWY

LAS VEGAS NV 89106

(702) 455-4323

Batch No: EGL

Tran Code: 312

### 12/03/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 12/03/2013

Due Date: 09/2009

Tot Received: \$60.44+

Escrow Pd: \$60.44+

Tran Code: 161

### 12/03/13 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

Proc Date: 12/03/2013

Due Date: 06/2014

Net Disbursed: \$60.44-

Escrow Payee: RBP

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code: 310

### 11/02/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 11/02/2013

Due Date: 09/2009

Tot Received: \$60.44+

Escrow Pd: \$60.44+

Tran Code: 161

## Escrow Activity 9/21/2012 - 10/7/2014

JPMORGAN CHASE BANK, N.A. -- 465

Loan Number: **Redacted**

Borrower Name: HARNED, DELAINE L

11/02/13 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

Proc Date: 11/02/2013

Due Date: 06/2014

Net Disbursed: \$60.44-

Escrow Payee: RBP

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code: 310

10/04/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 10/04/2013

Due Date: 09/2009

Tot Received: \$60.44+

Escrow Pd: \$60.44+

Tran Code: 161

10/04/13 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

Proc Date: 10/04/2013

Due Date: 06/2014

Net Disbursed: \$60.44-

Escrow Payee: RBP

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code: 310

09/19/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 09/19/2013

Due Date: 09/2009

Tot Received: \$199.29+

Escrow Pd: \$199.29+

Tran Code: 161

09/19/13 09/01/13 COUNTY TAX

**Redacted**

Transaction Description:

COUNTY TAX

Disb Check No: WIRE

Proc Date: 09/19/2013

Due Date: 09/2013

Net Disbursed: \$199.29-

Escrow Payee: 27003

CLARK COUNTY

CLARK COUNTY - TREASURER

## Escrow Activity 9/21/2012 - 10/7/2014

JPMORGAN CHASE BANK, N.A. -- 465

Loan Number: **Redacted**

Borrower Name: HARNED, DELAINE L

500 S GRAND CENTRAL PKWY  
LAS VEGAS NV 89106  
(702) 455-4323

Batch No: EGL  
Tran Code: 312

### 09/04/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 09/04/2013  
Due Date: 09/2009  
Tot Received: \$60.44+  
Escrow Pd: \$60.44+  
Tran Code: 161

### 09/04/13 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE  
Proc Date: 09/04/2013  
Due Date: 06/2014  
Net Disbursed: \$60.44-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 08/03/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 08/03/2013  
Due Date: 09/2009  
Tot Received: \$60.44+  
Escrow Pd: \$60.44+  
Tran Code: 161

### 08/03/13 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE  
Proc Date: 08/03/2013  
Due Date: 06/2014  
Net Disbursed: \$60.44-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 07/29/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

## Escrow Activity 9/21/2012 - 10/7/2014

JPMORGAN CHASE BANK, N.A. -- 465

Loan Number: **Redacted**

Borrower Name: HARNED, DELAINE L

### ESCROW ADVANCE

Proc Date:	07/29/2013
Due Date:	09/2009
Tot Received:	\$199.81+
Escrow Pd:	\$199.81+
Tran Code:	161

### 07/29/13 08/01/13 COUNTY TAX

**Redacted**

Transaction Description:

COUNTY TAX

Disb Check No:	WIRE
Proc Date:	07/29/2013
Due Date:	08/2013
Net Disbursed:	\$199.81-
Escrow Payee:	27003
CLARK COUNTY	
CLARK COUNTY - TREASURER	
500 S GRAND CENTRAL PKWY	
LAS VEGAS	NV 89106
(702) 455-4323	
Batch No:	EGL
Tran Code:	312

### 07/02/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date:	07/02/2013
Due Date:	09/2009
Tot Received:	\$60.44+
Escrow Pd:	\$60.44+
Tran Code:	161

### 07/02/13 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No:	WIRE
Proc Date:	07/02/2013
Due Date:	06/2014
Net Disbursed:	\$60.44-
Escrow Payee:	RBP
HUD RISK-BASED	
INSURANCE PREMIUMS	
ELECTRONIC REMITTANCE	
Tran Code:	310

### 06/03/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date:	06/03/2013
Due Date:	09/2009
Tot Received:	\$61.49+
Escrow Pd:	\$61.49+
Tran Code:	161



## Escrow Activity 9/21/2012 - 10/7/2014

JPMORGAN CHASE BANK, N.A. -- 465

Loan Number: **Redacted**

Borrower Name: HARNED, DELAINE L

06/03/13 06/01/13 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

Proc Date: 06/03/2013

Due Date: 06/2013

Net Disbursed: \$61.49-

Escrow Payee: RBP

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code: 310

05/03/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 05/03/2013

Due Date: 09/2009

Tot Received: \$61.49+

Escrow Pd: \$61.49+

Tran Code: 161

05/03/13 06/01/13 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

Proc Date: 05/03/2013

Due Date: 06/2013

Net Disbursed: \$61.49-

Escrow Payee: RBP

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code: 310

04/09/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 04/09/2013

Due Date: 09/2009

Tot Received: \$700.03+

Escrow Pd: \$700.03+

Tran Code: 161

04/09/13 04/01/13 HOMEOWNERS INSURANCE

**Redacted**

Transaction Description:

HOMEOWNERS INSURANCE

Disb Check No: WIRE

Proc Date: 04/09/2013

Due Date: 04/2013

Net Disbursed: \$700.03-

Escrow Payee: 59501

FARMERS

\*TELEPROCESSED BILLINGS\*

## Escrow Activity 9/21/2012 - 10/7/2014

JPMORGAN CHASE BANK, N.A. -- 465

Loan Number: **Redacted**

Borrower Name: HARNED, DELAINE L

(999) 999-9999

Batch No: FAR

Tran Code: 351

### 04/04/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 04/04/2013

Due Date: 09/2009

Tot Received: \$61.49+

Escrow Pd: \$61.49+

Tran Code: 161

### 04/04/13 06/01/13 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

Proc Date: 04/04/2013

Due Date: 06/2013

Net Disbursed: \$61.49-

Escrow Payee: RBP

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code: 310

### 03/02/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 03/02/2013

Due Date: 09/2009

Tot Received: \$61.49+

Escrow Pd: \$61.49+

Tran Code: 161

### 03/02/13 06/01/13 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

Proc Date: 03/02/2013

Due Date: 06/2013

Net Disbursed: \$61.49-

Escrow Payee: RBP

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code: 310

### 02/12/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 02/12/2013

## Escrow Activity 9/21/2012 - 10/7/2014

JPMORGAN CHASE BANK, N.A. -- 465

Loan Number: **Redacted**

Borrower Name: HARNED, DELAINE L

Due Date:	09/2009
Tot Received:	\$192.68+
Escrow Pd:	\$192.68+
Tran Code:	161

### 02/12/13 02/01/13 COUNTY TAX

**Redacted**

Transaction Description:

COUNTY TAX

Disb Check No: WIRE

Proc Date: 02/12/2013

Due Date: 02/2013

Net Disbursed: \$192.68-

Escrow Payee: 27003

CLARK COUNTY

CLARK COUNTY - TREASURER

500 S GRAND CENTRAL PKWY

LAS VEGAS NV 89106

(702) 455-4323

Batch No: EGL

Tran Code: 312

### 02/02/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 02/02/2013

Due Date: 09/2009

Tot Received: \$61.49+

Escrow Pd: \$61.49+

Tran Code: 161

### 02/02/13 06/01/13 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

Proc Date: 02/02/2013

Due Date: 06/2013

Net Disbursed: \$61.49-

Escrow Payee: RBP

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code: 310

### 01/04/13 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 01/04/2013

Due Date: 09/2009

Tot Received: \$61.49+

Escrow Pd: \$61.49+

Tran Code: 161

## Escrow Activity 9/21/2012 - 10/7/2014

JPMORGAN CHASE BANK, N.A. -- 465

Loan Number: **Redacted**

Borrower Name: HARNED, DELAINE L

01/04/13 06/01/13 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

Proc Date: 01/04/2013

Due Date: 06/2013

Net Disbursed: \$61.49-

Escrow Payee: RBP

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code: 310

12/21/12 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 12/21/2012

Due Date: 09/2009

Tot Received: \$192.68+

Escrow Pd: \$192.68+

Tran Code: 161

12/21/12 12/01/12 COUNTY TAX

**Redacted**

Transaction Description:

COUNTY TAX

Disb Check No: WIRE

Proc Date: 12/21/2012

Due Date: 12/2012

Net Disbursed: \$192.68-

Escrow Payee: 27003

CLARK COUNTY

CLARK COUNTY - TREASURER

500 S GRAND CENTRAL PKWY

LAS VEGAS NV 89106

(702) 455-4323

Batch No: EGL

Tran Code: 312

12/03/12 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:

ESCROW ADVANCE

Proc Date: 12/03/2012

Due Date: 09/2009

Tot Received: \$61.49+

Escrow Pd: \$61.49+

Tran Code: 161

12/03/12 06/01/13 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

Proc Date: 12/03/2012

Due Date: 06/2013

Net Disbursed: \$61.49-

## Escrow Activity 9/21/2012 - 10/7/2014

JPMORGAN CHASE BANK, N.A. -- 465

Loan Number: **Redacted**

Borrower Name: HARNED, DELAINE L

Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 11/02/12 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:  
ESCROW ADVANCE  
Proc Date: 11/02/2012  
Due Date: 09/2009  
Tot Received: \$61.49+  
Escrow Pd: \$61.49+  
Tran Code: 161

### 11/02/12 06/01/13 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 11/02/2012  
Due Date: 06/2013  
Net Disbursed: \$61.49-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 10/02/12 09/01/09 ESCROW ADVANCE

**Redacted**

Transaction Description:  
ESCROW ADVANCE  
Proc Date: 10/02/2012  
Due Date: 09/2009  
Tot Received: \$61.49+  
Escrow Pd: \$61.49+  
Tran Code: 161

### 10/02/12 06/01/13 MORTGAGE INSURANCE DISBURSEMENT

**Redacted**

Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 10/02/2012  
Due Date: 06/2013  
Net Disbursed: \$61.49-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

## Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

### 07/02/16 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 07/02/2016  
Due Date: 09/2009  
Tot Received: \$56.88+  
Escrow Pd: \$56.88+  
Tran Code: 161

### 07/02/16 06/01/17 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 07/02/2016  
Due Date: 06/2017  
Net Disbursed: \$56.88-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 06/03/16 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 06/03/2016  
Due Date: 09/2009  
Tot Received: \$58.14+  
Escrow Pd: \$58.14+  
Tran Code: 161

### 06/03/16 06/01/16 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 06/03/2016  
Due Date: 06/2016  
Net Disbursed: \$58.14-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 05/03/16 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 05/03/2016  
Due Date: 09/2009  
Tot Received: \$58.14+  
Escrow Pd: \$58.14+  
Tran Code: 161

### 05/03/16 06/01/16 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 05/03/2016  
Due Date: 06/2016  
Net Disbursed: \$58.14-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS

## Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

ELECTRONIC REMITTANCE

Tran Code: 310

### 04/11/16 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:

ESCROW ADVANCE

Proc Date: 04/11/2016

Due Date: 09/2009

Tot Received: \$985.63+

Escrow Pd: \$985.63+

Tran Code: 161

### 04/11/16 04/01/16 HOMEOWNERS INSURANCE

[REDACTED]  
Transaction Description:

HOMEOWNERS INSURANCE

Disb Check No: WIRE

Proc Date: 04/11/2016

Due Date: 04/2016

Net Disbursed: \$985.63-

Escrow Payee: EDIFA

FARMERS

EDI ONLY

DO NOT MAIL

Batch No: H\*3

Tran Code: 351

### 04/02/16 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:

ESCROW ADVANCE

Proc Date: 04/02/2016

Due Date: 09/2009

Tot Received: \$58.14+

Escrow Pd: \$58.14+

Tran Code: 161

### 04/02/16 06/01/16 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

Proc Date: 04/02/2016

Due Date: 06/2016

Net Disbursed: \$58.14-

Escrow Payee: RBP

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code: 310

### 03/03/16 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:

ESCROW ADVANCE

Proc Date: 03/03/2016

Due Date: 09/2009

Tot Received: \$58.14+

Escrow Pd: \$58.14+

Tran Code: 161

### 03/03/16 06/01/16 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No: WIRE

## Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

Proc Date: 03/03/2016  
Due Date: 06/2016  
Net Disbursed: \$58.14-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 02/08/16 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 02/08/2016  
Due Date: 09/2009  
Tot Received: \$211.83+  
Escrow Pd: \$211.83+  
Tran Code: 161

### 02/08/16 02/01/16 COUNTY TAX

[REDACTED]  
Transaction Description:  
COUNTY TAX  
Disb Check No: WIRE  
Proc Date: 02/08/2016  
Due Date: 02/2016  
Net Disbursed: \$211.83-  
Escrow Payee: 27003  
CLARK COUNTY  
CLARK COUNTY - TREASURER  
500 S GRAND CENTRAL PKWY  
LAS VEGAS NV 89106  
(702) 455-4323  
Batch No: EGL  
Tran Code: 312

### 02/03/16 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 02/03/2016  
Due Date: 09/2009  
Tot Received: \$58.14+  
Escrow Pd: \$58.14+  
Tran Code: 161

### 02/03/16 06/01/16 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 02/03/2016  
Due Date: 06/2016  
Net Disbursed: \$58.14-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 01/04/16 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 01/04/2016  
Due Date: 09/2009  
Tot Received: \$58.14+  
Escrow Pd: \$58.14+



## Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

Tran Code: 161

### 01/04/16 06/01/16 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 01/04/2016  
Due Date: 06/2016  
Net Disbursed: \$58.14-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 12/12/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 12/12/2015  
Due Date: 09/2009  
Tot Received: \$211.83+  
Escrow Pd: \$211.83+  
Tran Code: 161

### 12/12/15 12/01/15 COUNTY TAX

[REDACTED]  
Transaction Description:  
COUNTY TAX  
Disb Check No: WIRE  
Proc Date: 12/12/2015  
Due Date: 12/2015  
Net Disbursed: \$211.83-  
Escrow Payee: 27003  
CLARK COUNTY  
CLARK COUNTY - TREASURER  
500 S GRAND CENTRAL PKWY  
LAS VEGAS NV 89106  
(702) 455-4323  
Batch No: EGL  
Tran Code: 312

### 12/03/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 12/03/2015  
Due Date: 09/2009  
Tot Received: \$58.14+  
Escrow Pd: \$58.14+  
Tran Code: 161

### 12/03/15 06/01/16 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 12/03/2015  
Due Date: 06/2016  
Net Disbursed: \$58.14-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

## Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

### 11/03/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 11/03/2015  
Due Date: 09/2009  
Tot Received: \$58.14+  
Escrow Pd: \$58.14+  
Tran Code: 161

### 11/03/15 06/01/16 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 11/03/2015  
Due Date: 06/2016  
Net Disbursed: \$58.14-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 10/02/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 10/02/2015  
Due Date: 09/2009  
Tot Received: \$58.14+  
Escrow Pd: \$58.14+  
Tran Code: 161

### 10/02/15 06/01/16 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 10/02/2015  
Due Date: 06/2016  
Net Disbursed: \$58.14-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 09/17/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 09/17/2015  
Due Date: 09/2009  
Tot Received: \$211.83+  
Escrow Pd: \$211.83+  
Tran Code: 161

### 09/17/15 09/01/15 COUNTY TAX

[REDACTED]  
Transaction Description:  
COUNTY TAX  
Disb Check No: WIRE  
Proc Date: 09/17/2015  
Due Date: 09/2015  
Net Disbursed: \$211.83-  
Escrow Payee: 27003  
CLARK COUNTY  
CLARK COUNTY - TREASURER

Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

500 S GRAND CENTRAL PKWY  
LAS VEGAS NV 89106  
(702) 455-4323  
Batch No: EGL  
Tran Code: 312

09/03/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 09/03/2015  
Due Date: 09/2009  
Tot Received: \$58.14+  
Escrow Pd: \$58.14+  
Tran Code: 161

09/03/15 06/01/16 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 09/03/2015  
Due Date: 06/2016  
Net Disbursed: \$58.14-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

08/03/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 08/03/2015  
Due Date: 09/2009  
Tot Received: \$58.14+  
Escrow Pd: \$58.14+  
Tran Code: 161

08/03/15 06/01/16 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 08/03/2015  
Due Date: 06/2016  
Net Disbursed: \$58.14-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

07/30/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 07/30/2015  
Due Date: 09/2009  
Tot Received: \$212.63+  
Escrow Pd: \$212.63+  
Tran Code: 161

07/30/15 08/01/15 COUNTY TAX

[REDACTED]  
Transaction Description:

## Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

COUNTY TAX  
Disb Check No:  
Proc Date:  
Due Date:  
Net Disbursed:  
Escrow Payee:  
CLARK COUNTY  
CLARK COUNTY - TREASURER  
500 S GRAND CENTRAL PKWY  
LAS VEGAS NV 89106  
(702) 455-4323  
Batch No: EGL  
Tran Code: 312

WIRE  
07/30/2015  
08/2015  
\$212.63-  
27003

### 07/03/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 07/03/2015  
Due Date: 09/2009  
Tot Received: \$58.14+  
Escrow Pd: \$58.14+  
Tran Code: 161

### 07/03/15 06/01/16 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 07/03/2015  
Due Date: 06/2016  
Net Disbursed: \$58.14-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 06/03/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 06/03/2015  
Due Date: 09/2009  
Tot Received: \$59.32+  
Escrow Pd: \$59.32+  
Tran Code: 161

### 06/03/15 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 06/03/2015  
Due Date: 06/2015  
Net Disbursed: \$59.32-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 05/02/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 05/02/2015  
Due Date: 09/2009

Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

Tot Received: \$59.32+  
Escrow Pd: \$59.32+  
Tran Code: 161

05/02/15 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 05/02/2015  
Due Date: 06/2015  
Net Disbursed: \$59.32-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

04/07/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 04/07/2015  
Due Date: 09/2009  
Tot Received: \$931.60+  
Escrow Pd: \$931.60+  
Tran Code: 161

04/07/15 04/01/15 HOMEOWNERS INSURANCE

[REDACTED]  
Transaction Description:  
HOMEOWNERS INSURANCE  
Disb Check No: WIRE  
Proc Date: 04/07/2015  
Due Date: 04/2015  
Net Disbursed: \$931.60-  
Escrow Payee: 59501  
FARMERS  
\*TELEPROCESSED BILLINGS\*  
(999) 999-9999  
Batch No: FAR  
Tran Code: 351

04/03/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 04/03/2015  
Due Date: 09/2009  
Tot Received: \$59.32+  
Escrow Pd: \$59.32+  
Tran Code: 161

04/03/15 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 04/03/2015  
Due Date: 06/2015  
Net Disbursed: \$59.32-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

## Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

### 03/03/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 03/03/2015  
Due Date: 09/2009  
Tot Received: \$59.32+  
Escrow Pd: \$59.32+  
Tran Code: 161

### 03/03/15 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 03/03/2015  
Due Date: 06/2015  
Net Disbursed: \$59.32-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 02/06/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 02/06/2015  
Due Date: 09/2009  
Tot Received: \$205.26+  
Escrow Pd: \$205.26+  
Tran Code: 161

### 02/06/15 02/01/15 COUNTY TAX

[REDACTED]  
Transaction Description:  
COUNTY TAX  
Disb Check No: WIRE  
Proc Date: 02/06/2015  
Due Date: 02/2015  
Net Disbursed: \$205.26-  
Escrow Payee: 27003  
CLARK COUNTY  
CLARK COUNTY - TREASURER  
500 S GRAND CENTRAL PKWY  
LAS VEGAS NV 89106  
(702) 455-4323  
Batch No: EGL  
Tran Code: 312

### 02/03/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 02/03/2015  
Due Date: 09/2009  
Tot Received: \$59.32+  
Escrow Pd: \$59.32+  
Tran Code: 161

### 02/03/15 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 02/03/2015  
Due Date: 06/2015  
Net Disbursed: \$59.32-

## Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 01/03/15 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 01/03/2015  
Due Date: 09/2009  
Tot Received: \$59.32+  
Escrow Pd: \$59.32+  
Tran Code: 161

### 01/03/15 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 01/03/2015  
Due Date: 06/2015  
Net Disbursed: \$59.32-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 12/17/14 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 12/17/2014  
Due Date: 09/2009  
Tot Received: \$205.26+  
Escrow Pd: \$205.26+  
Tran Code: 161

### 12/17/14 12/01/14 COUNTY TAX

[REDACTED]  
Transaction Description:  
COUNTY TAX  
Disb Check No: WIRE  
Proc Date: 12/17/2014  
Due Date: 12/2014  
Net Disbursed: \$205.26-  
Escrow Payee: 27003  
CLARK COUNTY  
CLARK COUNTY - TREASURER  
500 S GRAND CENTRAL PKWY  
LAS VEGAS NV 89106  
(702) 455-4323  
Batch No: EGL  
Tran Code: 312

### 12/04/14 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 12/04/2014  
Due Date: 09/2009  
Tot Received: \$59.32+  
Escrow Pd: \$59.32+  
Tran Code: 161

## Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

### 12/04/14 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 12/04/2014  
Due Date: 06/2015  
Net Disbursed: \$59.32-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 11/03/14 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 11/03/2014  
Due Date: 09/2009  
Tot Received: \$59.32+  
Escrow Pd: \$59.32+  
Tran Code: 161

### 11/03/14 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 11/03/2014  
Due Date: 06/2015  
Net Disbursed: \$59.32-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 10/03/14 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 10/03/2014  
Due Date: 09/2009  
Tot Received: \$59.32+  
Escrow Pd: \$59.32+  
Tran Code: 161

### 10/03/14 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 10/03/2014  
Due Date: 06/2015  
Net Disbursed: \$59.32-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 09/18/14 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 09/18/2014  
Due Date: 09/2009  
Tot Received: \$205.26+



## Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

Escrow Pd: \$205.26+  
Tran Code: 161

### 09/18/14 09/01/14 COUNTY TAX

Transaction Description:

COUNTY TAX

Disb Check No:

Proc Date:

Due Date:

Net Disbursed:

Escrow Payee:

CLARK COUNTY

CLARK COUNTY - TREASURER

500 S GRAND CENTRAL PKWY

LAS VEGAS

(702) 455-4323

Batch No:

Tran Code:

09/18/2014

09/2014

\$205.26-

27003

EGL

312

### 09/04/14 09/01/09 ESCROW ADVANCE

Transaction Description:

ESCROW ADVANCE

Proc Date:

Due Date:

Tot Received:

Escrow Pd:

Tran Code:

09/04/2014

09/2009

\$59.32+

\$59.32+

161

### 09/04/14 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No:

Proc Date:

Due Date:

Net Disbursed:

Escrow Payee:

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code:

WIRE

09/04/2014

06/2015

\$59.32-

RBP

310

### 08/02/14 09/01/09 ESCROW ADVANCE

Transaction Description:

ESCROW ADVANCE

Proc Date:

Due Date:

Tot Received:

Escrow Pd:

Tran Code:

08/02/2014

09/2009

\$59.32+

\$59.32+

161

### 08/02/14 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

Transaction Description:

MORTGAGE INSURANCE DISBURSEMENT

Disb Check No:

Proc Date:

Due Date:

Net Disbursed:

Escrow Payee:

HUD RISK-BASED

INSURANCE PREMIUMS

ELECTRONIC REMITTANCE

Tran Code:

WIRE

08/02/2014

06/2015

\$59.32-

RBP

310

## Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

### 07/29/14 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 07/29/2014  
Due Date: 09/2009  
Tot Received: \$205.87+  
Escrow Pd: \$205.87+  
Tran Code: 161

### 07/29/14 08/01/14 COUNTY TAX

[REDACTED]  
Transaction Description:  
COUNTY TAX  
Disb Check No: WIRE  
Proc Date: 07/29/2014  
Due Date: 08/2014  
Net Disbursed: \$205.87-  
Escrow Payee: 27003  
CLARK COUNTY  
CLARK COUNTY - TREASURER  
500 S GRAND CENTRAL PKWY  
LAS VEGAS NV 89106  
(702) 455-4323  
Batch No: EGL  
Tran Code: 312

### 07/03/14 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 07/03/2014  
Due Date: 09/2009  
Tot Received: \$59.32+  
Escrow Pd: \$59.32+  
Tran Code: 161

### 07/03/14 06/01/15 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 07/03/2014  
Due Date: 06/2015  
Net Disbursed: \$59.32-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 06/04/14 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 06/04/2014  
Due Date: 09/2009  
Tot Received: \$60.44+  
Escrow Pd: \$60.44+  
Tran Code: 161

### 06/04/14 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 06/04/2014  
Due Date: 06/2014  
Net Disbursed: \$60.44-

## Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 05/02/14 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 05/02/2014  
Due Date: 09/2009  
Tot Received: \$60.44+  
Escrow Pd: \$60.44+  
Tran Code: 161

### 05/02/14 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 05/02/2014  
Due Date: 06/2014  
Net Disbursed: \$60.44-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 04/08/14 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 04/08/2014  
Due Date: 09/2009  
Tot Received: \$806.99+  
Escrow Pd: \$806.99+  
Tran Code: 161

### 04/08/14 04/01/14 HOMEOWNERS INSURANCE

[REDACTED]  
Transaction Description:  
HOMEOWNERS INSURANCE  
Disb Check No: WIRE  
Proc Date: 04/08/2014  
Due Date: 04/2014  
Net Disbursed: \$806.99-  
Escrow Payee: 59501  
FARMERS  
\*TELEPROCESSED BILLINGS\*  
(999) 999-9999  
Batch No: FAR  
Tran Code: 351

### 04/04/14 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 04/04/2014  
Due Date: 09/2009  
Tot Received: \$60.44+  
Escrow Pd: \$60.44+  
Tran Code: 161

### 04/04/14 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

## Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 04/04/2014  
Due Date: 06/2014  
Net Disbursed: \$60.44-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 03/03/14 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 03/03/2014  
Due Date: 09/2009  
Tot Received: \$60.44+  
Escrow Pd: \$60.44+  
Tran Code: 161

### 03/03/14 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]  
Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 03/03/2014  
Due Date: 06/2014  
Net Disbursed: \$60.44-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 02/18/14 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 02/18/2014  
Due Date: 09/2009  
Tot Received: \$199.29+  
Escrow Pd: \$199.29+  
Tran Code: 161

### 02/18/14 02/01/14 COUNTY TAX

[REDACTED]  
Transaction Description:  
COUNTY TAX  
Disb Check No: WIRE  
Proc Date: 02/18/2014  
Due Date: 02/2014  
Net Disbursed: \$199.29-  
Escrow Payee: 27003  
CLARK COUNTY  
CLARK COUNTY - TREASURER  
500 S GRAND CENTRAL PKWY  
LAS VEGAS NV 89106  
(702) 455-4323  
Batch No: EGL  
Tran Code: 312

### 02/03/14 09/01/09 ESCROW ADVANCE

[REDACTED]  
Transaction Description:  
ESCROW ADVANCE  
Proc Date: 02/03/2014

## Loan Activity - Escrow Activity 5/7/2008 - 7/13/2016

465 - JPMORGAN CHASE BANK, N.A.

Loan Number: [REDACTED]

Borrower Name: HARNED,DELAINE L

---

Due Date: 09/2009  
Tot Received: \$60.44+  
Escrow Pd: \$60.44+  
Tran Code: 161

### 02/03/14 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]

Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 02/03/2014  
Due Date: 06/2014  
Net Disbursed: \$60.44-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

### 01/03/14 09/01/09 ESCROW ADVANCE

[REDACTED]

Transaction Description:  
ESCROW ADVANCE  
Proc Date: 01/03/2014  
Due Date: 09/2009  
Tot Received: \$60.44+  
Escrow Pd: \$60.44+  
Tran Code: 161

### 01/03/14 06/01/14 MORTGAGE INSURANCE DISBURSEMENT

[REDACTED]

Transaction Description:  
MORTGAGE INSURANCE DISBURSEMENT  
Disb Check No: WIRE  
Proc Date: 01/03/2014  
Due Date: 06/2014  
Net Disbursed: \$60.44-  
Escrow Payee: RBP  
HUD RISK-BASED  
INSURANCE PREMIUMS  
ELECTRONIC REMITTANCE  
Tran Code: 310

# EXHIBIT B

# EXHIBIT B

(3)-1

Inst #: 201209250001230  
Fees: \$18.00 N/C Fee: \$0.00  
RPTT: \$33.15 Ex: #  
09/25/2012 09:34:44 AM  
Receipt #: 1318619  
Requestor:  
NORTH AMERICAN TITLE COMPAN  
Recorded By: COJ Pgs: 3  
DEBBIE CONWAY  
CLARK COUNTY RECORDER

Please mail tax statement and  
when recorded mail to:  
SFR Investments Pool I, LLC  
P.O. Box 230970  
Las Vegas, Nevada 89105

**Accommodation**

**FORECLOSURE DEED**

APN # 179-34-713-236

NAS # N55556

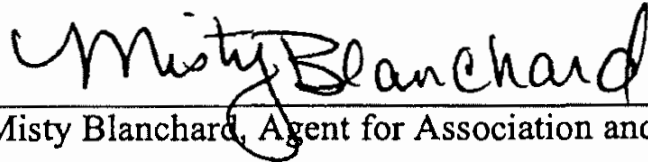
The undersigned declares:

Nevada Association Services, Inc., herein called agent (for the Paradise Court), was the duly appointed agent under that certain Notice of Delinquent Assessment Lien, recorded February 5, 2010 as instrument number 0001923 Book 20100205, in Clark County. The previous owner as reflected on said lien is Delaine L Harned. Nevada Association Services, Inc. as agent for Paradise Court does hereby grant and convey, but without warranty expressed or implied to: SFR Investments Pool I, LLC (herein called grantee), pursuant to NRS 116.31162, 116.31163 and 116.31164, all its right, title and interest in and to that certain property legally described as: Paradise Court, Plat Book 116, Page 33, Unit 2, Bldg 79 Clark County

**AGENT STATES THAT:**

This conveyance is made pursuant to the powers conferred upon agent by Nevada Revised Statutes, the Paradise Court governing documents (CC&R's) and that certain Notice of Delinquent Assessment Lien, described herein. Default occurred as set forth in a Notice of Default and Election to Sell, recorded on 3/7/2012 as instrument # 0000441 Book 20120307 which was recorded in the office of the recorder of said county. Nevada Association Services, Inc. has complied with all requirements of law including, but not limited to, the elapsing of 90 days, mailing of copies of Notice of Delinquent Assessment and Notice of Default and the posting and publication of the Notice of Sale. Said property was sold by said agent, on behalf of Paradise Court at public auction on 9/21/2012, at the place indicated on the Notice of Sale. Grantee being the highest bidder at such sale, became the purchaser of said property and paid therefore to said agent the amount bid \$6,100.00 in lawful money of the United States, or by satisfaction, pro tanto, of the obligations then secured by the Delinquent Assessment Lien.

Dated: September 21, 2012



By Misty Blanchard, Agent for Association and Employee of Nevada Association Services

STATE OF NEVADA )  
COUNTY OF CLARK )

On September 21, 2012, before me, Elissa Hollander, personally appeared Misty Blanchard personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same in his/her authorized capacity, and that by signing his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.  
WITNESS my hand and seal.

(Seal)



(Signature)

*Elissa Hollander*



STATE OF NEVADA  
DECLARATION OF VALUE

1. Assessor Parcel Number(s)

a. 179-34-713-236  
b. \_\_\_\_\_  
c. \_\_\_\_\_  
d. \_\_\_\_\_

2. Type of Property:

a. ☐ Vacant Land      b. ☐ Single Fam. Res.  
c. ☒ Condo/Twnhse      d. ☐ 2-4 Plex  
e. ☐ Apt. Bldg      f. ☐ Comm'l/Ind'l  
g. ☐ Agricultural      h. ☐ Mobile Home  
☐ Other

FOR RECORDERS OPTIONAL USE ONLY  
Book \_\_\_\_\_ Page: \_\_\_\_\_  
Date of Recording: \_\_\_\_\_  
Notes: \_\_\_\_\_

3.a. Total Value/Sales Price of Property \$ 6100.00  
b. Deed in Lieu of Foreclosure Only (value of property ( \_\_\_\_\_ )  
c. Transfer Tax Value: \$ 6100.00  
d. Real Property Transfer Tax Due \$ 33.15

4. If Exemption Claimed:

a. Transfer Tax Exemption per NRS 375.090, Section \_\_\_\_\_  
b. Explain Reason for Exemption: \_\_\_\_\_

5. Partial Interest: Percentage being transferred: 100 %

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month. Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature Misty Blanchard Capacity: Agent  
Signature \_\_\_\_\_ Capacity: \_\_\_\_\_

SELLER (GRANTOR) INFORMATION  
(REQUIRED)

Print Name: Nevada Association Services  
Address: 6224W. Desert Inn Road  
City: Las Vegas  
State: Nevada Zip: 89146

BUYER (GRANTEE) INFORMATION  
(REQUIRED)

Print Name: SFR Investments Pool I, LLC  
Address: P.O. Box 230970  
City: Las Vegas  
State: Nevada Zip: 89105

COMPANY/PERSON REQUESTING RECORDING (Required if not seller or buyer)

North American Title Company \_\_\_\_\_ Escrow # N55556  
8485 W. Sunset Road, Suite 111 \_\_\_\_\_  
Las Vegas, Nevada 89113 \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

CERTIFIED COPY, THIS  
DOCUMENT IS A TRUE AND  
CORRECT COPY OF THE  
RECORDED DOCUMENT MINUS  
ANY REDACTED PORTIONS

2015 15 DEC.

*Debbie Conway*  
RECORDER

066

AA 563

# EXHIBIT C

# EXHIBIT C



20040518-0001999

Fee: \$107.00  
05/18/2004 09:00:47 T20040023714  
Req: UNITED TITLE OF NEVADA  
Frances Deane  
Clark County Recorder Pgs: 93

APN: ptn of: 179-34-710-001 through 179-34-710-004  
ptn of: 179-34-710-006 through 179-34-710-008

WHEN RECORDED, RETURN TO:

94

**WILBUR M. ROADHOUSE, ESQ.**  
Goold Patterson Ales Roadhouse & Day  
4496 South Pecos Road  
Las Vegas, Nevada 89121  
(702) 436-2600

---

(Space Above Line for Recorder's Use Only)

**DECLARATION OF  
COVENANTS, CONDITIONS & RESTRICTIONS  
AND RESERVATION OF EASEMENTS  
FOR  
PARADISE COURT**

(a Nevada Residential Common-Interest Planned Community)  
**CITY OF HENDERSON, CLARK COUNTY, NEVADA**

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**ARTICLE 13**  
**MORTGAGEE PROTECTION**

In order to induce FHA, VA, FHLMC, GNMA and FNMA and any other governmental agency or other Mortgagees to participate in the financing of the sale of Units within the Properties, the following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of the Declaration, these added provisions shall control):

(a) Each Eligible Holder, upon its specific written request, is entitled to written notification from the Association of any default by the Mortgagor of such Unit in the performance of such Mortgagor's obligations under this Declaration, the Articles of Incorporation or the Bylaws, which default is not cured within thirty (30) days after the Association learns of such default. For purposes of this Declaration, "first Mortgage" shall mean a Mortgage with first priority over other Mortgages or Deeds of Trust on a Unit, and "first Mortgagee" shall mean the Beneficiary of a first Mortgage.

(b) Each Owner, including every first Mortgagee of a Mortgage encumbering any Unit which obtains title to such Unit pursuant to the remedies provided in such Mortgage, or by foreclosure of such Mortgage, or by deed or assignment in lieu of foreclosure, shall be exempt from any "right of first refusal" created or purported to be created by the Governing Documents.

(c) Except as provided in NRS § 116.3116.2, each Beneficiary of a first Mortgage encumbering any Unit which obtains title to such Unit or by foreclosure of such Mortgage, shall take title to such Unit free and clear of any claims of unpaid Assessments or charges against such Unit which accrued prior to the acquisition of title to such Unit by the Mortgagee.

(d) Unless at least sixty-seven percent (67%) of Eligible Holders (based upon one (1) vote for each first Mortgage owned) or sixty-seven percent (67%) of the Owners (other than Declarant) have given their prior written approval, neither the Association nor the Owners shall:

(i) subject to Nevada non-profit corporation law to the contrary, by act or omission seek to abandon, partition, alienate, subdivide, release, hypothecate, encumber, sell or transfer the Common Elements and the Improvements thereon which are owned by the Association; provided that the granting of easements for public utilities or for other public purposes consistent with the intended use of such property by the Association as provided in this Declaration shall not be deemed a transfer within the meaning of this clause.

(ii) change the method of determining the obligations, Assessments, dues or other charges which may be levied against an Owner, or the method of allocating distributions of hazard insurance proceeds or condemnation awards;

(iii) by act or omission change, totally waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design of the exterior appearance of the Dwellings and other Improvements on the Units, the maintenance of Exterior Walls/Fences or common fences and driveways, or the upkeep of lawns and plantings in the Properties;

(iv) fail to maintain Fire and Extended Coverage on any insurable Improvements on Common Elements on a current replacement cost basis in an amount as near

as possible to one hundred percent (100%) of the insurance value (based on current replacement cost);

(v) except as provided by any applicable provision of NRS Chapter 116, use hazard insurance proceeds for losses to any Common Elements for other than the repair, replacement or reconstruction of such property; or

(vi) amend those provisions of this Declaration or the Articles of Incorporation or Bylaws which expressly provide for rights or remedies of first Mortgagees.

(e) Eligible Holders, upon express written request in each instance therefor, shall have the right to (1) examine the books and records of the Association during normal business hours, (2) require from the Association the submission of an annual audited financial statement (without expense to the Beneficiary, insurer or guarantor requesting such statement) and other financial data, (3) receive written notice of all meetings of the Members, and (4) designate in writing a representative to attend all such meetings.

(f) Eligible Holders, who have filed a written request for such notice with the Board shall be given thirty (30) days' written notice prior to: (1) any abandonment or termination of the Association; and/or (2) the effective date of any termination of any agreement for professional management of the Properties following a decision of the Owners to assume self-management of the Properties. Such first Mortgagees shall be given immediate notice: (i) following any damage to the Common Elements whenever the cost of reconstruction exceeds Ten Thousand Dollars (\$10,000.00); and (ii) when the Board learns of any threatened condemnation proceeding or proposed acquisition of any portion of the Properties.

(g) First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Elements and may pay any overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for Common Elements, and first Mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

(h) The Reserve Fund described in Article 6 above must be funded by regular scheduled monthly, quarterly, semiannual or annual payments rather than by large extraordinary Assessments.

(i) The Board shall require that any Manager, and any employee or agent thereof, maintain at all times fidelity bond coverage which names the Association as an obligee; and, at all times from and after the end of the Declarant Control Period, the Board shall secure and cause to be maintained in force at all times fidelity bond coverage which names the Association as an obligee for any Person handling funds of the Association.

(j) When professional management has been previously required by a Beneficiary, insurer or guarantor of a first Mortgage, any decision to establish self-management by the Association shall require the approval of at least sixty-seven percent (67%) of the voting power of the Association and of the Board respectively, and at least fifty-one percent (51%) of the Eligible Holders.

(k) So long as VA is insuring or guaranteeing loans or has agreed to insure or guarantee loans on any portion of the Properties, then, pursuant to applicable VA requirement, for so long as Declarant shall control the Association Board, Declarant shall obtain prior written

approval of the VA for any material proposed: action which may affect the basic organization, subject to Nevada nonprofit corporation law, of the Association (i.e., merger, consolidation, or dissolution of the Association); dedication, conveyance, or mortgage of the Common Elements; or amendment of the provisions of this Declaration, the Articles of Incorporation, Bylaws, or other document which may have been previously approved by the VA; provided that no such approval shall be required in the event that the VA no longer regularly requires or issues such approvals at such time.

In addition to the foregoing, the Board of Directors may enter into such contracts or agreements on behalf of the Association as are required in order to reasonably satisfy the applicable express requirements of Mortgagees, so as to allow for the purchase, insurance or guaranty, as the case may be, by such entities of first Mortgages encumbering Units. Each Owner hereby agrees that it will benefit the Association and the Membership, as a class of potential Mortgage borrowers and potential sellers of their Units, if such agencies approve the Properties as a qualifying subdivision under their respective policies, rules and regulations, as adopted from time to time. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage encumbering a Unit.

#### **ARTICLE 14** **DECLARANT'S RESERVED RIGHTS**

Section 14.1 Declarant's Reserved Rights. Any other provision herein notwithstanding, pursuant to NRS § 116.2105.1(h), Declarant reserves, in its sole discretion, the following developmental rights and other special Declarant's rights, on the terms and conditions and subject to the expiration deadlines, if any, set forth below:

(a) Right to Complete Improvements and Construction Easement. Declarant reserves, for a period terminating on the fifteenth (15<sup>th</sup>) anniversary of the Recordation of this Declaration, the right, in Declarant's sole discretion, to complete the construction of the Improvements on the Properties and an easement over the Properties for such purpose; provided, however, that if Declarant still owns any property in the Properties on such fifteenth (15<sup>th</sup>) anniversary date, then such rights and reservations shall continue, for one additional successive period of ten (10) years thereafter.

(b) Exercise of Developmental Rights. Pursuant to NRS Chapter 116, Declarant reserves the right to annex all or portions of the Annexable Area to the Community, pursuant to the provisions of Article 15 hereof, for as long as Declarant owns any portion of the Annexable Area. No assurances are made by Declarant with regard to the boundaries of those portions of the Properties which may be annexed, or the order in which such portions may be annexed. Declarant also reserves the right to withdraw real property from the Community.

(c) Offices, Model Homes and Promotional Signs. Declarant reserves the right to maintain signs, sales and management offices, and models in any Unit owned or leased by Declarant in the Properties, and signs anywhere on the Common Elements, for the period set forth in Section 14.1(a) above, and Declarant further expressly reserves the right during such period to use said signs, offices and models, in connection with marketing and sales of other projects of Declarant in Clark County.

11/28/2015  
CERTIFIED COPY, THIS  
DOCUMENT IS A TRUE AND  
CORRECT COPY OF THE  
RECORDED DOCUMENT MINUS  
ANY REDACTED PORTIONS

2015 15 DEC.

*Debbie Conway*  
RECORDER

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# EXHIBIT D

# EXHIBIT D

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DISTRICT COURT  
CLARK COUNTY, NEVADA

SFR INVESTMENTS POOL 1, LLC, a  
Nevada limited liability company,

Plaintiff,

vs.

CASE NO.  
A-12-672963-C

VENTA REALTY GROUP, a Nevada  
Corporation, JP MORGAN CHASE  
BANK, N.A., a national  
association, successor by  
merger to CHASE HOME FINANCE  
LLC, a foreign limited  
liability corporation, NATIONAL  
DEFAULT SERVICING CORPORATION,  
an Arizona corporation,  
///

/

DEPOSITION OF PAULINA KELSO  
30(b)(6) SFR INVESTMENTS POOL 1, LLC  
Taken at the offices of Ballard Spahr, LLP  
on Friday, June 24, 2016  
at 1:38 p.m.  
at 100 N. City Parkway, Suite 1750  
Las Vegas, Nevada

Reported by: Denise R. Kelly, CCR #252, RPR

1 CALIFORNIA RECONVEYANCE COMPANY,  
a California corporation, REPUBLIC  
2 SILVER STATE DISPOSAL, INC., a  
Nevada corporation, PARADISE COURT  
3 HOMEOWNERS ASSOCIATION, a Nevada  
non-profit corporation and  
4 DELANIE L. HARNED, an individual,  
DOES I through X; and ROE  
5 CORPORATIONS I through X, inclusive,  
6 Defendants.

7 JPMorgan Chase Bank, N.A., as  
successor by merger to Chase Home  
8 Finance LLC,  
Counterclaimant,

9  
vs.

10 SFR INVESTMENTS POOL 1, LLC, a  
11 Nevada limited liability Company,  
12 Counterdefendant.



## 1 APPEARANCES:

2 For Plaintiff/  
3 Counterdefendant:LINDSAY DEMAREE, ESQ.  
BALLARD SPAHR, LLP  
100 N. City Parkway  
Suite 1750  
Las Vegas, Nevada 891065 For Defendant  
6 Counterclaimant:KAREN HANKS, ESQ.  
KIM GILBERT EBRON  
7625 Dean Martin Drive  
Suite 110  
Las Vegas, Nevada 891399  
10  
11 \* \* \* \* \*12  
13  
14 INDEX

## WITNESS

## PAGE

15 PAULINA KELSO

Examination by Ms. Demaree

17

18  
19 INFORMATION TO BE SUPPLIEDNone  
20  
21  
22  
23  
24  
25

1 Q. And for what case?

2 A. This is Case 672963, District Court. I  
3 don't know if it's one of our cases.

4 MS. HANKS: Yes. Slate Crossing.

5 BY MS. DEMAREE:

6 Q. Why did he give you that to review?

7 A. It was the information that he had on Bob  
8 Diamond.

9 Q. Other than what was contained in SFR's  
10 response, did he provide you with any other  
11 information?

12 A. No, that's all he had.

13 Q. Anything else you discussed with Chris  
14 Hardin?

15 A. Well, we did discuss this letter that was  
16 provided in the Begonia case. And it was a letter  
17 that was mailed on behalf, I guess, of Chase to SFR.  
18 And I asked him if he would have responded to this and  
19 he said that, no, he would have provided it or  
20 forwarded it to the attorneys for them to make their  
21 response. So we did discuss that.

22 I talked to him about the internal risk  
23 assessments that he would have had in mind when he was  
24 going to purchase properties. And he stated the  
25 condition of the property, because he doesn't go and

1 view the properties typically prior to purchasing. So  
2 he stated that that would be one risk is what  
3 condition the property is going to be in once he  
4 receives it and also the risk of litigation.

5 Q. What did he tell you about the risk of  
6 litigation?

7 A. Just that he's aware that there is a  
8 possibility that the homes that he purchases will go  
9 into litigation.

10 Q. So is the risk just that they would be  
11 tied up in litigation or was it the risk of an adverse  
12 decision to SFR?

13 MS. HANKS: Objection. Form.

14 THE WITNESS: I believe he stated that it  
15 was just the general risk of litigation for the  
16 properties. I don't know that he specifically said  
17 one or the other that he mentioned.

18 BY MS. DEMAREE:

19 Q. Why was the risk of litigation considered?

20 A. I guess I'm not sure what you mean.

21 Q. So you said that the risk of litigation  
22 was something that Chris Hardin said he considered in  
23 doing a risk assessment, correct?

24 A. I don't know that he said that he even did  
25 a risk assessment. He just said that he was aware

1 when he was bidding on these properties and purchasing  
2 them from the HOA sales that there was a risk of  
3 litigation.

4 Q. Did the risk of litigation affect whether  
5 or not he bid on the property?

6 A. No, I don't think so.

7 Q. Did the risk of litigation affect how much  
8 he would pay for the property?

9 A. I don't know that it was how much he would  
10 pay, but he described that's why the homes were going  
11 for the prices that they were was because of the risk  
12 of litigation was associated with it.

13 Q. And the risk of litigation that was  
14 associated with purchasing a property at an HOA sale,  
15 that's what you're talking about?

16 A. Yes.

17 Q. And I'm just trying to clarify what risk  
18 of litigation means in this context, do you know?

19 A. So prior to the Supreme Court's decision,  
20 they knew that they were counting on their  
21 interpretation of NRS 116. So it would be to that  
22 extent. And then after the ruling, then it was still  
23 a risk of litigation associated with NRS 116, and not  
24 as much as a risk anymore but that there still would  
25 be issues interpreting the law.

1 MS. HANKS: Objection. Scope.

2 THE WITNESS: I don't have that  
3 information.

4 BY MS. DEMAREE:

5 Q. Do you know, why does Bob Diamond no  
6 longer perform that role?

7 MS. HANKS: Objection. Scope.

8 THE WITNESS: I don't have that  
9 information. I didn't see it as a topic area, so I  
10 didn't look into that.

11 BY MS. DEMAREE:

12 Q. Okay. So you mentioned when you spoke  
13 with Bob Diamond that -- well, let me back up.

14 What did you speak with Bob Diamond about?

15 A. He told me his approach at attending  
16 auctions.

17 Q. Anything else?

18 A. Well, we had, you know, a conversation, so  
19 he was telling me about his process and what he did.  
20 And then I asked him some questions I thought would be  
21 helpful, because I had been asked them before. And  
22 that was if he had any communications like with the  
23 HOAs.

24 If he had -- I can't remember very  
25 specific. He kind of gave me a little bit of his

1 A. I do not know again.

2 Q. Do you know for the Slate Crossing  
3 property whether there were any payments made against  
4 the HOA's lien?

5 A. I do not know.

6 Q. For the Slate Crossing property, do you  
7 know what was included in the association's lien?

8 A. I do not know.

9 Q. For the Slate Crossing property were there  
10 any previously scheduled sale dates?

11 A. Again, that's not something SFR would keep  
12 a record of, so I do not know.

13 Q. And did this sale for the Slate Crossing  
14 property stand out to Bob Diamond when he spoke with  
15 you about properties?

16 A. No. I don't believe so.

17 Q. SFR purchased the property for \$6,100?

18 A. Yes.

19 Q. What happened after the auction ended?  
20 Can you walk me through the process of, you know, how  
21 SFR would have paid. Would they then get the  
22 Foreclosure Deed? Can you walk me through what  
23 happened?

24 A. I don't know that I had that specific of a  
25 conversation with Bob about what happened afterwards,

1 are the three that I can think of that would survive.  
2 But things that he would have to potentially pay if he  
3 was to buy the property, that he would have to take  
4 care of.

5 Q. Anything else that he looked at on the  
6 Clark County Recorder's web page?

7 A. I think those were the ones he's mentioned  
8 to me.

9 Q. Did he look for CC&Rs?

10 A. I have not heard him say that to me.

11 Q. Has he looked for Deeds of Trust?

12 A. He doesn't look for them, but he'll notice  
13 them if they are on there, if they are recorded.

14 Q. Before the sale, does SFR obtain copies of  
15 any of the recorded documents?

16 A. Before a sale? No, I don't believe so.

17 Q. So Chris Hardin would rely on the Clark  
18 County Recorder's website to learn information about  
19 the three notices, the tax liens, utilities, things  
20 like that?

21 A. Yes.

22 Q. You also mentioned Zillow?

23 A. I did.

24 Q. And why would he look at Zillow?

25 A. So he can put in the house address and

1 MS. HANKS: Objection. Form.

2 THE WITNESS: Can you say that again.

3 BY MS. DEMAREE:

4 Q. You mentioned that SFR considered the risk  
5 of litigation?

6 A. Correct.

7 Q. I'm trying to understand risk of  
8 litigation by whom? Who else would be involved in  
9 that litigation?

10 A. Yeah. I think, like I said before,  
11 probably somebody associated with the First  
12 Deed of Trust. And then gosh, it could be others too.  
13 I just don't know off the top of my head. But it  
14 would be anybody associated, I guess, with that house.

15 Q. But SFR didn't get copies of the actual  
16 HOA notices before the sale, did it?

17 A. No. It doesn't -- you mean the recorded  
18 documents?

19 Q. Yes.

20 A. No, it doesn't pull them prior to an HOA  
21 sale.

22 Q. Did SFR contact the person associated with  
23 the First Deed of Trust before a sale?

24 A. It's my understanding they do not.

25 Q. Does SFR obtain copies -- well, did SFR



1 ever confirm with the foreclosure agents for the  
2 properties whether or not the association published  
3 the Notice of Sale?

4 A. Prior to the auction?

5 Q. Yes.

6 A. I don't believe so.

7 Q. Did SFR ever confirm with the foreclosure  
8 agent whether or not the association properly mailed  
9 the notices?

10 A. I don't believe so.

11 Q. Did SFR ever cap the amount that it was  
12 willing to bid for a particular property?

13 A. It's my understanding that there was not a  
14 cap.

15 Q. But was there -- I think as your counsel  
16 mentioned earlier, Chris Hardin might have a certain  
17 amount allocated to spend on a certain day?

18 A. No, not that he would have a certain  
19 amount allocated. At the time he was attending so  
20 many auctions that he told me he would maybe have a  
21 couple hundred thousand for auctions, but that doesn't  
22 mean -- he stated to me he didn't have a cap. He  
23 doesn't have a maximum of what he can bid on a  
24 property.

25 Q. But he would have an amount set aside for

## REPORTER'S DECLARATION

STATE OF NEVADA )  
 ) ss  
COUNTY OF CLARK )

I Denise R. Kelly, CCR #252, RPR, do hereby declare:

That I reported the taking of the deposition of the witness, PAULINA KELSO, commencing on Friday, June 24, 2016, at the hour of 1:38 p.m.

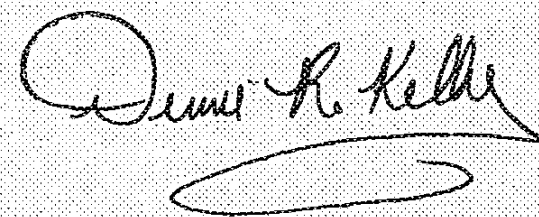
That prior to being examined, the witness was by me duly sworn to testify to the truth, the whole truth, and nothing but the truth.

That I thereafter transcribed my said shorthand notes into typewriting and that the typewritten transcript of said deposition is a complete, true, and accurate transcription of my said shorthand notes taken down at said time.

During the deposition, the deponent was advised of the opportunity to read and sign the deposition transcript. The original signature page is being forwarded to Karen Hanks, Esq. to obtain the deponent's signature. After 30 days the original transcript will be sent to Lindsay Demaree, Esq.

I further certify that I am not a relative or employee of an attorney or counsel of any of the parties, nor a relative or employee of any attorney or counsel involved in said action, nor a person financially interested in the action.

Dated this 1st day of July, 2016.



Denise R. Kelly  
CCR #252, RPR

# EXHIBIT E

# EXHIBIT E

DISTRICT COURT  
CLARK COUNTY, NEVADA

SFR INVESTMENTS POOL 1, LLC )  
A NEVADA LIMITED LIABILITY )  
COMPANY, )

PLAINTIFFS, )

VS. )

U.S. BANK NATIONAL ASSOCIATION )  
AS TRUSTEE, SUCCESSOR IN )  
INTEREST TO BANK OF AMERICA, )  
NATIONAL ASSOCIATION, AS )  
TRUSTEE, SUCCESSOR BY MERGER )  
TO LASALLE BANK NATIONAL )  
ASSOCIATION, AS TRUSTEE FOR )  
BEAR STEARNS ASSET BACKED )  
SECURITIES I TRUST 2005-HE6, )  
ASSET-BACKED CERTIFICATES, )  
SERIES 2005-HE6; CITIBANK, )  
N.A., TRUSTEE FOR SACO 1 )  
TRUST 2005-4 MORTGAGE PASS- )  
THROUGH CERTIFICATES, SERIES )  
2005-4, A NATIONAL )  
ASSOCIATION; DOES I THROUGH X, )  
ROE CORPORATIONS I THROUGH X, )  
INCLUSIVE, )

DEFENDANTS. )

CASE NO.:  
A-13-678842-C

DEPOSITION OF ROBERT DIAMOND  
VOLUME I, PAGES 1 - 97  
TAKEN ON THURSDAY, JULY 14, 2016  
AT 1:35 P.M.

AT THE LAW OFFICES OF BALLARD SPAHR LLP  
100 NORTH CITY PARKWAY, SUITE 1750  
LAS VEGAS, NEVADA

REPORTED BY: LINDA COLUCCI, C.C.R. NO. 112

## 1 APPEARANCES:

2 For the Plaintiff:

3 KAREN HANKS  
 Attorney at Law  
 4 KIM GILBERT EBRON  
 7625 Dean Martin Drive  
 Suite 110  
 5 Las Vegas, Nevada 89139

6 For the Defendant U.S. Bank National Association, as  
Trustee:

7 LINDSAY DEMAREE  
 Attorney at Law  
 8 BALLARD SPAHR LLP  
 100 North City Parkway  
 9 Suite 1750  
 Las Vegas, Nevada 89106

10 Also Present: ALAN HARVEY

11

12 I N D E X

13 ROBERT DIAMOND Page

14 Examination by Ms. Demaree 3

15

16 E X H I B I T S

17 Defendant's Deposition Exhibits: Page

18 1: Trustee's Deed Upon Sale, 7/24/12 14

19 2: Special Warranty Deed, 1/25/13 14

20 3: Trustee's Deed Upon Sale, 9/19/12 81

21 4: Cashier's Check, \$61,252.20 91

22

23

24

25

1 A. '76, 1976.

2 Q. All right. What did you do -- well, I won't  
3 go all the way back to 1976.

4 A. I guess I'm old. That's a long way to go  
5 back.

6 Q. We'll just focus on your experience in real  
7 estate. When did you start in the real estate industry?

8 A. When I was 21.

9 Q. What did you do?

10 A. I bought a rental property.

11 Q. After that, can you just generally describe  
12 your real estate experience.

13 A. I bought 188 more properties.

14 Q. That's a lot of property.

15 A. I know. I didn't go to college either.

16 Q. I made a wrong turn somewhere.

17 So the properties that you purchased, did you  
18 purchase them for yourself or --

19 A. Yes.

20 Q. So it was all personally owned?

21 A. Yes.

22 Q. Did you work full-time since you were 21 in  
23 the real estate industry?

24 A. I don't understand the question.

25 Q. Okay. So you said that you were 21, you

1 purchased your first rental property.

2 A. Correct.

3 Q. Did you have another job during that time?

4 A. Yes.

5 Q. Okay.

6 A. I worked for a ready-mix concrete for 15 years  
7 selling ready-mix concrete.

8 Q. When did you stop selling ready-mix concrete?

9 A. 35. I retired at 35.

10 Q. That's not too bad.

11 A. I know. No college either.

12 Q. So when you retired at 35, what did you do  
13 then?

14 A. Collect rent.

15 Q. Were you essentially a property manager for --

16 A. For myself, yes. I was my own property  
17 manager.

18 Q. Okay. At some point -- well, I've done a  
19 little Google searching, and I see that you're  
20 affiliated with Platinum?

21 A. Correct.

22 Q. Okay. When did you start working with  
23 Platinum?

24 A. About five years ago. I went and got a real  
25 estate license.

1 Q. Before working at Platinum, did you work for  
2 any other real estate brokers?

3 A. Yeah. For Sellstate. They went broke.

4 Q. What year was that that you were working for  
5 Sellstate. Is that S-E-L-L?

6 A. Yeah. A year prior to that. So let's say a  
7 total of six as a realtor, licensed realtor. One in  
8 five. I'm still with Platinum.

9 Q. Okay. So just to help me out on my math, you  
10 were with Sellstate in about 2010?

11 A. Sure. They went broke. They just closed  
12 their doors after they went broke.

13 Q. When did you start with Platinum?

14 A. The next day.

15 Q. Like about 2011?

16 A. Yeah. There you go. That'll work.

17 Q. Okay. All right. You said that you got your  
18 real estate license?

19 A. About six years ago. That's when I started  
20 with Sellstate.

21 Q. About 2010? And is that here in Nevada?

22 A. Yes.

23 Q. Do you have any other licenses?

24 A. Life insurance license.

25 Q. Did you sell life insurance?



1 A. Correct.

2 Q. Was that typically pretty close to the opening  
3 bid amount? Again, I'm just asking based on your  
4 experience.

5 A. Plus or minus. Just like all the papers. No  
6 one knew the real number until that moment. I think  
7 it's set up per moment, per day, whatever.

8 Q. Right. But you could get a good ballpark?

9 A. Right. 15 percent, maybe, 20 percent.

10 Q. Did you consider whether a bank was in the  
11 process of foreclosing on a property when you decided  
12 whether or not to bid on it?

13 A. No, because I don't really care.

14 Q. Okay. Again, that was something Miss Kelso  
15 mentioned in her deposition, that she said she spoke  
16 with you and you told her that you liked to see if there  
17 was, and she used the term, clean history of bank  
18 foreclosures on the property.

19 A. If they're going to foreclose in the next 20  
20 days, no, I would not, obviously.

21 Q. Why wouldn't you bid on a property if a bank  
22 was going to foreclose soon?

23 A. To my knowledge, you'd probably lose your  
24 investment because that's what foreclosing is.

25 Q. So you understood that if you purchased a

1 property at an HOA foreclosure sale and then a bank  
2 foreclosed, you would lose the investment?

3 A. To my knowledge.

4 Q. Did you consider whether or not there was  
5 going to be litigation over a property when you decided  
6 how much to bid on it?

7 A. What do you mean, litigation?

8 Q. Let me back up. Did you believe that -- did  
9 you know if there were going to be lawsuits over a  
10 property that you purchased?

11 A. No.

12 Q. So if you didn't know whether there was going  
13 to be a lawsuit, did you consider things like legal  
14 expenses in determining how much to bid for a property?

15 A. No. I never put that in my thoughts.

16 Q. Did you look at the tax records for  
17 properties, the Clark County Assessor's Web page?

18 A. I understand. I might have, yeah, to see  
19 square footage and how many bedrooms. It gives you  
20 those details, descriptions of the physical.

21 Q. Did you look at the tax records to see the  
22 taxable value of the property?

23 A. It would show you everything on -- those Clark  
24 County tax records show you the square footage, land,  
25 and it gives you also their last taxes paid because

1 feeling, you know. I'm sorry. I know you want this  
2 cookie-cutter answer. There is no cookie-cutter. It's  
3 called real estate. I've been buying on a gut feeling,  
4 and I've been pretty good at it. Like I said, I'll pay  
5 you 5,000 bucks. Go down to the auction. I'll do it.  
6 I'll run some research. Boom. Here it is. Pretty  
7 simple.

8 Q. Did it matter if you were getting title to the  
9 property free and clear?

10 A. To my knowledge, you were. That was the whole  
11 idea is these attorneys were giving us the properties  
12 free and clear. That's what I thought. Isn't that what  
13 they were doing? That's what they were doing.

14 Q. You testified earlier, though --

15 A. Today?

16 Q. Yeah, today. That you didn't want to purchase  
17 properties where a bank was going to foreclose.

18 A. Well, that question, to my knowledge, was if I  
19 look on Clark County recorder and it shows the bank's  
20 going to foreclose, you know -- it says right there.  
21 Notice of default. Trustee sale. It doesn't seem like  
22 a good investment to me to buy something today for five  
23 grand or even a thousand dollars if their trustee sale's  
24 a week down the road. That's just my opinion. So I  
25 stayed away from that.

1           Okay. I don't want to miss this. So what's  
2 this question now?

3           Q. This question is: You just said that you  
4 thought you were getting a property free and clear.

5           A. Well, I don't know about free and clear. I'll  
6 correct it. I felt that you were getting ownership of  
7 the property is really what I meant to say. So as you  
8 paid these attorneys handling these, then you'd have to  
9 come back and get your paperwork that you have new  
10 ownership. Okay. Is the loan still on the property?  
11 Yes. That I do know. There are properties also that  
12 don't have loans, the HOAs.

13          Q. Did you purchase properties like that without  
14 loans?

15          A. Yes.

16          Q. And was the purchase price higher?

17          A. No.

18          Q. Other than the comp amount that we talked  
19 about on ForeclosureRadar, you mentioned there was like  
20 a comp valuation or --

21          A. They would just give you their suggested  
22 retail price. It's not a comp. A comp, to me, if four  
23 or five totally different -- this is their suggested  
24 retail price. It's like retail realtor dot com or  
25 something. Put your address in there, this is our

## REPORTER'S DECLARATION

State of Nevada)  
ss:  
County of Clark)

I, Linda Colucci, C.C.R. No. 112, declare as follows:

That I reported the taking of the deposition of the witness, ROBERT DIAMOND, Volume I, commencing on Thursday, July 14, 2016, at 1:35 P.M.;

That prior to being examined, the witness was by me duly sworn to testify to the truth, the whole truth, and nothing but the truth;

That I thereafter transcribed my said shorthand notes into typewriting and that the typewritten transcript of said deposition is a complete, true, and accurate transcription of said shorthand notes taken down at said time; and that pursuant to NRC 30(e), transcript review by the witness was requested.

I further declare that I am not a relative or employee of any party involved in said action, nor a person financially interested in the action.

Dated at Las Vegas, Nevada, this 19th day  
of July 2016.

Linda Colucci  
Linda Colucci, C.C.R. 112

# EXHIBIT F

# EXHIBIT F

# FORECLOSURE ADDENDUM TO RESIDENTIAL LEASE AGREEMENT

For  
5540 DIMIO MARINA CT NORTH LAS VEGAS NV  
(Property Address)

In reference to the Residential Lease Agreement ("Lease Agreement") executed by John Redacted  
Ydsbanna Redacted as Tenant(s) ("Tenant") and SFR Investments Pool I, LLC ("SFR") as Owner/Landlord  
covering the real property at 5540 DIMIO MARINA CT NORTH LAS VEGAS  
("Leased Property") the parties hereby agree that the Agreement be amended as follows:

**1. SFR'S PURCHASE AT HOMEOWNER'S ASSOCIATION FORECLOSURE SALE.** Tenant(s) is notified that SFR Investments Pool I, LLC ("SFR" or "LANDLORD") purchased the Leased Property at a foreclosure auction conducted by a homeowner's association. SFR is the title owner of the Leased Property. If the previous owner of the Leased Property borrowed money from a lender and secured the loan with a deed of trust on the Leased Property, the lien holder/lender may have the right to foreclose on the Leased Property if the borrower does not pay on the loan. SFR is in the process of negotiating with any lien holder/lender that maintained its security interest in the property after the homeowner's association foreclosure sale.

**2. NOTICE OF DEFAULT/FORECLOSURE.** In accordance with federal and state law requirements and this agreement, SFR will notify Tenant if it receives any (a) Notice of Default; (b) Notice of Sale; (c) Deed in Lieu of Foreclosure or (d) short sale of the Leased Property. The filing of a Notice of Default by a lender or other lien holder commences a foreclosure period which lasts, at a minimum, three months plus 21 days. In such event, SFR will negotiate termination of the Lease Agreement.

By initialing this paragraph, I acknowledge that I understand SFR obtained the Leased Property at a foreclosure sale by a homeowner's association. I understand that SFR is not the borrower on any loan secured by a deed of trust on the Leased Property and that SFR is in the process of negotiating with any lien holder/lender that may have a security interest in the property. I understand that if the negotiations are not completed prior to the lien holder/lender initiating foreclosure proceedings, SFR will notify me in writing.

JS Tenant JS Tenant \_\_\_\_\_ Tenant \_\_\_\_\_ Tenant

**3. TERMS OF LEASE AGREEMENT.** During any foreclosure period, the Tenant(s) shall honor ALL CONDITIONS of the current Lease Agreement including, but not limited to, the timely payment of rent as stated in the Lease Agreement. Nevada law grants the title owner of a property a redemption period, and SFR remains as the legal owner of record until the actual time of the foreclosure sale.

**4. RETURN OF SECURITY DEPOSITS.** Once the Tenant(s) vacates the property, the SFR will release ALL security deposits back to the Tenant(s) with no further obligations from the Tenant(s). The 30-day period required by Nevada law for the return of the security deposits still applies. The property must be returned in the same general condition as the Tenant(s) occupied the property. Upon Tenant(s)'s request, SFR will attempt to find a new home to rent/lease/purchase for Tenant(s).

When executed by both parties, this Addendum is made an integral part of the aforementioned Lease Agreement.

**WHEN PROPERLY COMPLETED, THIS IS A BINDING CONTRACT. IF YOU DO NOT FULLY UNDERSTAND ITS CONTENTS, YOU SHOULD SEEK COMPETENT LEGAL COUNSEL BEFORE SIGNING.**

<u>Redacted</u> Tenant	<u>11/3/12</u> Date	<u>Redacted</u> Landlord/Owner	<u>11/3/12</u> Date
<u>Redacted</u> Tenant	<u>11/3/12</u> Date	By: Saul Lopez	
_____ Tenant	_____ Date	Property Manager for	
_____ Tenant	_____ Date	SFR Investments Pool I, LLC	

# EXHIBIT G

# EXHIBIT G



BALLARD SPAHR LLP  
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2 Lindsay Demaree  
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3 Holly Ann Priest  
Nevada Bar No. 13226  
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7 E-Mail: demareel@ballardspahr.com  
E-Mail: priesth@ballardspahr.com  
8

*Attorneys for Defendants and Counter-  
9 Claimaint JPMorgan Chase Bank, N.A., as  
successor by merger to Chase Home Finance  
10 LLC*

11 DISTRICT COURT  
12 CLARK COUNTY, NEVADA

13 SFR INVESTMENTS POOL1, LLC a  
Nevada Limited liability company,

14 Plaintiff,

15 VENTA REALTY GROUP, a Nevada  
16 Corporation, JP MORGAN CHASE  
BANK, N.A., a national association,  
17 successor by merger to CHASE HOME  
FINANCE LLC, a foreign limited  
18 liability corporation, NATIONAL  
DEFAULT SERVICING  
19 CORPORATION, an Arizona  
corporation, CALIFORNIA  
20 RECONVEYANCE COMPANY a  
California corporation, REBULIC  
21 SILVER STATE DISPOSAL, INC., a  
Nevada corporation, PARADISE  
22 COURT HOMEOWNERS  
ASSOCIATION, a Nevada non-profit  
23 corporation and DELANIE L.  
HARNED, an individual, DOES I  
24 through X; and ROE CORPORATIONS  
I through X, inclusive,

25 Defendants.  
26  
27  
28

CASE NO. A-12-672963-C  
DEPT NO. 27

**DEFENDANT'S DESIGNATION OF INITIAL EXPERT WITNESS**

Pursuant to N.R.C.P. 16.1(a)(2), JPMorgan Chase Bank, N.A., as successor by merger to Chase Home Finance LLC ("Chase") hereby discloses its expert witness:

R. Scott Dugan R. Scott Dugan Appraisal Co., Inc. Nevada License No. A.0205613-RES 8930 W. Tropicana Avenue, Ste. 1 Las Vegas, NV 89147	Mr. Dugan is designated as an expert witness and will testify regarding his expert knowledge of the facts and circumstances at issue in this matter including, but not limited to, the valuation of the subject property.
---	---

Information for the expert witness including qualifications, fees, testimony information, and report are described as follows and attached as Exhibit A:

DOCUMENT	BATES NUMBER
An Appraisal of 1076 Slate Crossing Lane, #2 Henderson, NV 89002	Chase-CRC-Expert_0238-0260
Mr. Dugan's curriculum vitae	Chase-CRC-Expert_0261-0264
A list of cases in which Mr. Dugan has testified as an expert in deposition or trial within the proceeding four years	Chase-CRC-Expert_0265-0266
Fee Schedule	Chase-CRC-Expert_0267

Chase reserves the right to supplement its expert disclosure if additional responsive information is discovered.

Chase further reserves the right to call any expert witness identified by any other party in this case, and further reserves the right to call any expert witness

BALLARD SPAHR LLP  
100 NORTH CITY PARKWAY, SUITE 1750  
LAS VEGAS, NEVADA 89106  
(702) 471-7000 FAX (702) 471-7070

1 identified by any other party in this case for purposes of rebuttal or impeachment.

2 Dated: October 13, 2014.

3 BALLARD SPAHR LLP

4  
5 By: 

Abran E. Vigil  
Nevada Bar No. 7548  
Lindsay Demaree  
Nevada Bar No. 11949  
Holly Ann Priest  
Nevada Bar No. 13226  
100 North City Parkway, Suite 1750  
Las Vegas, Nevada 89106

*Attorneys for Defendants and Counter-  
Claimaint JPMorgan Chase Bank, N.A.,  
as successor by merger to Chase Home  
Finance LLC*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 13<sup>th</sup> day of October 2015, and pursuant to N.R.C.P. 5(b), a true and correct copy of the DEFENDANT'S DESIGNATION OF INITIAL EXPERT WITNESS, was served to the parties following in the manner set forth below:

Mark Hutchison, Esq.  
Mike Kelley, Esq.  
Hutchison & Steffen  
10080 West Alta Drive  
Suite 200  
Las Vegas, NV 89145  
  
*Attorney for Defendants*

☐ HAND DELIVERY

☐ E-MAIL TRANSMISSION

☐ U.S. MAIL, POSTAGE PREPAID

☒ Via the Wiznet E-Service-generated "Service Notification of Filing" upon all counsel set up to receive notice via electronic service in this matter

  
An employee of BALLARD SPAHR LLP

# EXHIBIT A

# EXHIBIT A

**APPRAISAL OF REAL PROPERTY**

**LOCATED AT**

1076 Slate Crossing Ln #102  
Henderson, NV 89002  
Paradise Court Plat Book 116 Page 33 Unit 2 Bldg 79

**FOR**

Ballard Spahr LLC  
100 North City Parkway, Suite 1750  
Las Vegas, NV 89106-4617

**AS OF**

9/21/2012

**BY**

R. Scott Dugan, SRA  
R. Scott Dugan Appraisal Co., Inc.  
8930 W Tropicana Ave. Suite 1  
Las Vegas, NV 89147  
(702) 876-2000  
scott@rsdugan.com  
<http://www.duganappraisals.com>

R. Scott Dugan Appraisal Co., Inc.  
 8930 W Tropicana Ave. Suite 1  
 Las Vegas, NV 89147  
 (702) 876-2000  
<http://www.duganappraisals.com>

October 06, 2015

Holly Priest  
 Ballard Spahr LLC  
 100 North City Parkway, Suite 1750  
 Las Vegas, NV 89106-4617

Re: Property: 1076 Slate Crossing Ln #102  
 Henderson, NV 89002  
 Borrower: N/A  
 File No.: 179-34-713-236

Opinion of Value: 82,000  
 Effective Date: 9/21/2012

As requested, we have prepared an analysis and valuation of the referenced property. The purpose of this assignment was to develop a value opinion based upon the assignment conditions and guidelines stated within the attached report. Our analysis of the subject property was based upon the property (as defined within the report) and the economic, physical, governmental and social forces affecting the subject property as of the effective date of this assignment.

The analysis and the report were developed and prepared within the stated Scope of Work and our Clarification of Scope of Work along with our comprehension of applicable Uniform Standards of Professional Appraisal Practice and specific assignment conditions provided by the client and intended user.

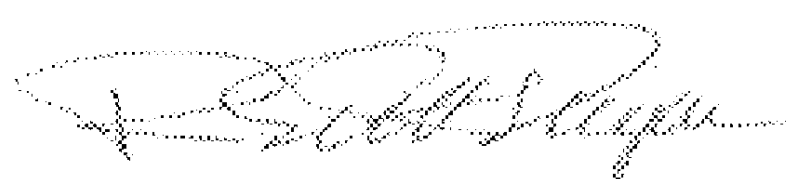
The findings and conclusions are intended for the exclusive use of the stated client and for the specific intended use identified within the report. The reader (or anyone electing to rely upon this report), should review this report in its entirety to gain a full awareness of the subject property, its market environment and to account for identified issues in their business decisions regarding the subject property.

Use and reliance on this report by the client or any third party indicates the client or third party has read the report, comprehends the basis and guidelines employed in the analysis and conclusions stated within and has accepted same as being suitable for their decisions regarding the subject property.

This was a retrospective value opinion based upon a drive-by inspection and subject to the stated extraordinary assumption(s) elsewhere within this report along with the client's specific assignment conditions.

The value opinion reported is as of the stated effective date and is contingent upon the Certification and Limiting Conditions attached. The Assumptions and Limiting Conditions along with the Clarification of Scope of Work provide specifics as to the development of the appraisal along with exceptions that may have been necessary to complete a credible report.

Sincerely,



R. Scott Dugan, SRA  
 License or Certification #: A.0000166-CG  
 State: NV Expires: 05/31/2017  
[scott@rsdugan.com](mailto:scott@rsdugan.com)

Client	Ballard Spahr LLC				File No.	179-34-713-236			
Property Address	1076 Slate Crossing Ln #102								
City	Henderson		County		Clark	State	NV	Zip Code	89002
Appraiser	R. Scott Dugan, SRA								

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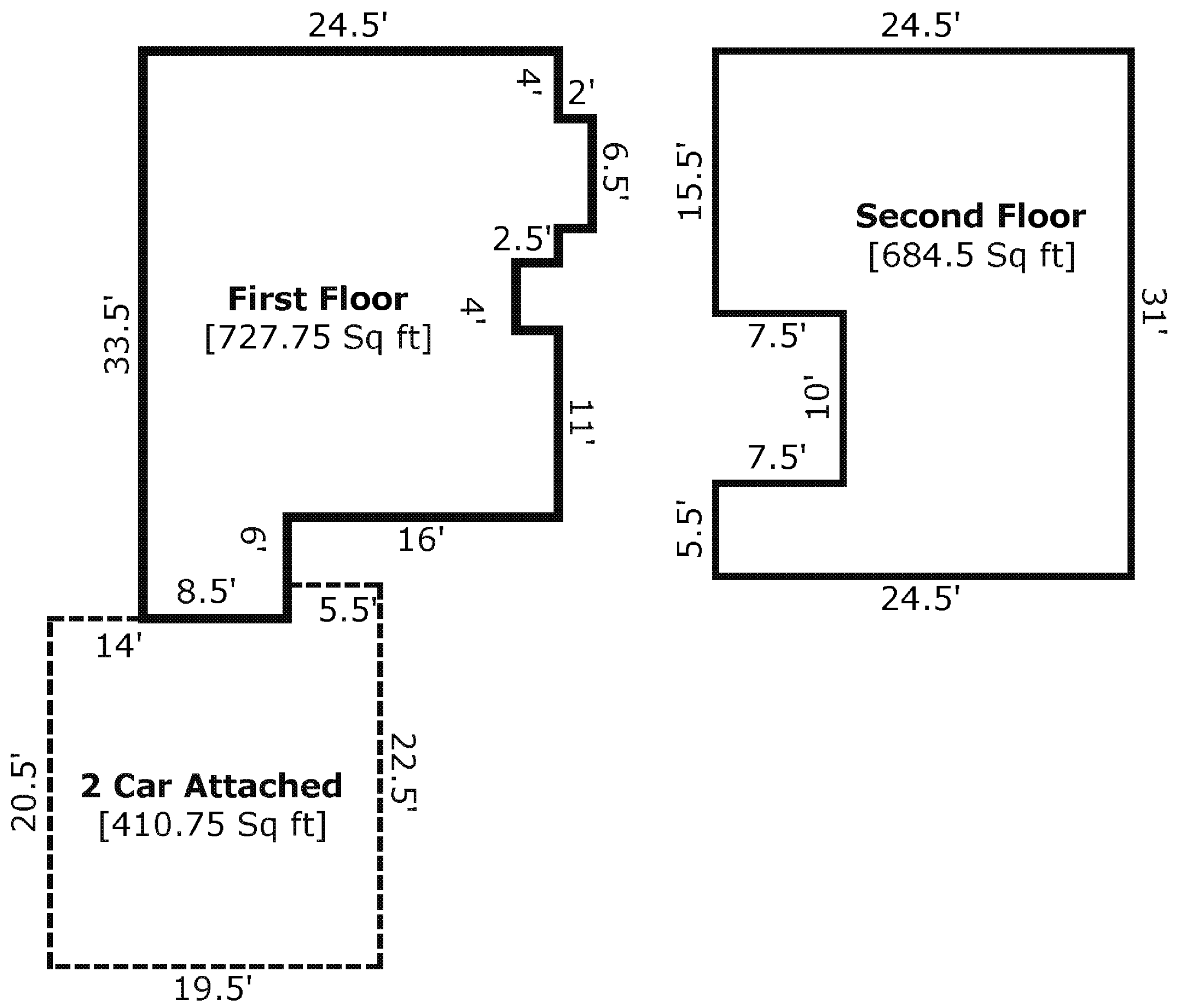






## Building Sketch

Client	Ballard Spahr LLC				
Property Address	1076 Slate Crossing Ln #102				
City	Henderson	County	Clark	State	NV Zip Code 89002
Appraiser	R. Scott Dugan, SRA				



TOTAL Sketch by a la mode, inc.

### Area Calculations Summary

Living Area		Calculation Details		
First Floor	727.75 Sq ft		$6.5 \times 2 = 13$	
			$8.5 \times 6 = 51$	
			$27.5 \times 22 = 605$	
			$2.5 \times 11 = 27.5$	
			$2.5 \times 12.5 = 31.25$	
Second Floor	684.5 Sq ft		$31 \times 17 = 527$	
			$5.5 \times 7.5 = 41.25$	
			$15.5 \times 7.5 = 116.25$	
Total Living Area (Rounded):		1412 Sq ft		
Non-living Area				
2 Car Attached	410.75 Sq ft		$19.5 \times 20.5 = 399.75$	
			$2 \times 5.5 = 11$	

Plat Map

Client	Ballard Spahr LLC				
Property Address	1076 Slate Crossing Ln #102				
City	Henderson	County	Clark	State	NV      Zip Code    89002
Appraiser	R. Scott Dugan, SRA				

Location Map

Client	Ballard Spahr LLC				
Property Address	1076 Slate Crossing Ln #102				
City	Henderson	County	Clark	State	NV      Zip Code    89002
Appraiser	R. Scott Dugan, SRA				

Subject Photos

Client	Ballard Spahr LLC				
Property Address	1076 Slate Crossing Ln #102				
City	Henderson	County	Clark	State	NV      Zip Code    89002
Appraiser	R. Scott Dugan, SRA				

Subject Front

1076 Slate Crossing Ln #102	
Sales Price	N/A
Gross Living Area	1,412
Total Rooms	5
Total Bedrooms	3
Total Bathrooms	2.5
Location	Paradise Court
View	Residential
Site	871 SF
Quality	Fr/Stucco/Tile
Age	7

Common Area

Subject Street



Comparable Photos 1-3

Client	Ballard Spahr LLC				
Property Address	1076 Slate Crossing Ln #102				
City	Henderson	County	Clark	State	NV      Zip Code    89002
Appraiser	R. Scott Dugan, SRA				

Comparable 1

1099 Sheer Paradise Ln #102  
Prox. to Subject    0.10 miles S  
Sales Price        81,500  
Gross Living Area   1,413  
Total Rooms        5  
Total Bedrooms     3  
Total Bathrooms    2.5  
Location            Paradise Court  
View                 Residential  
Site                  871 SF  
Quality              Fr/Stucco/Tile  
Age                  7

Comparable 2

1082 Elation Ln #102  
Prox. to Subject    0.05 miles SE  
Sales Price        84,000  
Gross Living Area   1,413  
Total Rooms        5  
Total Bedrooms     3  
Total Bathrooms    2.5  
Location            Paradise Court  
View                 Residential  
Site                  871 SF  
Quality              Fr/Stucco/Tile  
Age                  7

Comparable 3

1066 Slate Crossing #102  
Prox. to Subject    0.04 miles NE  
Sales Price        83,000  
Gross Living Area   1,413  
Total Rooms        5  
Total Bedrooms     3  
Total Bathrooms    2.5  
Location            Paradise Court  
View                 Residential  
Site                  871 SF  
Quality              Fr/Stucco/Tile  
Age                  7

Comparable Photos 4-6

Client	Ballard Spahr LLC				
Property Address	1076 Slate Crossing Ln #102				
City	Henderson	County	Clark	State	NV      Zip Code    89002
Appraiser	R. Scott Dugan, SRA				

Comparable 4

1113 Elation Ln #102  
Prox. to Subject    0.12 miles SW  
Sales Price        79,200  
Gross Living Area   1,413  
Total Rooms        5  
Total Bedrooms     3  
Total Bathrooms    2.5  
Location            Paradise Court  
View                Residential  
Site                 871 SF  
Quality              Fr/Stucco/Tile  
Age                  7

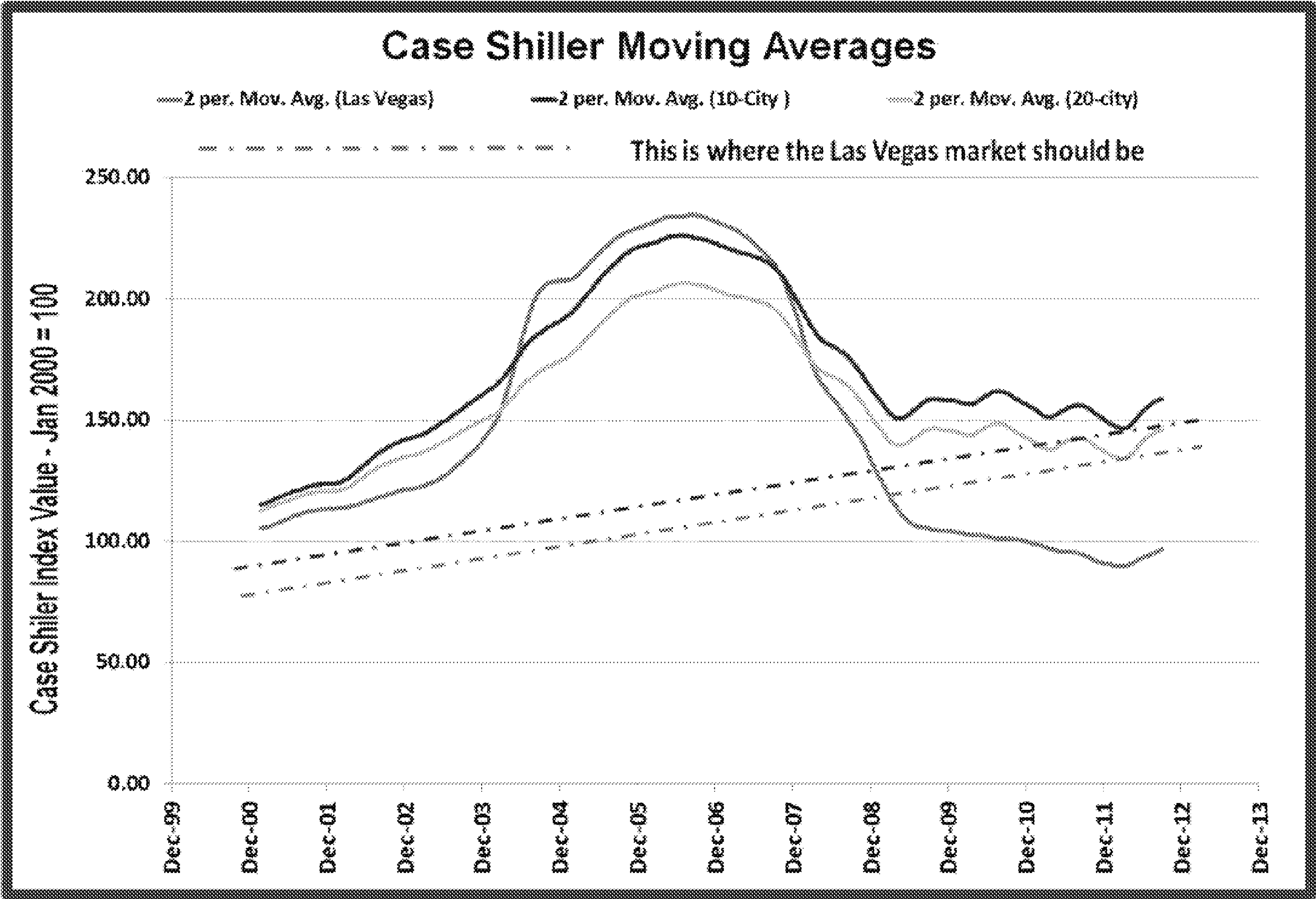
Comparable 5

1088 Slate Crossing Ln #102  
Prox. to Subject    0.04 miles SW  
Sales Price        80,000  
Gross Living Area   1,413  
Total Rooms        5  
Total Bedrooms     3  
Total Bathrooms    2.5  
Location            Paradise Court  
View                Residential  
Site                 1,742 SF  
Quality              Fr/Stucco/Tile  
Age                  7

Comparable 6

1105 Elation Ln #102  
Prox. to Subject    0.10 miles SW  
Sales Price        88,100  
Gross Living Area   1,413  
Total Rooms        5  
Total Bedrooms     3  
Total Bathrooms    2.5  
Location            Paradise Court  
View                Residential  
Site                 1,307 SF  
Quality              Fr/Stucco/Tile  
Age                  7

Case Shiller Report



Market Conditions - Page 1

Home Builders Research, Inc.

THE LAS VEGAS HOUSING MARKET – 2009 – 2012

**2009** – In 2009 there were 5,275 new home closings. That translated to a year to year decline of 5,229 transactions or 50 percent. The median new home price in 2009 was \$234,173, and decreased to \$216,854 by December, a change of 7%.

There were 3,850 new home permits pulled by home builders in 2009. That was a decrease of 2,279 permits, or 37 percent.

We counted 44,885 resale closings in 2009, which was a year to year increase of 14,394 transactions, or 47 percent. The rising number of recorded resales was indicative of the increasing number of investors purchasing REO and other distressed properties. The median price of the resale closings in January, 2009 was \$155,000, and in December, 2009 it was \$123,000, a change of \$32,000 or 21 percent.

**2010** – In 2010 we counted 5,379 new home closings, a year to year improvement of 104 sales. The median price in January, 2010 was \$200,716 and in December it stood at \$218,080. This translated to an improvement of \$17,364 or 8.7 percent. The new home sales and pricing data during 2010 was greatly affected by the federal tax credit program that caused closings in June to jump to 976, a one month increase of 460, or 89 percent. During mid-2010 the median price jumped by approximately \$20,000.

New home permits in 2010 totaled 4,550, a year to year increase of 700, or 18 percent. It could be concluded that the federal tax credit brought an “artificial demand level” that resulted in 700 additional new home permits. The local economy certainly did NOT display any overall characteristics of a recovery as unemployment continued to rise and job growth was anemic.

The resale activity in 2010 declined year to year at 42,673 transactions. It would appear that some buyers were enticed by the federal tax credit program to purchase a new home instead of the lower priced resale homes. The median price of the resale closings in January, 2010, was \$125,000. In December, 2010, it dropped to \$119,000. This translates to a change of 5 percent.

**2011** – The Las Vegas housing market hit its bottom in 2011. The new home closings in 2011 decreased to 3,894. This was a year to year decline of 1,485 sales, or 28 percent. There was an apparent “hangover” from the federal tax credit period in 2010. During the first 6 months there was an average of 279 closings per month, and during the last 6 months the average was 370 closings per month.

The median price of the new home closings in January, 2011, was \$208,145. It dipped to roughly \$198,000 by mid-year, and in December was \$212,250. By the end of 2011 we were starting to realize the decline of new and resale home inventories. The effects of the National Mortgage Settlement (NMS) and passage of Assembly Bill 284 (AB 284) brought Notice of Defaults (NOD) to a minimum. Prior to October 1<sup>st</sup>, 2011, (when AB 284 took effect) the number of residential NODs averaged 3,148 per month. During the first 6 months after AB 284 was in effect, the number of residential NODs averaged 171 per month. It certainly could be assumed that lenders were responding to this bill.

Market Conditions - Page 2

Home Builders Research, Inc.

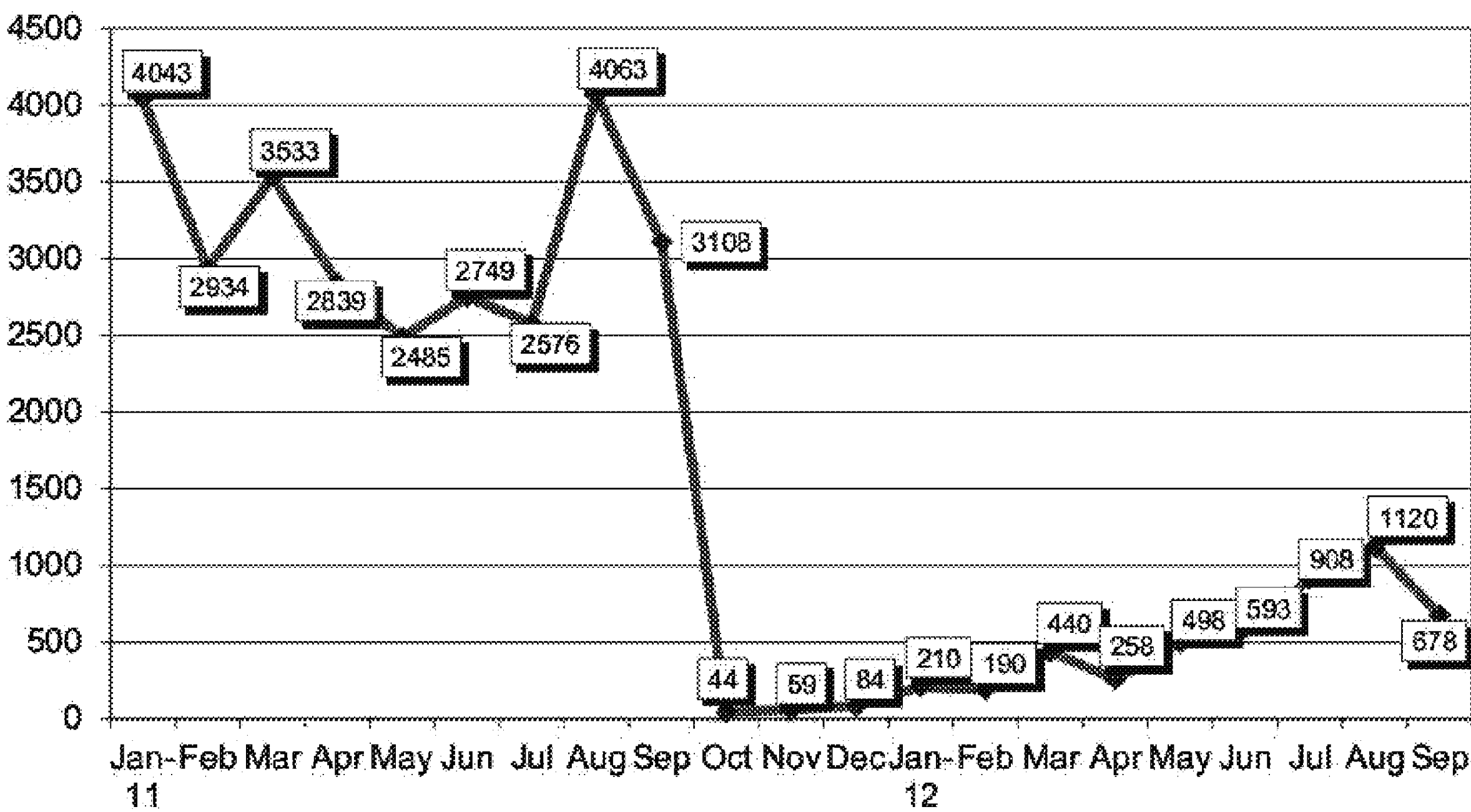
There were 3,732 new home permits pulled by home builders in 2011. It was an annual decline of 818 permits, or 18 percent. In our opinion, this signaled the bottom of the recessionary housing cycle.

We counted 48,822 resale closings in 2011. This translated to a year to year increase of 6,149 transactions or 14 percent. According to the MLS data, roughly 50 percent of their transactions were cash, which suggests investor buyers. Although not all of the cash buyers are investors, we believe most were. Investors rushed to purchase whatever inventory they could find. Most existing homes that came to the market would get multiple offers, in many instances pushing the sales prices higher.

The median price of the resale closings in January, 2011, was \$115,000. The median price in December was \$110,000, a decline of 3.5 percent.

**2012** - The housing market has taken a dramatic turn in 2012. Lenders and servicers adjusted to the new rules and restrictions placed on them by the National Mortgage Settlement and AB 284 by virtually stopping the filing of Notice of Defaults. Residential foreclosures stopped, and the inventory of listings decreased to less than a one month supply.

Residential Notice of Defaults



As a result of this and the excessive competition from investors, many home buyers are moving to the new home segment. Demand for new homes, based on the net sales per subdivision, has settled in at .7 - .8 net sales per subdivision per month. This is a strong statistic when compared to other national housing markets.

Granted, one of the factors involved in this robust barometer, is the shrinking supply of active new home communities. Due to a tight supply of finished and partially finished lots, home builders cannot



Market Conditions - Page 3

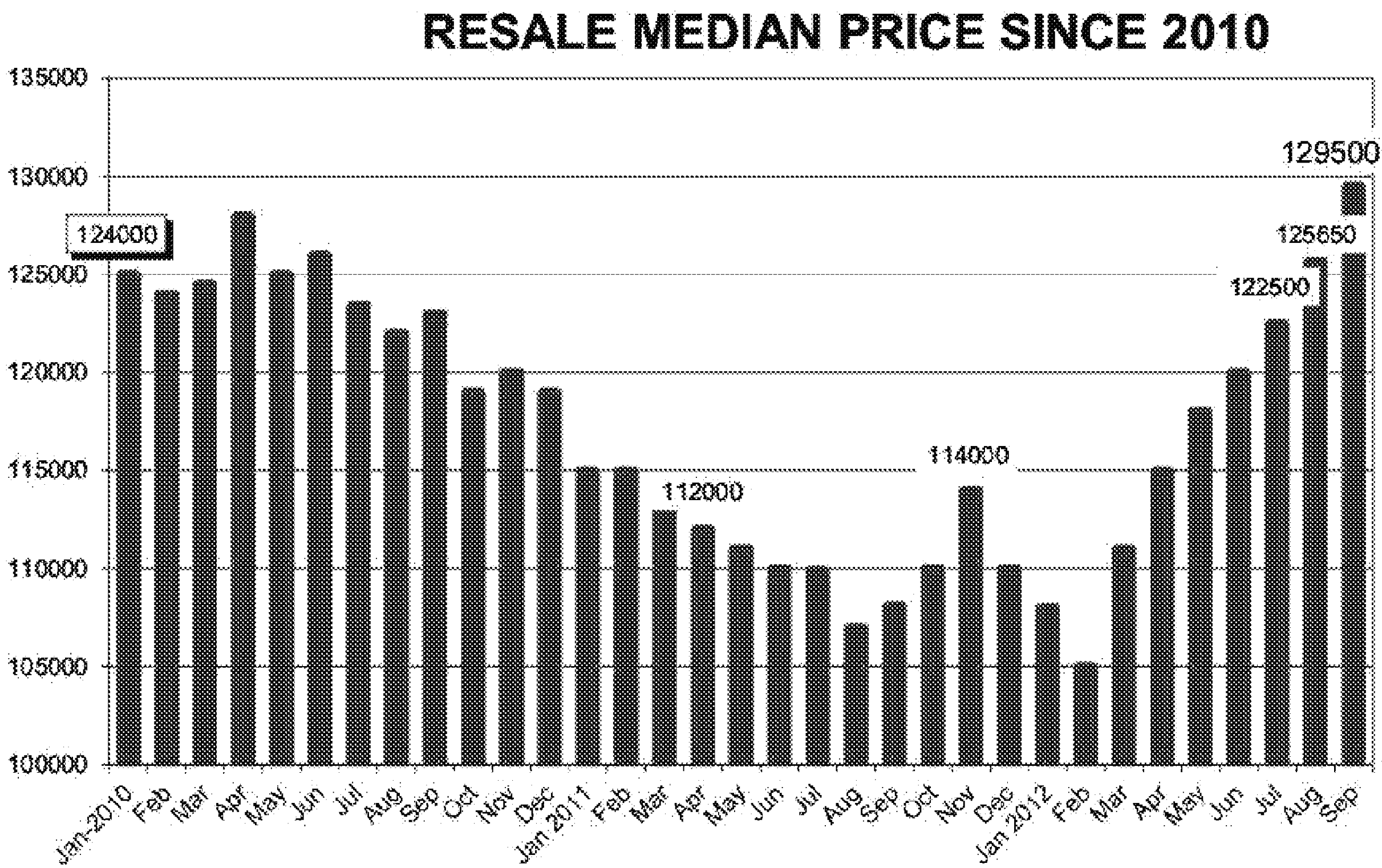
Home Builders Research, Inc.

find adequate replacement lots for sold out subdivisions. To date, research displays a 31 percent decline in the number of finished lots during 2012.

The number of new home closings through September totaled 3,710, a year to year increase of 33 percent. It now appears there could be approximately 5,700 new home closings in 2012. Also, through September the number of new home permits has risen to 4,451, a year to year increase of 53 percent.

The median price of the new home single family closings in September was \$198,945, a year to year decline of 3.3 percent. Because of the lengthening production schedules for new homes, their closing prices are now lagging indicators. A better way of understanding the current new home pricing trends is the base price changes in the subdivisions. Some of the better locations (specific parts of Summerlin, the southwest sub-market, Henderson, and the northwest) have now seen base prices jump 25 – 45 percent in 2012. However, there are still problems with distressed pricing in other vicinities of North Las Vegas and the east sub-markets.

The tight inventory levels have also affected the number of resale closings and their pricing. Although we have recently observed the number of monthly resale closings begin to decline, through September the 2012 sum (37,498) has increased year to year by 5 percent. The monthly resale median price has risen for the last 7 consecutive months. Year to year it represents an increase of 20 percent.



Market Conditions - Page 4

Home Builders Research, Inc.

The following chart summarizes the changes in the inventory of resale listings in the MLS since April, 2011. It is striking how the number of available existing homes for sale has changed during 2012. The REO and short sale homes listed for sale without contingent offers (the bottom half of the chart) on October 7<sup>th</sup> was 1,239, an 85 percent change from April, 2011.

SFR MLS Listings Inventory	4/17/2011	7/9/2012	8/2/2012	10/7/2012
Available SFR including accepted contingent offers				
Total	20127	14,993	15,116	15,051
Repo/REO	3306	902	827	598
Short Sales	12206	10,434	10,434	10,271
Other	4815	3,657	3,855	4,181
Available SFR NOT including accepted contingent offers				
Total	11683	3,759	3,936	4,093
Repo/REO	2127	336	365	312
Short Sales	5915	910	909	927
Other	3641	2,513	2,662	2,854

Looking forward to the end of 2012 and into 2013, we believe there will be a rise in NOD's and the resulting foreclosures. Short sales have become the favorite means for most lenders and servicers to dispose of distressed mortgages. As resale prices climb, their losses diminish by going the short sale route. As more resale inventory becomes available there will be more resale closings, primarily as investors purchase any foreclosures entering the marketplace. They can still take advantage of a fairly strong rental market.

It appears that very tight lending policies by the banks will continue, suggesting limitations to potential owner occupants wanting to buy a home. According to a recent national study, required FICO scores are approaching 750 for most new mortgages. And, many of the banks still classify Las Vegas as a "risky or declining market", therefore there still seems to be no indication that underwriting standards will change in the near term.

Tens of thousands of the existing mortgages in southern Nevada are still underwater. Even as prices begin to slowly climb, it will take many years for the Las Vegas housing market to return to any sense of "normalcy".

Clarification of Scope of Work

File No. 179-34-713-236

Client	Ballard Spahr LLC			
Property Address	1076 Slate Crossing Ln #102			
City	Henderson	County	Clark	State NV Zip Code 89002
Appraiser	R. Scott Dugan, SRA			

CLARIFICATION OF SCOPE OF WORK

(Rev. 09/08/2014)

This following, explanatory comments are not a modification of the assumptions, limiting conditions or certifications in the appraisal report, but a "clarification" of the appraiser's actions with respect to generally accepted appraisal practice and the requirements of this assignment. The intent is to clarify and document what the appraiser did and or did not do in order to develop the value opinion.

**Limitations of the Assignment:** The appraisal process is technical and therefore requires the intended user or anyone relying on the conclusions, to have a general understanding of the appraisal process to comprehend the limits of the applicability of the value opinion to the appraisal problem. Real estate is an “imperfect market” and one that can be affected by many factors. Therefore, supplemental reporting requirements and the realities of the market, including the reliability of the data sources, inability to verify key information and the reliance on information sources as being factual and accurate, can affect the conclusions within the report. Those relying on the report and its conclusions must understand and factor these limitations into their decisions regarding the subject property.

The "single point of value" (SPV) is based on the definition of value (stated within the report) which has criteria that may or may not be consistent in the marketplace. Value definitions often assume “knowledgeable buyers and sellers” or “no special motivations,” when these and other criteria cannot be verified. For most assignments, guidelines require the selection and reporting of a SPV, taken from a range of value indicators that may vary high or low from the SPV due to factors that cannot be quantified or qualified within the constraints of the data, market conditions and time limits imposed in the development of the report and associated scope of work.

The SPV conclusion is a “benchmark” in time, provided at the request of the client and or intended user of this report and for the purpose stated. Anyone relying upon the conclusions should read the report in its entirety, to comprehend and accept the assignment conditions as suitable and reliable for their purpose. The definition of market value and its criteria is not universal in its application, nor consistent from one intended use to another.

This report was prepared to the intended user's requirements and only for their stated purpose. The analysis and conclusions are unique to that purpose and should not be relied upon for another purpose or use, even though they may seem similar. Decisions related to this property should only be made after properly considering all factors including information not within the report, but known or available to the reader and comprehending the process and guidelines that shape the appraisal process.

**SCOPE OF WORK (SOW):** Is “the type and extent of research and analysis in an assignment.” This is specific to each appraisal given the appraisal problem and assignment conditions. The SOW is generally similar for most assignments, however, the property type or assignment conditions may require deviations from normal procedures. With some assignments, it is not possible to complete an interior inspection of the subject property. Likewise, with a retrospective date of value, the subject property and comparables may appear different than they were as of the effective value date.

For these and other reasons, this “clarification of scope of work” (COSOW) is intended as a guide to general tasks and analysis performed by the appraiser. These statements are a guide for comparison purposes (as part of the valuation process) and do not represent a detailed analysis of the physical or operational condition of these items. This report is not a home inspection. Any statement is advisory based only upon casual observation. The reader or intended user should not rely on this report to disclose hidden conditions and defects.

**Complete Visual Inspection Includes:** A visual inspection of only the readily accessible areas of the property and only those components that were clearly visible from the ground or floor level. List amenities, view readily observable interior and exterior areas, note quality of materials/workmanship and observe the general condition of improvements. Determine the building areas of the improvements; assess layout and utility of the property. Note the conformity to the market area. Perform a limited check and or observation of mechanical and electrical systems. Photograph interior/exterior, view site, observe and photograph each comparable from the street.

**Complete Visual Inspection Does/Did NOT Include:** Observation of spaces or areas not readily accessible to the typical visitor; building code compliance beyond obvious and apparent issues; testing or inspection of the well or septic system; mold and radon assessments; moving furniture or personal property; roof condition report beyond observation from the ground level.

**No Interior Inspection:** Some assignment conditions preclude inspection of the interior and or improvements on the site. Drive-by, review assignments, proposed construction and other assignment factors may affect the ability to view the improvements from the interior and at times, the exterior. In these cases, the appraiser has disclosed the “non-inspection” and used various sources of information to determine the property characteristics and condition as of the effective date of value. When applicable, these assignment conditions are stated in the report.

**Inspect The Neighborhood:** Observations were limited to driving through a representative number of streets in the area, reviewing maps and other data and observing comparables from the street to determine factors that may influence the value of the subject property. “Neighborhood” boundaries are not exact and are defined by the influence of physical, social, economic and governmental characteristics (the same criteria used to define census tracts). Over time, small areas merge and once



Clarification of Scope of Work

File No. 179-34-713-236

Client	Ballard Spahr LLC				
Property Address	1076 Slate Crossing Ln #102				
City	Henderson	County	Clark	State	NV      Zip Code    89002
Appraiser	R. Scott Dugan, SRA				

distinct boundaries become less defined. **Comparable data was selected based upon the area proximate to the subject that a buyer would consider directly competitive.**

**Repairs or Deterioration:** **Deficiency** and **livability** are subjective terms. The value considers repair items that (in his/her opinion), affect **safety, adequacy, and marketability** of the property. Physical deterioration has not been itemized, but considered in the approaches to value.

**Construction Defects:** Construction defect issues (even when widely publicized) are not consistently reported in the MLS data. State law requires disclosure by the seller to a buyer of known defects and or prior issues. The definition of value assumes “informed buyer” and disclosure to the buyer is mandated by law. The analysis and conclusions presume the prices reported in the market data reflect the buyer’s knowledge of prior or current defect related issues (if any).

**Satisfactory Completion:** The work will be completed as specified and consistent with the quality and workmanship associated with the quality classification identified and physical characteristics outlined within the report.

**Cost Approach:** Is applicable when the improvements are new or relatively new and when sufficient building sites are available to provide a buyer with a "construction alternative" to purchasing the subject. In areas where similar sites are not available and or in cases where the economy of scale from multi-unit construction is not available to a potential buyer, reliability of the cost approach is limited. Applicability of the cost approach in this assignment is specifically addressed in that section of the appraisal report.

If the cost approach was used it represents the “replacement cost estimate.” If used, its inclusion was based on one of the following: request by the client; age requirement under FHA/HUD guidelines; or deemed appropriate for use by the appraiser for “valuation purposes.” Regardless of the condition or reason for its use, it should not be relied upon for insurance purposes. The definition of “market value” used within this report is not consistent with the definition of “insurable value.”

**Income Approach:** Is applicable when investors regularly acquire properties that are similarly desirable to the subject for the express purpose of the income they provide. While rentals may exist in any area, their presence alone is not proof of a viable rental and investor marketplace. Use or exclusion of the income approach is specifically addressed in that section of the appraisal report.

**Gross Living Area (GLA):** The Greater Las Vegas Association of Realtors ® MLS auto-populates the GLA from Clark County Assessor (CCAO) records. Assessors in Nevada are granted (by statute), leeway in determination of the GLA via several commonly employed methods to measure properties and typically rounds measurements to the nearest foot. Therefore, it is common to have variances between the “as measured” GLA by the appraiser and the “as reported” GLA from the CCAO. The GLVAR MLS handles more than 90% of the transactions in this area. Buyers and sellers rely on the MLS and therefore, the GLAs therein are the de-facto standard used by the market as a decision making factor. The appraiser deems the CCAO reported GLA as being reasonable and reliable for comparison purposes, regardless of any other standard used by builders, architects, agents, etc. The appraiser has considered these facts in the analysis and reconciled in the value opinion, only differences in GLA that would be “market recognized” and contribute to greater utility or function in the subject or comparable and greater value by the buying and selling public.

**Extent of Data Research-Comparable Data:** The appraiser used reasonably available information from city/county records, assessor's records, multiple listing service (MLS) data and visual observation to identify the relevant characteristics of the subject property. Comparables used were considered relevant to the analysis of subject property and applicable to the appraisal problem. The data was adjusted to the subject to reflect the market's reaction (if any and in terms of value contribution) to differences. Photographs taken by the appraiser are originals and un-altered, unless physical access was unavailable. In some cases, MLS photographs may be used to illustrate property conditions, views, etc.

**Public and Private Data:** The appraiser has access to public records and data available on the internet, the Multiple Listing Service, various cost estimating services, flood data, maps and other property related information, along with private information and knowledge of the market that is pertinent and relevant for this assignment.

**Adverse Factors:** Based upon the standards of the party observing the property, a range of factors internal or external to the property may be "adverse" by their viewpoint. The appraiser noted factors that may affect the marketability and livability to potential buyers, based upon knowledge of the market and as evidenced by sales of properties with similar or comparable conditions. These items are noted in the report and the valuation approaches that were applied to the analysis. Some buyers in the market may consider factors such as drug labs, registered sex offenders, criminal activity, interim rehabilitation facilities, halfway houses or similar uses as "adverse". No attempt was made to investigate or discover such activities, unless such factors were readily apparent and obviously affecting the subject property as evidenced by market data. If the intended user or a reader has concerns in these areas, it is recommended that they secure this information from a reliable source.

**Easements:** Major power transmission and distribution lines, railroad and other services related easements, including utility easements, limited common areas and conditions that grant others the right to access the subject property and or travel adjacent to the private areas of the subject property. The term adverse applies to individual perspective. It may or may not be

Clarification of Scope of Work

File No. 179-34-713-236

Client	Ballard Spahr LLC				
Property Address	1076 Slate Crossing Ln #102				
City	Henderson	County	Clark	State	NV      Zip Code    89002
Appraiser	R. Scott Dugan, SRA				

negative, dependent upon the individual. One perspective may hold easements to be unappealing visually or disruptive. From another, such easements and corridors provide open space and ensure greater privacy (due to the size of the easement) from neighboring properties. Unless the easement affects the utility or use of the site or improvements, any impact was only considered from the perspective of marketability. In cases where the site abuts a major power transmission easement, the towers are generally centered within the right of-way and engineered to collapse within the easement. The effect or impact is inconsistent (as measured in the market) and therefore unless compelling evidence was found in comparable data, no adjustment was made, only the presence stated.

**Valuation Methodology:** The data presented in the report is considered to be the most relevant to the valuation of the subject property (and its market segment) based on its current occupancy and market environment. In areas influenced by foreclosure, short-sale and REO activity, and motivated (or impacted) by factors that cannot be qualified or quantified, the transactional characteristics of those sales may not fully meet the definition of market value criteria and therefore may be misleading. Verifications and drive-by inspections frequently reveal inconsistencies between the MLS and public records. Through this process, the appraiser can present the rationale supporting the final value opinion within the reconciliation and the reader can comprehend the logic and its application to the valuation process.

**The Value Opinion:** The value opinion may not be valid in another time-period. It is important for anyone relying on the report to comprehend the dynamic nature of real estate and the validity of the single value point or value range reported. The reported value is a benchmark or reference in time (as of a specific date) and subject to change (sometimes rapidly), based upon many factors including market conditions, interest rates, supply and demand. Therefore, anyone relying on the reported conclusions should first comprehend and accept the assignment conditions, assumptions, limiting conditions and other factors stated within the report as being suitable and reliable for their purpose and intended use.

**Specific Reporting Guidelines:** Market participants have unique appraisal reporting guidelines. The COSOW is supplemental to the forms stated scope of work, providing an overview of the appraiser's actions with respect to general appraisal practice and the stated requirements of the assignment. The intent is to clarify what the appraiser did and or did not do in order to develop the value opinion. Guidelines require the borrower receive a copy of the appraisal report, however, the borrower is not an intended user. The appraisal process and specific reporting requirements are highly technical and in most cases, beyond the comprehension of most readers. Anyone choosing to rely upon the appraisal should read the report in its entirety and if needed, consult with professionals that can assist them with understanding the basis of this report and the required reporting requirements, prior to making any decisions based upon the conclusions and or observations stated within.

**Use of Electronic Appraisal Delivery Services:** If the client directed that the appraiser transmit the content of this report via Appraisal Port or a similar delivery portal service, pursuant to user agreements, these services disclaim any warranty that the service provided will be error free and that these services may be subject to transmission errors. Accordingly, the client should make its own determination as to the accuracy and reliability of any such service they employ. The appraiser makes no representations and specifically disclaims any warranty regarding the accuracy or portrayal of content transmitted via Appraisal Port or any similar service or their reliability. The appraiser uses such technology at the specific direction and sole risk of the client. At its request, the client may obtain a true copy of the original report directly from the appraiser via email (PDF), mail or other means.

GP Residential Certifications Addendum

File No.: 179-34-713-236

Property Address:	1076 Slate Crossing Ln #102	City:	Henderson	State:	NV	Zip Code:	89002
Client:	Ballard Spahr LLC	Address:	100 North City Parkway, Suite 1750, Las Vegas, NV 89106-4617				
Appraiser:	R. Scott Dugan, SRA	Address:	8930 W Tropicana Ave. Suite 1, Las Vegas, NV 89147				

**STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS**

— The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

— The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

— If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.

— An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.

— An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

**The Scope of Work** is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

**Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):**

**Important – Please Read –** The client should review this report in its entirety to gain a full awareness of the subject property, its market environment and to account for identified issues in their business decisions. This appraisal report includes comments, observations, exhibits, maps, explanatory comments, and addenda that are necessary for the reader to comprehend the relevant characteristics of the subject property. The Expanded Comments and Clarification of Scope of Work provides specifics as to the development of the appraisal along with exceptions that may have been necessary to complete a credible report.

**INTENDED USE/USER:**

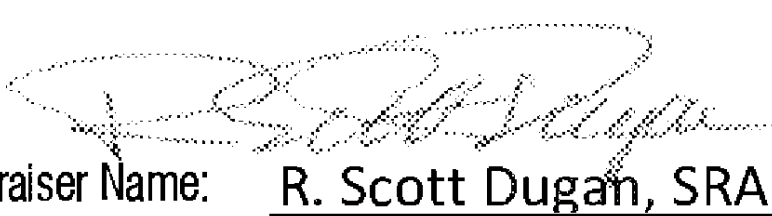

The intended user of this appraisal report is the lender/client. No additional intended users are identified by the appraiser. This report contains sufficient information to enable the client to understand the report. Any other party receiving a copy of this report for any reason is not an intended user; nor does it result in an appraiser-client relationship. Use of this report by any other party(ies) is not intended by the appraiser.

**Extraordinary Assumption:** Defined as an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2014-2015 Edition) This report was completed without an interior inspection of the subject. External sources including, but not limited to, information from a drive-by street inspection, appraiser's files, county records, and or multiple listing service data were relied upon for information used to describe the improvements and or condition of the subject. If the assumptions invoked are found to be false, it could alter the value opinion and or other conclusions in this report. As such, the appraiser reserves the right to amend the value opinion and or conclusions based on new or revised information.



Certifications

File No.: 179-34-713-236

Property Address: 1076 Slate Crossing Ln #102		City: Henderson		State: NV		Zip Code: 89002	
Client: Ballard Spahr LLC		Address: 100 North City Parkway, Suite 1750, Las Vegas, NV 89106-4617					
Appraiser: R. Scott Dugan, SRA		Address: 8930 W Tropicana Ave. Suite 1, Las Vegas, NV 89147					
<b>APPRAISER'S CERTIFICATION</b> <b>I certify that, to the best of my knowledge and belief:</b> — The statements of fact contained in this report are true and correct. — The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions. — I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved. — Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. — I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. — My engagement in this assignment was not contingent upon developing or reporting predetermined results. — My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. — My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared. — I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property. — Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report. — Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.  <b>Supplemental Certification:</b> The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. As of the date of this report, I, R. Scott Dugan, SRA, Certified General Appraiser, have completed the continuing education program of the Appraisal Institute.  <b>Supplemental Certification:</b> In compliance with the Ethics Rule of USPAP, I hereby certify that I have not performed any services with regard to the subject property within the 3-year period immediately preceding the engagement of this assignment.  <b>DEFINITION OF MARKET VALUE *:</b> Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: 1. Buyer and seller are typically motivated; 2. Both parties are well informed or well advised and acting in what they consider their own best interests; 3. A reasonable time is allowed for exposure in the open market; 4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and 5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. * This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.  <b>Retrospective Date of Value:</b> is generally defined as "A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).							
Client Contact: Holly Priest		Client Name: Ballard Spahr LLC					
E-Mail: prieststh@ballardspahr.com		Address: 100 North City Parkway, Suite 1750, Las Vegas, NV 89106-4617					
<b>APPRAISER</b>   Appraiser Name: R. Scott Dugan, SRA Company: R. Scott Dugan Appraisal Co., Inc. Phone: (702) 876-2000 Fax: (702) 253-1888 E-Mail: scott@rsdugan.com Date Report Signed: October 06, 2015 License or Certification #: A.0000166-CG State: NV Designation: SRA Expiration Date of License or Certification: 05/31/2017 Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input checked="" type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: 10/5/2015				<b>SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)</b>   Supervisory or Co-Appraiser Name: Patrick Egger Company: R. Scott Dugan Appraisal Co., Inc. Phone: (702) 324-6652 Fax: (702) 253-1888 E-Mail: LVREQA@COX.NET Date Report Signed: October 06, 2015 License or Certification #: A.0000154-CG State: NV Designation: Expiration Date of License or Certification: 05/31/2017 Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input checked="" type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: 10/5/2015			

# R. Scott Dugan, SRA



## GENERAL APPRAISAL EXPERIENCE:

- Independent Real Estate Appraiser - September 1976 to Present
- Senior Real Estate Appraiser First Western Savings Association, Las Vegas, NV - 10/74 to 09/76
- Independent Real Estate Appraiser - 1969 to 1974

## SPECIALIZED VALUATION EXPERIENCE:

**Qualified Expert Witness:** Real Estate and Appraisal Matters- District, Bankruptcy and Federal Courts

**Forensic Review Expert:** Appraisal reviews for litigation. Clients include major banks, attorneys and the FDIC.

## TYPES OF PROPERTIES:

Residential, Condominium, Planned Unit Developments, Small Residential Income, Existing, Proposed and Vacant Land, Commercial and Income units.

## LICENSING:

Licensed in the State of Nevada, Certified General Appraiser-License #A.0000166-CG

## PROFESSIONAL DESIGNATION:

SRA Member - Appraisal Institute - 1989 to Present

## EDUCATION:

Bachelor of Science in Business Administration - Finance, University of Nevada

High School Diploma - General Studies, Ed W. Clark High School, Las Vegas, NV

## REALTOR ASSOCIATIONS:

Appraiser Member - National Association of Realtors - 1992 to Present

Appraiser Member - Greater Las Vegas Association of Realtors - 1992 to Present

## MEMBERSHIPS:

Employee Relocation Council, Appraiser Member – 1990 to 2013

Member of the Clark County Board of Equalization - 1994 to Present (Current Vice Chair)

Relocation Appraisers & Consultants Member - 1995 to Present

## REFERENCES:

### Cheryl Moss, SVP – Chief Appraiser

Bank of Nevada  
2700 W. Sahara Avenue  
Las Vegas, NV 89102  
702-252-6366

### Terry Jones, VP

First Security Bank  
10501 W. Gowan Road, Ste.170  
Las Vegas, NV 89129  
702-853-0950

### Jim Howard, COO

Bank of Las Vegas  
1700 W. Horizon Ridge Parkway  
Henderson, NV 89052  
702-492-4468

### Timothy R. Morse – MAI, SRPA

Timothy R. Morse & Associates  
801 S. Rancho Drive, Ste. B-1  
Las Vegas, NV 89106  
702-386-0068 X21

### Glenn Anderson, MAI, SRPA

Glenn Anderson  
1601 S. Rainbow Boulevard, Ste. 230  
Las Vegas, NV 89146  
702-307-0888

### Sandy Boatwright, Branch Manager

I Mortgage  
2855 St. Rose Parkway, Ste. 110  
Henderson, NV 89052  
702-575-6413

### Jim Goodrich, MAI, SRA, CCIM

Goodrich Realty Consulting, LLC  
2570 Eldorado Pkwy, Ste. 110  
McKinney, TX 75070  
972-529-2828

### Rick Piette, Owner

Premier Mortgage Lending Group  
8689 W. Sahara Ave, Ste. 100  
Las Vegas, NV 89117  
702-485-6600

**OFFICES HELD:**

- Nevada Commission of Appraisers - Real Estate Division Educational Committee - 1994-1996
- Member of the Regional Ethics and Counseling Panel Appraisal Institute - 1994-1996
- State Chair Nevada, State Government Relations Subcommittee Appraisal Institute - 1994-1995
- Chapter Admissions Chair, Las Vegas Chapter Appraisal Institute - 1994
- Chapter Representative, Las Vegas Chapter Appraisal Institute - 1993-1995
- Vice Chair Nevada, State Government Relations Subcommittee Appraisal Institute - 1993
- Member of Region VII Nominating Committee Appraisal Institute - 1992-1995
- President, Las Vegas chapter Appraisal Institute - 1992
- First Vice President, Las Vegas Chapter Appraisal Institute - 1990 - 1991

**CONTINUING EDUCATION: GENERAL, LITIGATION, APPRAISAL INSTITUTE, ERC, and SREA:**

- Unraveling the Mystery of Fannie Mae Appraisal Guidelines – June 2014
- Litigation Assignments for Residential Appraisers: Expert Work on Atypical Cases – June 2014
- Liability Issues for Appraisers Performing Litigation and Other Non-Lending Work – May 2014
- 2014 National USPAP Update Course – January 2014
- Las Vegas Market Symposium 2013 – November 2013
- Do's and Don't's of Litigation Support – October 2013
- Appraising the Appraisal: Appraisal Review-Residential – April 2013
- A. I. Uniform Appraisal Dataset Aftereffects: Efficiency vs. Obligation – February 2013
- Complex Litigation Appraisal Case Studies – January 2013
- Seller Concessions in Market Value Appraisals – November 2012
- National USPAP Update Course – May 2012
- Valuation of Basements – March 2012
- Accurately Analyzing and Reporting Market Rebounds and Declines – December 2011
- Las Vegas Market Symposium 2011 – October 2011
- The Uniform Appraisal Dataset from FNMA and FMAC – July 2011
- Tools, Techniques & Opportunities for Residential Appraising – November 2010
- Business Practice and Ethics – September 2010
- Appraisal Curriculum Overview Residential – September 2010
- Nevada Commission of Appraisers Hearing – June 2010
- Inspecting the Residential Green or High Performance House – January 2010
- ENERGY STAR and the Appraisal Process – January 2010
- 2009 National USPAP Update Course – January 2010
- A.I. Committee CE Credit – Chapter Level – December 2009
- Residential Design: The Making of a Good House November 2009
- The New Residential Market Conditions Form Seminar – March 2009
- REO Appraisal - Appraisal of Residential Property Foreclosure – October 2008
- National USPAP Update Course - Las Vegas, NV - March 2008
- Dealing with Client Pressure, Appraiser Identity Theft and Appraisal Report Tampering – March 2008
- Inside & Outside the Boxes, Developing & Communicating the URAR – October 2007
- Housing Market Analysis - September 2007
- Making Sense of the Changing Landscape of Value - Las Vegas, NV - July 2007
- The Real Estate Economy: What's in Store for 2008? - Las Vegas, NV - July 2007
- Real Estate Investing & Development - A Valuation Perspective - July 2007
- Litigation Skills for the Appraiser: An Overview - October 2006
- National USPAP Update Course - June 2006
- The Professional's Guide to the Uniform Residential Appraisal Report Seminar - July 2005
- Re-appraising, Re-addressing, and Re-assigning What to do and why Seminar - June 2005
- Market Analysis and the Site to Do Business Seminar - June 2005
- Secrets of a Successful Litigation Seminar - June 2005
- Mortgage Fraud & the Appraiser's Role Seminar - June 2005
- Uniform Standards of Professional Appraisal Practice Update Course - February 2005

- Course 705 Litigation Appraising - October 2004
- Avoiding Liability as a Residential Appraiser - October 2004
- AVM, VFR and Power Tools for Appraisers -September 2004
- Course 400 - National USPAP Update - November 2003
- Residential Sales Comparison Approach - October 2003
- Appraisal Review (Residential) - February 2003
- Nevada Real Estate Appraisal Statutes - October 2002
- National USPAP Update Course - June 2002
- Standard of Professional Practice Part A and Part B - Course 410 and 420 - September 2001
- Appraisal Procedures - Course 120 - November 2000
- Standards of Professional Practice Part A - Course 410 - October 1999
- Standards of Professional Practice Part B - Course 420 - October 1999
- Attacking & Defending an Appraisal in Litigation - September 1999
- FHA and the Appraisal Process - July 1999
- Reporting Sales Comparison Grid Adjustments for Residential Properties - March 1999
- Valuation of Detrimental Conditions in Real Estate - September 1998
- Standards of Professional Practice Part C - Course 430 - May 1998
- Incorporating Energy Efficiency into Residential Appraisals – December 1998
- Residential Design and Functional Utility Seminar - September 1997
- Alternative Residential Reporting Forms Seminar - July 1996
- Evaluation Guidelines Workshop – July/August 1994
- Understanding Limited Appraisals and Appraisal Reporting Options – July/August 1994
- Appraisal Review - Residential properties – July/August 1994
- Fair Lending and the Appraiser - July 1994
- Evaluation Guidelines Workshop July 1993
- Environmental Checklists, ASTM Property Screen Standard & the Valuation Process – July 1993
- Current Standards of Professional Appraisal Practice Issues-July 1993
- Americans With Disabilities Act (ADA)- July 1993
- The New Uniform Residential Appraisal Report- September 1993
- Intern Appraiser and the Law -February 1993
- Appraisal Reporting of Complex Residential Properties – December 1992
- Accrued Depreciation Seminar - September 1992
- Appraising from Blueprints - September 1992
- Appraising the Tough Ones -July 1992
- Employee or Independent Contractor- The Impact of an IRS Audit on an Appraiser-July 1992
- Landfills and Their Effect Upon Value- August 1991
- Subdivision Analysis- August 1991
- Real Estate Law for Real Estate Appraisers- August 1991
- Technical Inspection of Real Estate August 1991
- Relocation Appraisal Seminar- August 1991
- Practical Approach: The New Small Residential Income Property Guidelines – July 1990
- Extraction of Market Data on Residential Properties- August 1990
- Residential Appraisal Report from the User's Perspective- August 1990
- Legislative Update Panel-August 1990
- Relocation Appraising in the 90's PHH Home Equity – September 1990
- Nevada Real Estate Appraisal Statute October 1990
- Professional Practice and Real Estate Appraisal Law- October 1990
- Exam Preparation Seminar for Appraiser - General Certification – October 1990

**ERC NATIONAL RELOCATION CONFERENCE:**

- ERC – RAC Trac Conference - May 2007
- National Relocation Appraisal Forum - May 1996

**PHH REAL ESTATE NETWORK:**

- Regional Seminar "Hearts, Smarts & Courage" - September 1996
- "Force of Excellence" – November 1995
- Western Appraiser Regional Seminar "Leaders in Change" -September 1994

**CLIENTS: Banks and Mortgage Companies:**

- |   |                                     |
|---|-------------------------------------|
| • Bank of Nevada                        | • Meadows Bank                      |
| • Bank of Las Vegas                     | • Mellon Bank                       |
| • Bank of New York                      | • Mutual of Omaha Bank              |
| • Broad Street Nationwide Valuations    | • Nations Bank                      |
| • Capital One Bank                      | • Nationstar Mortgage               |
| • Castle & Cook Mortgage                | • Nevada Guardian Services          |
| • Chase Bank                            | • Northern Trust Bank               |
| • Citibank                              | • Premier Mortgage Lending Group    |
| • Citicorp Mortgage, Inc.               | • Prudential Relocation             |
| • City National Bank                    | • Rels Valuation - Wells Fargo Bank |
| • Clark County Public Guardians Office  | • REO Management Services           |
| • Deutsche Bank                         | • RMS & Associates                  |
| • Executive Relocation Corp.            | • Secolink                          |
| • Federal National Mortgage Association | • Security One Valuation Services   |
| • First Republic Bank                   | • Settlement One                    |
| • First Security Bank of Nevada         | • SIRVA Relocation                  |
| • Guarantee Bank                        | • Stars Valuations Services         |
| • Homebase Mortgage                     | • Trimavin Appraisal Management Co. |
| • Irwin Union Bank and Trust Company    | • US Bank                           |
| • J.P. Morgan                           | • Valuation Partners                |
| • Kinecta Federal Credit Union          | • Washington Federal Savings        |
|   | • Wells Fargo Bank                  |

**Attorneys / Others:**

- |   |   |
|---|---|
| • Americana Nevada Company                | • Jolley Urga Wirth Woodbury & Standish                           |
| • Alverson, Taylor, Mortenson-Judd Balmer | • Kainen Law Group  |
| • Anderson, McPharlin & Conners           | • Koeller, Nebeker, Carlson & Halvek                              |
| • Barney, Anthony                         | • Lee & Russell   |
| • Barranco & Kircher                      | • Lee Drizin  |
| • Black & Lobello                         | • Lee, Hernandez, Kelsey, & Brooks                                |
| • Delanoy, Schuetz & McGaha               | • Leavitt, Andrew   |
| • Ecker Law Group                         | • Menninger, Carol  |
| • Goodrich, Jim (Valuation Consulting)    | • Miller & Wright Rawlings, Olsen, Cannon, Gormley & Desruisseaux |
| • Gordon Silver                           | • Shea & Carlyon  |
| • Hansen, Randon                          | • Woodbury & Standish   |
| • Holland & Hart LLP                      |   |
| • Hoskin, Hughes and Pifer                |   |

(Rev. July 3, 2014)



**ATTORNEY WORKLOAD REPORT**

Subject Address	Name	Purpose	Attorney or Client	Court Date	Case No.
Lots 1, 3, 4 & 5 Ghost Dance	Town & Country vs Goddard	Court Testimony	Holland & Hart LLP	12/20/2010	
2966/2970 San Lorenzo	Bank of Nevada	Deposition/Crt Testimony	Lionel, Sawyer & Collins	1/6/2011	120-201-0059
5025 Kell Lane	OneCap Mortgage	District Court Appearance	Reade & Associates	1/25/2011	
2966/2970 San Lorenzo	Bank of Nevada	Federal Court Testimony	Lionel, Sawyer & Collins	1/28/2011	120-201-0059
940 N Sloan Lane #105	Bank of Nevada	Court Testimony/Settled	Mazur & Associates	3/3/2011	
Platinum	Platinum Condo Dev	Litigation/Deposition	Foley & Lardner LLP	7/4/2011	209CV00671PMPGWF
4945 Ghost Dance Circle	Goddard	Federal Court Testimony	Town & Country Bank	9/8/2011	2:09CV00686RLHLRL
2132 Country Cove	Bank of Nevada vs King	District Court Testimony	Gerrard & Cox	10/6/2011	A627640
14480 Roundabout Circle	Shavitz vs Jacobs Construction	District Court Deposition	Schofield Miller Law Firm	12/5/2011	A-09-592088-D
39 Quail Hollow Drive	Limpscomb vs Smith	Depo/Court Testimony	Silvermanm Decaria & Kattelman	1/8/2012	D-11-444324-D
645 Sari Drive	M&I vs. Long	Court Testimony	Cooper Castle Law Firm	1/13/2012	A-11-65-203-C
7811 Dana Point Court	BofNV vs Troncosco	Court Testimony	Mazur & Brooks	9/24/2012	A647414
2139 Wilbanks Circle	BofNV vs Deevers	Court Testimony	Mazur & Brooks	10/4/2012	A-12-655231-C
22 Sawgrass Court	Provident vs Levy	Deposition	Cooper Castle Law Firm	10/5/2012	A-09-601666-C
23 Mallard Creek Trail	Goldstein/Irsfeld	Deposition	The Bourassa Law Group	11/30/2012	A617125
8031 Springbuck Court	BofNV vs Townsend	Deficiency Hearing	Michael Marcellette	4/2/2013	A-12-671738-C
49 Hawk Ridge Drive	BofNV vs Barry	Deficiency Hearing	Michael Marcellette	5/7/2013	A-12655559-C
1500 Windhaven	FDIC	Deposition	Kolesar & Leatham	7/23/2013	8408-2
32 Via Vasari	Deutsche Bank	Litigation	Blut Law Group	Current	A-11-651083-C
8623 Fire Mountain	Bank of Nevada	Deficiency Hearing	Mazur & Brooks	7/31/2013	A-11-642953-C
1157 Via Casa Palmero	FDIC vs Rekis	Deposition	Kolesar & Leatham	8/29/2013	2:12-cv-02061-GMN
51 Agate Ave #303	Giuliano vs Giuliano	Court Testimony	Zashin & Rich	10/9/2013	DR12343002
FDIC Reviews	FDIC vs Core Logic	Deposition	Mullin Hoard Brown	12/10/2013	8:11-cv-00704-DOC-AN
53 Hawk Ridge Drive	D&J Family Trst vs Palm Canyon	Deposition	Bourassa Law Group	12/17/2013	A646373
FDIC Reviews	FDIC vs LSI Appraisal LLC	Deposition	K&L Gates LLP	1/8/2014	SACV11-706 DOC(Anx)
8 Rue Mediterra Drive	RBM Constuction vs Rosenaur	Deposition	Bremer, Whyte, Brown & O'meara	1/15/2014	09-A595366
2621 Dandelion Street	Puckett vs Bank of Nevada	Court Testimony	Michael Marcellette	2/13/2014	A-13-677331-C
3180 Darby Gardens Court	Everflow	Court Testimony	Lionel, Sawyer & Collins	3/4/2014	A-11-652597-B
4381 W Flamingo Rd #39301	Royal Business Bank vs Lin	Court Testimony	Compton Law	3/26/2014	A-14-694431
7229 Mira Vista Street	Anthony Savino	Court Testimony	McDonald Law Offices	6/12/2014	A-13-674390-C
1147 Evening Canyon Ave	Ana Thompson	Court Testimony	Brooks Hubley LLP	9/26/2014	A-13-17461
4381 W Flamingo Rd #18321	Palms Place vs Lue Garlick	Deficiency Hearing	Brownstein Hyatt Farber Schreck	11/4/2014	A-14-697506-B
6583 Mermaid Cr.	McGee vs. Citi Mortgage	Deposition	Wolfe & Wyman	11/24/2014	2:12-CV-02025JCM PAL
3048 Palatine Terrace Ave	Jayna Shreck	Deficiency Hearing	Mazur & Brooks	12/18/2014	A-13-687732-C
590 Lairmont Place	Rosenberg vs. Bank of America	Deposition	Kemp Jones	3/17/2015	A-13-689113-C
7616 Lillywood Ave	Bank of NV vs. Dryden	Court Testimony	Mazur & Brooks	3/24/2015	A-14-710293-C

6024 Rabbit Track St	Bofa c/o Bradley Arant Cummings	Deposition	Accurity Valuation	6/1/2015	A-14-698511-C
1354 Manorwood St	Bofa c/o Bradley Arant Cummings	Deposition	Accurity Valuation	6/1/2015	A-14-694435-C
10365 Morning Sorrow	Bofa c/o Bradley Arant Cummings	Deposition	Accurity Valuation	6/2/2015	A-14-696561-C
8014 Brighton Summit	Bofa c/o Bradley Arant Cummings	Deposition	Accurity Valuation	6/16/2015	A-14-698568-C
1521 Hollow Tree Dr	Bofa c/o Bradley Arant Cummings	Deposition	Accurity Valuation	7/2/2015	A-14-698102-C
7912 Dappled Light	Bofa c/o Bradley Arant Cummings	Deposition	Accurity Valuation	7/2/2015	A-13-684630-C
10125 Somerdale Ct	Bofa c/o Bradley Arant Cummings	Deposition	Accurity Valuation	8/17/2015	A-13-686512-C
4962 Perrone Avenue	Bofa c/o Bradley Arant Cummings	Deposition	Accurity Valuation	8/17/2015	A-13-680704-C
7400 Brittlethorne Ave	Bofa c/o Bradley Arant Cummings	Deposition	Accurity Valuation	8/17/2015	2:14-cv-02080-RFB-GWF
4525 Dean Martin Dr #3008	Bofa c/o Bradley Arant Cummings	Deposition	Accurity Valuation	8/17/2015	A-14-701585-C
32 Benevolo Dr	Morabito vs. Pardee Homes	Deposition	Koeller, Nebecker, Carlson & Hauck	9/2/2015	A-13-688285

**R Scott Dugan, SRA  
R Scott Dugan Appraisal Company, Inc.  
Fee Schedule  
(As of August 1, 2015)**

Assignments are for bid on a case-by-case basis. Standard fees for additional work (if needed) are listed below:

Expert Witness Work and Testimony:

- ∞ Deposition, Court Testimony, Trial Preparation - \$500/Hour
- ∞ Supplemental Work and Research - \$400/Hour
- ∞ Consulting Meetings, Case Discussions, etc. - \$200/Hour

There is a two-hour minimum for deposition and court testimony. If either is canceled within 24 hours of a scheduled appearance, the client will be billed for 50% of the minimum, in addition to any time for preparation.

The above fees are exclusive of the costs associated with both the development of the valuation report or consulting study, and that of supporting materials that may be required for trial.

# EXHIBIT H

# EXHIBIT H

DISTRICT COURT  
CLARK COUNTY, NEVADA

SFR INVESTMENTS POOL 1, LLC, a  
Nevada limited liability company,  
Plaintiff,

vs.

CASE NO.:  
A-12-672963-C

VENTA REALTY GROUP, a Nevada  
Corporation, JP MORGAN CHASE BANK,  
N.A., a national association,  
successor by merger to CHASE HOME  
FINANCE LLC, a foreign limited  
liability corporation, NATIONAL  
DEFAULT SERVICING CORPORATION, an  
Arizona corporation, CALIFORNIA  
RECONVEYANCE COMPANY, a California  
corporation, REPUBLIC SILVER STATE  
DISPOSAL, INC., a Nevada corporation,  
PARADISE COURT HOMEOWNERS ASSOCIATION,  
a Nevada nonprofit corporation, and  
DELANIE L. HARNED, an individual,  
DOES I through X; and ROE  
CORPORATIONS I through X, inclusive,

Defendants.



DEPOSITION OF SUSAN MOSES

DEPOSITION OF CHRIS YERGENSEN

Taken at the law offices of Ballard Spahr LLP

Taken on Friday, January 8, 2016

At 9:31 a.m.

At 100 North City Parkway, Ste. 1750  
Las Vegas, Nevada

Reported by: Barbara Kulish, CCR #247, RPR

## 1 APPEARANCES:

2

3 For the Plaintiff: VANESSA S. GOULET, ESQ.  
 4 KIM GILBERT EBRON  
 5 7625 Dean Martin Drive  
 Suite 110  
 Las Vegas, Nevada 89139

6 For the Defendants: LINDSAY C. DEMAREE, ESQ.  
 7 BALLARD SPAHR, LLP  
 100 North City Parkway  
 Suite 1750  
 8 Las Vegas, Nevada 89106

9

10 \* \* \* \* \*

11

12 INDEX

13 WITNESS: SUSAN MOSES

Exam

14 By Ms. Demaree

3

15 By Ms. Goulet

70

16 WITNESS: CHRIS YERGENSEN

Exam

17 By Ms. Demaree

75

18

19 EXHIBITS

20 Defendants'

Page

21 1 - Updated Subpoena Duces Tecum

8

22 2 - Subpoena Duces Tecum

8

23 3 - Packet of Documents Containing  
 Documents Bates NAS 00002-00296

9

24 4 - Handwritten Document of Plan Payments

33

25 INFORMATION TO BE SUPPLIED  
 None

1 A. It looks like her handwriting.

2 Q. Do you know who the excess proceeds were  
3 distributed to in this case?

4 A. It looks like \$635.98 went back to the  
5 homeowner, if you look at the Disbursement Requisition  
6 on 288.

7 Q. Okay. And was there also a disbursement to  
8 Republic Services of Southern Nevada for \$34.30?

9 A. Correct.

10 Q. And do you know -- I'm not good at math,  
11 but I believe that would total the excess proceeds of  
12 670.88 listed on page 275?

13 A. Okay.

14 Q. Or I guess does it total? Is that the full  
15 amount of the excess proceeds?

16 A. Do you want me to add it? I can add it.

17 Q. I just want to make sure that there's  
18 nothing left over. I doubt there is, but...

19 A. It looks like it was \$670.28.

20 I couldn't read her handwriting, so  
21 it's actually, on 275, it says 670.28, not 670.88.

22 MS. DEMAREE: Okay. That's all I have.

23 Do you have any questions?

24 MS. GOULET: I have a few questions.

25 ///



## 1 REPORTER'S CERTIFICATE

2 STATE OF NEVADA )  
3 ) Ss.  
4 COUNTY OF CLARK )

5 I, Barbara Kulish, a duly licensed court  
6 reporter in the State of Nevada, do hereby certify:

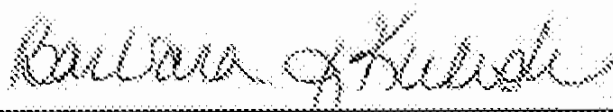
7 That I reported the taking of the deposition  
8 of SUSAN MOSES and CHRIS YERGENSEN, on Friday,  
9 January 8, 2016, commencing at the hour of 9:31 a.m.  
10 That prior to being examined, the witnesses were by me  
11 duly sworn to testify to the truth, the whole truth,  
12 and nothing but the truth.

13 That I thereafter transcribed my said  
14 shorthand notes into typewriting and that the  
15 typewritten transcript of said deposition is a  
16 complete, true and accurate transcription of my said  
17 shorthand notes taken down at said time.

18 That there being no request for the  
19 deponents to read and sign the deposition transcript,  
20 under Rule 30(e) the signatures are deemed waived; and  
21 that the original transcript will be forwarded to the  
22 custody and control of Lindsay Demaree, Esq.

23 I further certify that I am not a relative  
24 or employee of an attorney or counsel involved in said  
25 action, nor a person financially interested in said  
actions.

Dated this 16th day of January, 2016.

21   
22 Barbara Kulish, CCR 247, RPR



# EXHIBIT I

# EXHIBIT I

## Shrewd investors snap up HOA liens, rent out houses

By HUBBLE SMITH LAS VEGAS REVIEW JOURNAL

March 18, 2013  
3:32pm

Savvy investors in Las Vegas are buying up small homeowner's association liens at auction and making money by renting out homes they don't actually own until the mortgage-holder comes knocking, in some cases as long as two years later.

Community associations can collect up to nine months of unpaid HOA assessments through "superpriority" liens, plus up to \$1,900 in collection charges, according to Nevada law. While liens can amount to several thousand dollars when collection fees and other charges are applied, they're dwarfed by mortgages and in the past have received little notice.

But a 2010 change in state law aimed at preventing improper foreclosures has dramatically expanded the length of time between a mortgage default and the bank taking possession.

And investors have found that the combination of a small HOA debt and the delay in bank foreclosures can lead to a big payoff. That, in turn, is driving bids for liens through the roof.

Danny Garcia, an agent who goes to trustee auctions on behalf of a private client, said he's seen bids for HOA liens increase from about \$6,000 to upward of \$30,000 in the past two years. The highest he ever paid was \$20,000.

"They've gone up," he said. "People have started to figure out they can settle with the bank. They have some kind of strategy."

In the past, HOAs seldom went after members for unpaid dues, but cash-strapped associations faced with fewer dues-paying members are now much more likely to go after residents, using collection agencies to place liens on the property.

"If we were talking about this four years ago, it would be a totally different conversation," said David Stone, president of Nevada Association Services, a collection agency for HOAs.

The HOA writes a "dirty deed" on the home and its collection agency proceeds with foreclosure ahead of the mortgage-holding bank.

"That's a big problem in this town," said Zolt Szorenyi, president of Lenders Clearing House Las Vegas, a firm that buys and sells foreclosed homes. "These HOA collection agencies are selling debt to private investment companies and they're taking them down to the auction and foreclosing on them for nonpayment of HOA dues."

After the lien is auctioned, buyers get a "quiet title" that allows them to take control of the home and rent it out until the mortgage-holding bank gets around to foreclosing and trying to take possession. If the buyer gets the lien cheap enough and can rent the property long enough, their investment makes money.

Investors are buying HOA foreclosures because traditional trustee foreclosures have dried up, which in turn dried up their rental pool, Stone said.

"I'm having a dozen go every week," Stone said. "People are picking them up and renting them out. They have fee-simple ownership of the property."

But like nearly everything in Las Vegas, the lien scheme isn't a sure bet.

The risk in buying HOA liens is that the holder of the first deed of trust might come in and quickly foreclose, taking possession of the home before the investor can rent it out.

That doesn't necessarily mean the lien buyer loses everything, though. A conundrum in Nevada law helps investors hedge their bets.

Real estate attorney Zachary Ball said the state's HOA foreclosure law is "revolutionary" in many ways.

In one chapter of the law, the first deed of trust is never wiped out, he said. Statutes dealing with HOAs say an association's "superpriority" liens are ahead of the first deed and any other loans.

That means HOA liens are "junior" to the first deed on the mortgage, but they have to be paid off before the title can be transferred to a new owner, said Richard Lee, vice president of Ticor Title of Nevada.

The risk, Garcia said, comes in bidding too much at auction and paying more for the lien than a home is worth. When that happens, investors will try to cut their loss by working out a short sale with the lender for 50 cents to 60 cents on the dollar, he said.

When an investor pays more than the face amount of the lien and collection costs, any excess goes to pay off junior lienholders: property taxes, unpaid garbage bills and the like. Anything left after that is sent to the previous homeowner.

Scott Sibley, publisher of Nevada Legal News, said many HOA management firms are conducting lien sales at their offices. They're held at different times and in different locations, sometimes in packed conference rooms that restrict the number of bidders, he said.

How much longer the HOA lien scheme will work is unclear.

Lawmakers in Carson City are debating adjustments to AB284, the 2011 law that slowed the foreclosure process by making banks prove their right to take a home rather than processing "robo-signed" documents.

Banks have complained the procedures needlessly delay inevitable foreclosures, causing a logjam of houses in limbo that can be rented through the HOA lien scheme.

"It'll be interesting to see how it plays out going forward because the banks are close to reaching an agreement to amend AB284," Sibley said.

Contact reporter Hubble Smith at [hsmith@reviewjournal.com](mailto:hsmith@reviewjournal.com) or 702-383-0491.

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CLERK OF THE COURT

**REP**

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*Attorneys for SFR Investments Pool 1, LLC*

**EIGHTH JUDICIAL DISTRICT COURT**

**CLARK COUNTY, NEVADA**

SFR INVESTMENTS POOL 1, LLC, a  
Nevada limited liability company,

Plaintiff,

vs.

VENTA REALTY GROUP, a Nevada  
corporation, JP MORGAN CHASE BANK,  
N.A., N, successor by merger to CHASE  
HOME FINANCE LLC, a foreign limited  
liability corporation, NATIONAL DEFAULT  
SERVICING CORPORATION, an Arizona  
corporation, CALIFORNIA  
RECONVEYANCE COMPANY a California  
corporation, REPUBLIC SILVER STATE  
DISPOSAL, INC., a Nevada corporation,  
PARADISE COURT HOMEOWNERS  
ASSOCIATION, a Nevada non-profit  
corporation and DELANIE L. HARNED, an  
individual, DOES I through X; and ROE  
CORPORATIONS I through X, inclusive,

Defendants.

Case No. A-12-672963-C

Dept. No. XXVII

**SFR INVESTMENTS POOL 1, LLC'S  
REPLY IN SUPPORT OF ITS MOTION  
FOR SUMMARY JUDGMENT**

**Hearing Date: September 15, 2016**

**Hearing Time: 10:30 a.m.**

SFR Investments Pool 1, LLC ("SFR") hereby files its reply in support of its Motion for Summary Judgment. This reply is based on the papers and pleadings on file herein, the following memorandum of points and authorities, and such evidence and oral argument as may be presented at the time of hearing on this matter. This reply is also based on SFR's Motion for Summary Judgment, which is incorporated fully herein by reference.

**MEMORANDUM OF POINTS AND AUTHORITIES**

**A. STATEMENT OF DISPUTED AND UNDISPUTED FACTS**

SFR incorporates fully herein by reference its Statement of Undisputed Facts in SFR's Motion for Summary Judgment ("MSJ"). Further, SFR responds to the Bank's Statement of Undisputed Facts as set forth in its Opposition to SFR's MSJ as follows:

**1. SFR's Undisputed Fact:**

A Notice of Trustee Sale's is recorded by California Reconveyance Company as trustee to MERS as Instrument No. 2011060100003269. The sale was scheduled for June 21, 2011.

**Bank's Response:**

"The proper instrument number is 201106010003269."

**SFR's Response:** SFR does not dispute the instrument number is 201106010003269.

**2. SFR's Undisputed Fact:**

A Second Notice of Trustee's Sale is recorded by California Reconveyance Company as trustee to MERS as Instrument No. 2011060100003269."

**Bank's Response:**

"The proper instrument number is 201109290003457."

**SFR's Response:** SFR does not dispute the instrument number is 201109290003457.

**3. SFR's Undisputed Fact:**

The Bank received the Notice of Default. The Bank does not dispute receiving this notice. The Bank did not make any attempts to pay the Association's lien after it received the Notice of Default.

**Bank's Response:**

"The receipt of the referenced document and action taken after the foreclosure sale are immaterial"

**SFR's Response:** The bank admitted and testimony was given that the Bank received the Notice of Default and did not make any attempt to pay the lien after receipt.<sup>1</sup> What the Bank seeks is equity, and this fact is material to whether the Bank deserves equity.

<sup>1</sup> See SFR Mot. Ex. 1-N (Bank's response to request for admissions); SFR Mot. Ex. 1-O, 21:11-22:5 (deposition transcript of the Bank's 30(b)(6) witness); SFR Mot. Ex. 1-O, 22:7-14.

1           **4. SFR's Undisputed Fact:**

2           The Bank sent a letter to the homeowner advising that the Association sent the  
3           Bank the NOD. In that letter, the Bank advised the homeowner that if she did not  
4           "take action to correct this situation, Chase may initiate the appropriate actions"  
5           to bring her account current with the "association, pursuant to the terms of your  
6           mortgage.

7                   **Bank's Response:**

8           Immaterial.

9                   **SFR's Response:** The Bank's acknowledgment of the NOD is material as it  
10           further demonstrates the Bank's choice not to protect its Deed of Trust. The Bank cannot now  
11           seek equity after choosing to not protect its interest. SFR disputes that this document is  
12           immaterial.

13           **5. SFR's Undisputed Fact:**

14           After more than 90 days elapsed from the date of the mailing of the Notice of  
15           Default, Association recorded a Notice of Trustee's Sale ("Notice of Sale") as  
16           Instrument No. 20120830-0003067. The Notice of Sale was mailed to numerous  
17           parties, including in pertinent part, Harned, Venta Realty Group, the Bank,  
18           California Reconveyance Company, and MERS. The Bank received the Notice of  
19           Sale. The Bank does not dispute receiving this notice. The Bank took no action  
20           after it received the Notice of Sale.

21                   **Bank's Response:**

22           The document's proper name is the 'Notice of Foreclosure Sale,' and the  
23           instrument number is 20120830-00003067. The receipt of the referenced  
24           document and action taken after the Notice of Sale was sent by the foreclosure  
25           agent is immaterial.

26                   **SFR's Response:** The correct instrument number is 201208300003067. The  
27           Bank gives no reasoning why this is not a correct fact, as such, the bank admitted and testimony  
28           was given that the Bank received the Notice of Sale and did not make any attempt to pay the lien  
29           after receipt. See SFR Mot. Ex. 1-O, 25:5-20, 24:12-25:8, 26;5-20 (deposition transcript of the  
30           Bank's 30(b)(6) witness). What the Bank seeks is equity, and this fact is material to whether the  
31           Bank deserves equity.

32           **6. SFR's Undisputed Fact:**

33           The Bank never exercised its right under the FDOT to set up an escrow account  
34           from which to pay the Association's assessments. The Bank never paid or tried to  
35           pay any portion of the Association's lien. The Bank did not challenge the

1 foreclosure sale in any civil or administrative proceeding. No release of the  
2 superpriority portion of the Association's lien was recorded against the Property.  
No lis pendens was recorded against the Property.

3 **Bank's Response:**

4 SFR's contentions as to the Bank's rights under the FDOT are not supported by its  
5 citation to Susan Newby's Declaration. Next, whether the Bank tried to pay any  
6 portion of the Association's lien is not supported by SFR's citations. Furthermore,  
7 it is immaterial whether the Bank did or did not challenge the foreclosure sale.  
8 Regarding the release, it is disputed. As a preliminary matter, SFR's citations to  
9 the Declaration submitted by Robert Diamond "Diamond Declaration" or  
10 "Diamond Decl." do not in any way support SFR's contentions. See Diamond  
11 Decl. ¶18, as cited to by SFR. Even assuming SFR correctly cited its contentions,  
12 the Diamond Declaration lacks foundation, as Mr. Diamond has no personal  
13 knowledge of the acts of third parties such as the Association and the Association  
trustee. Specifically, Mr. Diamond lacks knowledge as to whether the lien was in  
fact released. Further, he has no personal knowledge of whether there was a  
"super-priority" portion included in the lien. To the extent that Mr. Diamond  
relies on information provided by the Association, this assertion contains hearsay.  
Regarding the lis pendens, this fact is immaterial and disputed. Again, SFR's  
citations to the Diamond Declaration do not support its contentions. See Diamond  
Decl.

14 **SFR's Response:** The Bank's 30(b)(6) witness testified that the bank did  
15 nothing, aside from sending the Borrower a letter, after receiving the association lien ledger.  
16 Depo. T. Susan Newby. SFR. Mot. Ex. 1-O at 26:6-20. Robert Diamond's Declaration at ¶¶ 20,  
17 21 clearly support these facts. See Diamond Declaration SFR Mot. Ex. 2. Further, the Bank  
18 provides no evidence that any release was recorded or that the association's lien, including  
19 superpriority amounts, did not exist at the time of the foreclosure sale.

20 **7. SFR's Undisputed Fact:**

21 Association foreclosure sale took place and SFR placed the winning bid of  
22 \$6,100.00. This amount was paid by SFR. There were multiple bidders in  
attendance at the sale. No one acting on behalf of the Bank attended the sale."

23 **Bank's Response:**

24 "Disputed. First, SFR's citation to the Diamond Declaration does not support this  
25 claim. See Diamond Decl. ¶15 ("SFR received a foreclosure deed from NAS that  
26 contains recitals regarding the noticing of the sale"). Second, presumably SFR  
27 meant to cite to ¶ 14, but completely mischaracterizes the paragraph. The  
28 Diamond Declaration states only that during his time as a bidder for SFR, he  
"never attended a sale with only one qualified bidder in attendance." Yet, no  
document attached to the Diamond Declaration indicates how many bidders  
attended this HOA Sale, and more importantly, how many of those bidders  
actually made at bid on the Property. Finally, it is immaterial whether anyone

acting on behalf of the Bank attended the sale.

**SFR's Response:** The Bank gives no reasoning why this is not a correct fact, as such, the bank admitted that it did not attend the sale. See SFR Mot. Ex. 1-N at p. 49:6-8. The Bank's failure to protect its interest and then demand equity is material to this case. Mr. Diamond's statement that he never attended a sale with only one qualified bidder axiomatically means that there was more than one bidder at the sale.

**8. SFR's Undisputed Fact:**

Trustee's Deed Upon Sale ("Foreclosure Deed") vesting title in SFR recorded as Instrument No. 20120925-0001230. As recited in the Foreclosure Deed, the Association foreclosure sale all requirements of law were complied with, including the mailing of copies of notices, the recording of the Notice of Default, and the posting and publication of copies of the Notice of Sale. SFR has no reason to doubt the recitals in the Foreclosure Deed. If there were any issues with delinquency or noticing, none of these were communicated to SFR. Further, neither SFR, nor its agent, have any relationship with the Association besides owning property within the community. Similarly, neither SFR, nor its agent, have any relationship with NAS, the Association's agent, beyond attending auctions, bidding, and occasionally purchasing properties at publicly-held auctions conducted by NAS, or having purchased some reverted properties through arm's-length negotiations.

**Bank's Response:**

"Disputed. The 'Foreclosure Deed' recorded on September 25, 2012 as Clark County Recorded Instrument No. 201209250001230, states: Nevada Association Services, Inc. as agent for Paradise Court does hereby grant and convey, but without warranty express or implied, to: SFR Investments Pool I, LLC (herein called Grantee) ... all its right, title and interest in and to that certain property ... Ex. B, Foreclosure Deed. The interest NAS had as agent for the Association was merely a lien interest, not a title interest. Additionally, the "Foreclosure Deed" speaks for itself. Chase also disputes the broad legal conclusion that the sale "complied with all requirements of law" and the implication that the document references recording of the Notice of Default. Next, SFR's doubts and subjective beliefs are immaterial and irrelevant to this case. To the extent the Court could construe these doubts and subjective beliefs as a material fact, Chase disputes them. As set forth below, SFR had inquiry notice to confirm the circumstances of the sale but chose to be willfully ignorant when it purchased the property. Finally, as noted above, to the extent these assertions regarding SFR's relationship with the Association and NAS are based on what other members of SFR replayed, such statements are hearsay.

**SFR's Response:** As the bank states, SFR was vested with "all its right, **title** and interest..." (emphasis added). Further, it is the statute that defines what is transferred by the sale.



Whether the bank likes the “fact” or not, it is a fact as stated by SFR that “SFR has no reason to doubt the recitals in the Foreclosure Deed. If there were any issues with delinquency or noticing, none of these were communicated to SFR.” The Bank provides no evidence to the contrary.

**B. Mr. Diamond’s Testimony does not preclude summary judgment for SFR.**

As evidenced from the record, the foreclosure sale took place before Florida Supreme Court rendered its opinion in SFR Investments Pool I, LLC v. U.S. Bank, N.A., 130 Nev. \_\_\_, \_\_\_, 334 P.3d 408 (2014). In SFR the Supreme Court concluded that banks’ first deeds of trust are extinguished after a homeowners association sale because NRS 116 “gives an HOA a true superpriority lien.” SFR at 419. Mr. Diamond’s incorrect legal conclusions regarding the extinguishment of the first deed of trust are wholly immaterial. Further, and as discussed more fully below<sup>2</sup>, the experience of the purchaser, or how many properties Mr. Diamond purchased, does not defeat bona fide purchaser status. Melendrez v. D & I Inv., Inc., 26 Cal.Rptr.3d 413, 425 (Ct. App. 2005).

**C. Retroactive application of SFR v. U.S. Bank**

The Bank argues that SFR Investment Pool 1, LLC. v. U.S. Bank, N.A., 130 Nev. \_\_\_, 334 P.3d 408 (2014) should not be applied retroactively, specifically that Christiana Trust v. S&P Homes, et al., Case No. 2:15-cv-01534-RCJ-VCF, 2015 WL 6962860 (D. Nev. Nov. 9, 2015) “prevents” this Court from “retroactively” applying the decision in SFR. Because the Bank has never claimed or asserted this as an affirmative defense, this argument is waived and should be disregarded. Furthermore, retroactivity concerns are removed from the statutory construction context because, “[a] judicial construction of a statute is an authoritative statement of what the statute meant before as well as after the decision of the case giving rise to that construction.” Morales-Izquierdo v. Dept. of Homeland Sec., 600 F.3d 1076, 1087-88 (2010) (quoting Rivers v. Roadway Express, Inc., 511 U.S. 298, 312–13 (1994)) (overruled in part on other grounds by Garfias-Rodriguez v. Holder, 702 F.3d 504, 516 (2012)). When a court interprets a statute, “it is explaining its understanding of what the statute has meant continuously since the date when it

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<sup>2</sup> See section J-1.

1 became law.” Morales-Izquierdo, 600 F.3d at 1088 (quoting Rivers, 511 U.S. at 313 n.12).  
2 Consequently, judicial interpretations are given “[f]ull retroactive effect[.]” Morales-Izquierdo,  
3 600 F.3d at 1008 (quoting Harper, 509 U.S. at 97). In Christiana Trust, Judge Jones analyzed the  
4 Chevron Oil<sup>3</sup> factors in determining that SFR should not be applied retroactively. The non-  
5 binding Christiana Trust case does not prevent this Court from reaching its own conclusions.

6 In sum, the Bank has waived its right to assert this argument as a claim or defense.  
7 Besides, Chevron Oil is distinguishable from SFR in that the latter dealt with statutory construction  
8 of an existing law and not application of a new rule of law. If this Court determines the issue was  
9 not waived, and is inclined to do a full analysis, SFR requests the opportunity to brief the issue.  
10 Here, SFR does not wish to “waive the waiver” by engaging further than to say it does not apply.

11 **D. The Bank cannot use the Supremacy Clause to Displace Nevada Law**

12 The United States Supreme Court recently determined that private litigants cannot use the  
13 Supremacy Clause to displace state law. Armstrong v. Exceptional Child Care Ctr., Inc., 575  
14 U.S. \_\_\_, 135 S.Ct. 1378, 1383-85 (2015). Clarifying the Supremacy Clause’s purpose and  
15 scope, Armstrong determined that the Supremacy Clause does not authorize private litigants to:  
16 (i) displace state law or (ii) enforce federal law. Id. at 1383-85. Rather, a judge-made equitable  
17 remedy allows private parties to enjoin government actors from violating federal law. Id. at  
18 1384-85. And, Congress —via a law’s text—determines who can enforce a federal statute. Id. at  
19 1383-84. Here, Congress authorized HUD’s Secretary to enforce the National Housing Act  
20 (“NHA”). The Bank is not HUD’s Secretary.

21 **E. The Bank cannot Enforce the National Housing Act**

22 This lawsuit involves private litigants, not the government. The government interest here  
23 is too remote or speculative to require a “uniform” judge-made federal rule. Texas Indus., Inc. v.  
24 Radcliff Materials, Inc., 451 U.S. 630, 642 (1981); Miree v. DeKalb Cnty., 433 U.S. 25, 31  
25 (1977); Bank of Am. Nat’l Trust & Sav. Ass’n v. Parnell, 352 U.S. 29, 33 (1956); Pankow  
26 Constr. Co. v. Advance Mortg. Corp., 618 F.2d 611, 613-14 (9th Cir. 1980). HUD is not a party  
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28 <sup>3</sup> Chevron Oil Co. v. Huson, 404 U.S. 97, 106-107 (1971).

1 and the Bank has not shown that it assigned the deed of trust to HUD. When looking to the “rule  
2 of decision” determinations—instances when judges engage in common law rule-making—are  
3 “few and restricted,” limited to “conflicts” between state and federal policy. O’Melveny &  
4 Myers v. FDIC, 512 U.S. 79, 87-88 (1994). If there is no “conflict,” then state law controls. Id.  
5 Here, Nevada and HUD have the same policy: banks should pay association dues. SFR, 334 P.3d  
6 at 414; HUD Handbook 4310.5, Rev-2, Ch. 4, § 4-37(A), p. 4-12. Ultimately, the Bank’s reliance  
7 on the National Housing Act to protect their private interest is misplaced.

8 Finally, a loan being insured by the FHA does not mean that is owned by the FHFA. The  
9 Bank’s argument that because FHA insured the loan in the event of default has absolutely  
10 nothing to do with the FHFA. Even if the loan at issue was insured by the FHA, FHA/HUD does  
11 not have a present interest in the Property. The Bank has only claimed that HUD owns an  
12 “insurance interest” in the Property. Therefore, HUD owns no more interest in the Property than  
13 an automobile insurer holds in a consumer’s car. Further, to be able to determine whether  
14 FHA/HUD would suffer any loss due to foreclosure of the Property, the Bank would have to  
15 show that it fully complied with the terms and conditions and is eligible to receive funds from  
16 the FHA insurance policy. For example, if the FHA policy requires that a beneficiary or servicer  
17 pay off HOA dues prior to an HOA foreclosure sale to preserve the Deed of Trust, and the Bank  
18 failed to do so (as it did in this case), then FHA is under no obligation to reimburse the Bank for  
19 any of its losses regarding the Property. If the Bank failed to comply or is unable to comply with  
20 its obligations to FHA/HUD, then **HUD has no obligation to pay the insurance payment** and  
21 this foreclosure sale has no effect on HUD or the FHA. Finally, it is the Bank’s own failure to  
22 protect the deed of trust by failing to pay the lien or any portion thereof. Therefore, the Bank  
23 cannot not as a matter of equity, claim that the FHA can shield its own bad acts.

24 **F. NRS 116 Does Not Conflict with HUD Policies.**

25 The Bank eludes to the proposition that NRS 116 undermines the FHA Program’s  
26 foreclosure avoidance scheme and therefore violates the Supremacy Clause. In other words,  
27 because HUD has a lengthier foreclosure process than NRS 116, the two conflict. However, again  
28 this argument is misplaced because NRS 116 does not frustrate or conflict with HUD policies.

Both NRS 116 and the HUD scheme still contemplate foreclosure and allow for it. NRS 116 is not a foreclosure statute for banks; it is a foreclosure statute for the associations. There is no compliance on the part of the Bank that is required by NRS 116 that conflicts with the rules the Bank must follow in order to foreclose on an FHA-insured loan. The Bank is not required to do anything under NRS 116 that would make it violate any rules or guidelines of HUD. Instead, HUD encourages the payment of Association liens.

The purpose of HUD is not frustrated by NRS 116 because Nevada HOA laws “are entirely **consistent** with [HUD’s] goals of improving residential community development, eliminating blight, and preserving property values.” Freedom Mortg. Corp., 106 F. Supp. 3d at 1188 (emphasis added); see also JPMorgan Chase Bank, N.A., v. SFR Investments Pool 1, LLC, Case No. 2:14-cv-0280-RFB-GWF, at 19-22 (D.Nev. July 28, 2016) (Order granting summary judgment in favor of SFR and adopting the reasoning in Freedom Mortg.). Also, the goals of HUD are **furthered** by Nevada’s HOA lien laws because the laws encourage lenders to pay the liens so that the homeowners can avoid foreclosure, thereby meeting the federal policy of keeping homeowners in their homes. Id. (emphasis added). Therefore, NRS 116, does not conflict with HUD Policies.

**G. Bourne Valley’s State Action Analysis Misapplied Supreme Court Precedent and is Not Binding on This Court.<sup>4</sup>**

Bourne Valley’s state action analysis misapplied Supreme Court precedent, contravened the Legislative Acts Doctrine, and relied on a factual impossibility. In order for due process to apply there must be state action. The majority conceded this point, acknowledging that state

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<sup>4</sup> On August 12, 2016, a divided Ninth Circuit panel issued its decision in Bourne Valley Court Trust v. Wells Fargo Bank, 2016 WL 4254983 (9th Cir. Aug. 12, 2016). In this decision, the Ninth Circuit held that Nevada Revised Statutes Chapter 116’s Association nonjudicial foreclosure scheme, as it existed before amendment in 2015 “facially violated mortgage lenders’ constitutional due process rights.” Id. at \*5. The Bourne Valley majority opinion does not address that the Supreme Court of Nevada construed NRS 116 to require notice to the mortgage lenders. See SFR Investments Pool 1, LLC v. U.S. Bank, NA., 334 P.3d 408, 417-18 (Nev. 2014) (en banc). Even the dissenting justices in SFR agreed this was the proper interpretation of Nevada’s statutory scheme. See Id. at 422. Further, the Supreme Court of Nevada has already concluded that NRS 116 does not offend due process. Id. at 418. The mandate for this decision has yet to issue. On August 26, 2016, Appellee filed a Petition for rehearing/en banc consideration in Bourne Valley. On September 7, 2016, the Ninth Circuit entered an order requiring that the appellee, Bank file a response to the petition for rehearing *en banc*.

1 action “requires *both*”: (i) an alleged constitutional deprivation “caused by the exercise of some  
2 right or privilege created by the State” *and* (ii) “the party charged with the deprivation must be a  
3 person who may fairly be said to be a state actor.” Bourne Valley, 2016 WL 4254983, at \*5  
4 (internal citation omitted). When the Supreme Court articulated these elements, it emphasized  
5 that they “are not the same.” Lugar v. Edmondson Oil Co., Inc., 457 U.S. 922, 937 (1982).  
6 Indeed, the Court placed special emphasis on the second element, the state actor requirement; it  
7 was imperative that the party who caused the deprivation “must be a person who may fairly be  
8 said to be a state actor.” Id. The Bourne Valley Court did not establish the second element.  
9 Bourne Valley, 2016 WL 4254983, at \*5.

10 Bourne Valley’s determination that “the enactment of the Statute unconstitutionally  
11 degraded the bank’s interest in the Property” contravened the Legislative Acts Doctrine. Bourne  
12 Valley, 2016 WL 4254983, at \*5. Under that doctrine, “when the action is purely legislative, the  
13 statute satisfies due process if the enacting body provides public notice and open hearings.”  
14 Gallo v. U.S. Dist. Ct. for the Dist. of Ariz., 349 F.3d 1169, 1181 (9th Cir. 2003). If a law’s  
15 enactment causes a deprivation of property, then due process ““is satisfied when the legislative  
16 body performs its responsibilities in the normal manner prescribed by law.”” Halverson v. Skagit  
17 Cnty., 42 F.3d 1257, 1262 (9th Cir. 1994) (internal citation omitted. Here, when the legislature  
18 enacted 116.3116 it provided public notice and hearings; it performed its responsibilities ““in the  
19 normal manner prescribed by law.”” Id. Consequently, 116.3116 satisfies due process. Bi-  
20 Metallic Inv. Co. v. State Bd. of Equalization, 239 U.S. 441, 445 (1915).

21 **H. The Bank as a Lienholder, is not Entitled to Equitable Relief.**

22 What the Bank seeks is equitable relief by having the foreclosure sale or subsequent sale  
23 invalidated, or allowing its deed of trust to encumber the Property.<sup>5</sup> However, under Nevada  
24 law, “courts lack authority to grant equitable relief when an adequate remedy at law exists.” Las  
25 Vegas Valley Water Dist. V. Curtis Park Manor Water Users Ass’n, 646 P.2d 549, 551 (Nev.  
26 1982). While the Nevada Supreme Court recently found that while the deed recitals contained

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28 <sup>5</sup> To the extent the Bank suggests, even by inference, that taking title subject to the first deed of trust is an  
option, the statute does not provide such an option.

1 in NRS 116.31166 are conclusive as to those matters asserted, a court may still set aside a  
2 defective foreclosure sale on equitable grounds. Shadow Wood, 366 P.3d at 1110. But Shadow  
3 Wood is distinguishable from this case in one key aspect: the bank in Shadow Wood was the  
4 homeowner of the Property which the Association foreclosed. Id. at 1107-1109. In other words,  
5 it was the homeowner who challenged the validity of the sale, not a lienholder. A homeowner,  
6 unlike a lienholder, has a whole bundle of rights that accompany property ownership and,  
7 therefore, its property is unique and a homeowner can be entitled to equity. Unlike a  
8 homeowner, the Bank simply had a collateral interest in the Property which gave it the right to  
9 foreclose and sell the Property. Because the Bank has an adequate remedy at law, equitable  
10 relief is not available to it. And if the Bank could prove any such irregularity, its remedy would  
11 be from those who injured it, not from SFR, who merely purchased the Property after being the  
12 highest bidder at a public auction. Unless the Bank can demonstrate actual fraud, unfairness, or  
13 oppression **by SFR** at the publically advertised and held auction, which it cannot because it is an  
14 impossibility, SFR should not be subject to any acts that would set aside its unencumbered deed.  
15 Furthermore, the Bank's remedy, if one is even triggered, is at law in the form of money  
16 damages from the persons who harmed it, such as the foreclosing association or trustee.  
17 Munger v. Moore, 89 Cal.Rptr. 323 (Ct. App. 1970).

18 **I. The Association Foreclosure Deed is Presumed Valid, and SFR Can Rely on the**  
19 **Recitals Contained Therein as Conclusive Proof of the Association's Compliance.**

20 Foreclosure sales and the resulting deeds are presumed valid. NRS 47.250(16)-(18); see  
21 also Breliant v. Preferred Equities Corp., 918 P.2d 314, 319 (Nev. 1996). "A presumption not  
22 only fixes the burden of going forward with evidence, but it also shifts the burden of proof."  
23 Yeager v. Harrah's Club, Inc., 897 P.2d 1093, 1095 (Nev. 1995) (citing Vancheri v. GNLV  
24 Corp., 777 P.2d 366, 368 (Nev. 1989).) "These presumptions impose on the party against whom  
25 it is directed the burden of proving that the nonexistence of the presumed fact is more probable  
26 than its existence." Id. (citing NRS 47.180.).

27 Put simply, the Bank bears the burden to have pled and proven a claim for fraud with  
28 particularity, or alleged and provided admissible evidence of some fraud, unfairness or

1 oppression that is not overshadowed by its own bad acts. Shadow Wood Homeowners  
2 Association, Inc. v. New York Community Bancorp, Inc., 366 P.3d 1105, 1112-1114 (Nev.  
3 2016); see also Bourne Valley Court Trust v. Wells Fargo Bank, N.A., 80 F.Supp.3d 1131, 1135  
4 (D.Nev. 2015). However, as fully elaborated in SFR's Motion and Opposition, the Bank would  
5 have to prove that the recitals were incorrect to even advance its arguments further, and it cannot  
6 since **it received actual notice** of the Association's foreclosure. Further, the Bank failed to  
7 produce any admissible evidence whatsoever to prove fraud, oppression or unfairness in the sale  
8 process that would allow the sale to be set aside. None of the arguments presented by the Bank  
9 validate a claim for oppression or unfairness.

10 Regardless of the above, while the presumption of a regular and proper sale is rebuttable,  
11 the presumption is **conclusive as to a bona fide purchaser**. See Moeller v. Lien, 30 Cal.Rptr.2d  
12 777, 783 (Ct. App. 1994) (emphasis added); see also, 4 Miller & Starr, Cal. Real Estate (3d ed.  
13 2000) Deeds of Trust and Mortgages § 10:211, pp. 647-652; 2 Bernhardt, Cal. Mortgage and  
14 Deed of Trust Practice (Cont.Ed.Bar 2d ed. 1990) § 7:59, pp. 476-477). This conclusive  
15 presumption is key because it "precludes an attack by the trustor on the trustee's sale to a bona  
16 fide purchaser even where the trustee wrongfully rejected a proper tender of reinstatement by  
17 the trustor[.]" and even where "the sale price was only 25 percent of the value of the property  
18 ..." Moeller, 30 Cal.Rptr.2d at 783. In addition, while here SFR is a bona fide purchaser for  
19 value,<sup>6</sup> under Nevada law, it need not be a BFP to rely on the recitals as conclusive proof. See  
20 Pro-Max Corp. v. Feenstra, 16 P.3d 1074, 1077-78 (2001), opinion reinstated on reh'g (Jan. 31,  
21 2001)(holding that no limitation of bona fide purchaser can be read into a statute providing a  
22 conclusive presumption).

23 **J. The Sale was Commercially Reasonable.**

24 Even if this Court believes that NRS 116 requires sales to be commercially reasonable,  
25 the Bank has not proven that the sale in this case was commercially unreasonable. Under  
26 Nevada law, in order to prove a sale was not commercially reasonable, a party must show (1)  
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28 <sup>6</sup> See SFR's MSJ, 17:23-20:21.

1 low price, and (2) fraud, unfairness or oppression that accounts for and brought about the low  
2 price. Shadow Wood, 366 P.3d at 1110 (2016) (citing Long v. Towne, 98 Nev. 11, 13, 639 P.2d  
3 528, 530 (1982)); see also Golden, 79 Nev. at 504, 514 (adopting the California rule that “  
4 inadequacy of price, **however gross**, is not in itself a sufficient ground for setting aside a  
5 trustee’s sale legally made; there must be in addition proof of some element of fraud, unfairness  
6 or oppression as accounts for **and brings about the inadequacy of price**” (internal citations  
7 omitted) (emphasis added).

8 As to the first element, the Bank has failed to show that the price paid by SFR was  
9 “low.” While the Bank attempts to argue that a fair market value should be applied to the sale,  
10 which is improper. Even if this Court were to consider this fair market value approach, and use  
11 this as a comparison to conclude that the price paid by SFR was low, the Bank still has failed to  
12 show that any fraud, unfairness or oppression brought about or accounted for the low price. Put  
13 simply, commercial reasonableness deals with looking at whether there was **conduct in the sale**  
14 **process that led to the low price**, not simply comparing price to value. See Iama Corp. v.  
15 Wham, 99 Nev. 730, 735-738, 669 P.2d 1076, 1079 (1983) (must look to the sale process, i.e.,  
16 “whether proper notice was given, whether the bidding was competitive, and whether the sale  
17 was conducted pursuant to . . . normal procedures”) (emphasis added).

18 Here, the Association complied with the notice requirements of NRS 116; the Bank  
19 actually received notice of the sale several times; the sale was publicly noticed, the sale was held  
20 in a public place; multiple bidders attended the sale; and, neither the homeowner nor the Bank  
21 paid an amount to cure the lien before the sale. In short, the Bank has proven absolutely no fraud,  
22 oppression or unfairness which accounted for and brought about the price paid by SFR.

23 In sum, because (1) there is no requirement that NRS 116 sales be commercially  
24 reasonable, (2) the price paid by SFR was not “low,” and (3) the Bank failed to demonstrate any  
25 fraud, oppression or unfairness which brought about and accounted for the price paid by SFR,  
26 the Bank’s commercial unreasonableness argument fails.<sup>7</sup>

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28 <sup>7</sup> The Bank argues that SFR should not be granted summary judgment because the Association  
did not have a super-priority lien under NRS 116.3116. These incorrect assertions are made by



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**1. The Price of the Foreclosure Sale was Not Low.**

Any evaluation that does not consider the entirety of a property's circumstances, including the fact that it was sold at an association non-judicial foreclosure sale, cannot shed light on the proper disposition value of a property. This argument was fully presented in SFR's motion for summary judgment at pages 14:14-16:17 and will not be repeated here.

**2. Inadequacy of Price, However Gross, is Not in Itself a Sufficient Ground for Setting Aside a Sale.**

No matter how many times the Bank says differently, the Nevada Supreme Court **did not** adopt the Restatement (Third) of Property: Mortgages § 8.3, cmt. b (the "Restatement") to allow a court to unwind a sale due to low price as a matter of law. Rather, as the Nevada Supreme Court affirmed that an allegation of inadequate sales price alone, no matter how low, is insufficient to set aside a foreclosure sale; "there must also be a showing of fraud, unfairness, or oppression" that caused the price. Shadow Wood, 366 P.3d at 1110 (citing Long v. Towne, 639 P.2d 528, 530 (Nev. 1982) and Golden v. Tomiyasu, 79 Nev. 503, 514, 387 P.2d 989, 995 (Nev. 1963) (adopting the California rule that "inadequacy of price, **however gross**, is not in itself a sufficient ground for setting aside a trustee's sale legally made; there must be in addition proof of some element of fraud, unfairness or oppression as accounts for and **brings about the inadequacy of price**" (internal citations omitted) (emphasis added); see also Shadow Wood, 366 P.3d at 1111 (citing Golden (same))). In adopting the California Rule the Golden court went on to say that even when the inadequacy was so great as to "shock the conscience" the California rule as stated above would still apply. See Golden 79 Nev. at 514-15, 386 P.2d at 955. ("In approving the rule thus

(continued)

way of a "mortgage protection clause" included in the CC&Rs. Because this has never been claimed or asserted as an affirmative defense, this argument is waived and should be disregarded. However, should the Court entertain this argument by the bank, the bank is incorrect. As evidenced throughout this litigation, the Association had a valid super-priority lien. Here, the loan and deed of trust were not made until 2008. Bank's Mot., Ex. A. The CC&Rs were recorded in 2004. SFR Mot. Ex. 1-A. As the Nevada Supreme Court noted, the Bank was on notice that the Association could have a lien that would arise and be prior to its first deed of trust, and the mortgage savings clause would not apply. SFR Investments Pool I, LLC v. U.S. Bank, N.A., 130 Nev. \_\_\_, \_\_\_, 334 P.3d 408, 418-419 (2014). The Bank's failure to properly construe the law does not excuse its failure to mitigate its damages and protect its interest.

1 stated, we necessarily reject the dictum in Dazet v. Landry, ... , implying that the rule requiring  
2 more than mere inadequacy of price will not be applied if ‘the inadequacy be so great as to shock  
3 the conscience.’”)

4 The language “however gross” should be a clue to the Bank that no inadequacy of price  
5 by itself will allow the Court to set aside the sale. Thus, when the Bank argues that “gross  
6 inadequacy “of price *is* enough, it calls into question the Bank’s legal analysis. Frankly, the Bank  
7 never directly addresses the California rule adopted in Golden as reaffirmed by Shadow Wood;  
8 instead the Bank dances around the topic by citing the Model UCIOA, the Restatement and  
9 foreign cases regarding gross inadequacy and “shocks the conscience” that have clearly not  
10 adopted the California rules as shown above.

11 But even an analysis of the Restatement shows that the Restatement never contemplates  
12 the facts and conditions surrounding association foreclosure sales in Nevada at the time of this  
13 sale. SFR was constantly forced to litigate to defend against lenders like the Bank attempting to  
14 foreclose on their extinguished deeds of trust following association foreclosure sales. See Bourne  
15 Valley, 80 F.Supp.3d at 1136. This was not the typical mortgage foreclosure sale where everyone  
16 accepts that when the lienholder with priority forecloses, all junior liens against the property are  
17 extinguished and attach to the proceeds. Here, every sale was under attack by lenders refusing to  
18 accept that “prior” meant “prior;” and every sale remains under attack to this day. The Bank  
19 cannot create and perpetuate the situation that bidders—despite having correctly interpreted the  
20 statutes—have to consider the high risk and cost of litigation into their bidding, thereby keeping  
21 prices lower than at NRS 107 sales, and then complain that the prices are too low. They cannot  
22 use their legal position and litigation as both a sword and a shield; the Bank can point to nothing  
23 in the Restatement or in Shadow Wood that would contemplate allowing such an outcome. The  
24 Bank’s Restatement argument fails.

25 However, if any doubt remained as to if the Nevada Supreme Court adopted the  
26 California Rule or some other set of rules or the Model UCIOA, a panel of the Nevada Supreme  
27 Court, in an unpublished order, reaffirmed Shadow Wood’s reaffirmance “that a low sales price  
28 is not a basis for voiding a foreclosure sale absent ‘fraud, unfairness, oppression . . .’” Centeno v.

1 J.P. Morgan Chase Bank, N.A., Nevada Supreme Court Case No. 67365 (Mar. 18, 2016)  
2 (unpublished Order Vacating and Remanding (preliminary injunction wrongly denied based on  
3 low price alone)).<sup>8</sup> Bottom-line, the Nevada Supreme Court's dicta in citing the Restatement did  
4 not introduce a new rule of law abrogating Nevada's long-standing law set forth in Long and  
5 Golden.<sup>9</sup>

6 **K. SFR is a Bona Fide Purchaser for Value; Equity Lies in SFR's Favor.**

7 A BFP is one who "takes the property 'for a valuable consideration and without notice of  
8 the prior equity. . . .'" Shadow Wood, 366 P.3d at 1115 (internal citations omitted). The fact that  
9 SFR "paid 'valuable consideration' cannot be contested." Id. (citing Fair v. Howard, 6 Nev. 304,  
10 308 (1871)). Further, notice by a potential purchaser that an association is conducting a sale  
11 pursuant to NRS 116, and that the potential exists for challenges to the sale "post hoc[.]" do not  
12 preclude that purchaser from BFP status. Shadow Wood, 366 P.3d at 1115-1116.

13 ***1. SFR's Experience as a Purchaser Does Not Defeat SFR's BFP Status.***

14 The experience of the purchaser does not automatically defeat bona fide purchaser status.  
15 Melendrez v. D & I Inv., Inc., 26 Cal.Rptr.3d 413, 425 (Ct. App. 2005). In Melendrez, the  
16 California Court of Appeals concluding, "[W]e see no reasoned basis for a blanket rule that  
17 would preclude a buyer from being a BFP simply because he or she has experience in foreclosure  
18 sales and purchases property at less than fair market value." Id. at 426. The Melendrez court  
19 concluded,

20 [a] holding that an experienced foreclosure buyer perforce cannot receive the  
21 benefits of the law as a BFP if he or she buys property for substantially less than  
22 its value would chill participation at trustees' sales by this entire class of buyers,  
and, ultimately, could have the undesired effect of reducing sales prices at

23 <sup>8</sup> Available at <http://caseinfo.nvsupremecourt.us/public/caseView.do?csIID=35567>, as Doc. 16-08672  
24 There, the price paid at the homeowners association's auction was \$5,950.00. While the value of the  
25 property was not established, on appeal the bank argued that that the deed of trust secured a loan for  
26 \$160,001.00 and the property later reverted to the bank at its own auction for \$145,550.00, approximately  
4% of the bank's credit bid. (See Case No. 67365, Response to Appellant's Pro se Appeal Statement, filed  
Feb. 17, 2016 (Doc. No. 16-04982), available at  
<http://caseinfo.nvsupremecourt.us/public/caseView.do?csIID=35567>). The panel included J. Pickering,  
the author of Shadow Wood.

27 <sup>9</sup> Unlike SFR, which dealt with statutory interpretation of an existing law, adopting the Restatement Third  
28 would be creating a new rule of law to which Chevron Oil analysis would apply and potentially prevent  
application this new rule of law retroactively. Chevron Oil Co. v. Huson, 404 U.S. 97, 106-107 (1971).

1 foreclosure. We conclude therefore that the proper standard to determine whether  
2 a buyer at a foreclosure sale is a BFP is whether the buyer (1) purchased the  
property for value, and (2) had ***no knowledge or notice of the asserted rights of  
another.***

3 Melendrez, 26 Cal.Rptr.3d at 427 (emphasis added). General knowledge by a purchaser is not  
4 enough to defeat BFP.

5 A duty of inquiry arises “when the circumstances are such that a purchaser is in  
6 possession of facts which would lead a reasonable man in his position to make an investigation  
7 that would advise him of the existence of prior unrecorded rights .” Huntington v. Mila, Inc.,  
8 119 Nev. 355, 357, 75 P.3d 354, 356 (2003). While the Bank correctly identifies that SFR has  
9 experience in purchasing at association foreclosure sales, it fails to identify how this experience  
10 would have put them on a duty of inquiry in this case. Here SFR did not have a duty to inquire  
11 past the publically recorded documents. The public records only showed (1) that a deed of trust  
12 was recorded **after** the Association perfected its lien by recording its declaration of CC&Rs; (2)  
13 that there was a delinquency by the homeowner, which resulted in the Association instituting  
14 foreclosure proceedings, and after complying with NRS Chapter 116, it sold the Property at a  
15 public auction. Additionally, the Bank did not file an action challenging the superpriority  
16 amount or the sale, and it did not record a release of superpriority lien or a lis pendens. Nothing  
17 was recorded to lead SFR to believe the Bank’s priority had changed in relation to the  
18 Association’s.

19 In regards to this property and SFR, there are simply no specific facts here that would  
20 alert a buyer, of any sophistication, or create a heightened duty of inquiry beyond the recorded  
21 documents on the Property. In fact, even today, the Bank has failed to present any facts that  
22 would challenge the validity of the foreclosure sale. Frankly, with all the Bank’s rhetoric on  
23 inquiry notice, the Bank fails to identify what information SFR would have learned, and how  
24 SFR would have found it and what specific information would have triggered a duty on SFR to  
25 look for this information outside the recorded documents. Contrary to the Bank’s assertions,  
26 simply buying multiple homes at association foreclosure sales does not prevent SFR from being  
27 BFP. The Bank has not been able to advance a single position other than the defunct argument  
28 that the CC&Rs, FDOT or risk of litigation defeats SFR’s BFP status.

1           **2. *The Equities Weigh in favor of SFR.***

2           Unless the Bank can demonstrate actual fraud, unfairness, or oppression **by the**  
3 **purchaser** at the publically advertised and held auction, the purchaser should not be subject to  
4 any acts that would set aside its unencumbered deed. Even if the Bank could be entitled to  
5 equity, which it is not, while a court may consider equities following a foreclosure sale, courts in  
6 equity “must consider the entirety of the circumstances that bear upon the equities[,]” including  
7 the actions and inactions of the parties and “whether an innocent party [a BFP] may be harmed  
8 by granting the desired relief.” *Id.* at 1114 (citing *In re Petition of Nelson*, 495 N.W.2d 200, 203  
9 (Minn. 1993) and *Smith v. United States*, 373 F.2d 419, 424 (4th Circ. 1966)). This is true *even*  
10 *when there are potential irregularities in the foreclosure process*, such as pre-sale disputes  
11 between the association and the lender, *where the buyer has no knowledge or participation in*  
12 *the irregularities*. *Shadow Wood*, 336 P.3d at 1115-1116 (emphasis added). Such consideration  
13 of harm is particularly important where the lender has failed to avail itself of the legal remedies  
14 available to it to prevent the foreclosure sale. *Id.* at 1114, n.7. In *Shadow Wood*, even when the  
15 bank made an attempt to pay, the Court noted it still had remedies it did not take. *Id.* Here, **the**  
16 **Bank**— with notice—**did nothing**. It did not attend the sale and announce a dispute and it did  
17 not file an action to enjoin the Association foreclosure sale nor did it file a lis pendens or  
18 otherwise put the world on notice that it disputed the superpriority amount of the lien or the  
19 Association foreclosure sale. As a result, title properly vested in SFR at the Association  
20 foreclosure sale. SFR would be harmed by a claim now, years after the sale, to set aside the sale  
21 or to encumber SFR’s title. Therefore, summary judgment should be granted in favor of SFR.

22           **L. The Bank Cannot Prevail on its Unjust Enrichment Claim.**

23           The Bank is barred by the voluntary payment doctrine from the making an unjust  
24 enrichment claim. The voluntary payment doctrine law “clearly provides that one who makes a  
25 payment voluntarily, cannot recover it on the ground that he was under no legal obligation to  
26 make the payment.” *Best Buy Stores v. Benderson-Wainberg Assocs.*, 668 F.3d 1019, 1030 (8th  
27 Cir. 2012). Recently, the Nevada Supreme Court weighed in on this issue on whether the  
28 voluntary payment doctrine applies in Nevada to bar a property owner from recovering fees that

1 it paid to a community association and, if so, whether the property owners demonstrated an  
2 exception to this doctrine by showing that the payments were made under business compulsion  
3 or in defense of property. Nevada Association Services, Inc. v. The Eighth Judicial District, 130  
4 Nev. \_\_\_, \_\_\_, 338 P.3d 1250 (2014). In NAS the Nevada Supreme Court ruled that the  
5 voluntary payment doctrine is a valid affirmative defense in Nevada. Id. at 1254. Because the  
6 voluntary payment doctrine is an affirmative defense, the defendant bears the burden of proving  
7 its applicability. Schwartz v. Schwartz, 95 Nev. 202, 206, 591 P.2d 1137, 1140 n. 2 (1979).  
8 Once a defendant shows that a voluntary payment was made, the burden shifts to the plaintiff to  
9 demonstrate that an exception to the voluntary payment doctrine applies. Randazo v. Harris  
10 Palatine, N.A., 262 F.3d 663, 666 (7th Cir. 2001). There are two exceptions to the voluntary  
11 payment doctrine. These exceptions are (1) coercion or duress caused by a business necessity  
12 and (2) payment in the defense of property.

13 Despite the Bank's assertions otherwise, SFR can meet its initial burden of proving that  
14 the applicability of the doctrine and the Bank cannot show that it meets one of the exceptions to  
15 the doctrine. The bank disingenuously argues that it did not have "full knowledge" that its Deed  
16 of Trust had been extinguished and therefore reasonably continued to make payments toward  
17 taxes and insurance after the Association foreclosure sale. The fact is, NRS 116.3116 plainly  
18 establishes (and did so at the time of the relevant sale) that a portion of the association's lien is  
19 senior to the first deed of trust, that an association can non-judicially foreclose on its lien, and  
20 that said foreclosure would extinguish junior liens. The 2014 SFR decision simply confirmed  
21 the plain language of the statute. While there may not have been uniformity in the position that  
22 an association foreclosure would extinguish a first deed of trust, the notion that the Bank could  
23 not foresee that the first deed of trust would be extinguished under NRS 116.3116 is ludicrous  
24 and disingenuous; 116.3116 "clearly foreshadowed" this result. Accordingly, SFR can clearly  
25 show that any payment was a voluntary payment. As such, the burden shifts to the Bank to  
26 prove that one of the exceptions applies.

27 Here, the Bank was under no compulsion or obligation to pay any expenses on the  
28 Property. Just like any other homeowner, it was SFR's duty and obligation to pay obligations

1 such as the taxes, insurance and assessments, not the Bank's. Had the Bank simply paid the  
2 assessments prior to the sale, we would not be here today. Why it would pay post-sale is  
3 inexplicable.

4 Additionally, the Bank's payments were not in defense of the property. That is because  
5 the Bank cannot show that SFR failed or refused to pay any assessment, taxes or other expense  
6 of the property. Furthermore, to the extent the Bank voluntarily made payments for insurance,  
7 SFR has not benefitted from this unless the Bank made SFR an additional insured. Additionally,  
8 it is presumed that the Bank voluntarily paid the property taxes, which was unnecessary.  
9 Furthermore, the Bank has provided no evidence that SFR would not have paid the tax bill if given  
10 the opportunity.

11 Lastly, under Nevada law, in order to prevail on an unjust enrichment claim, the Bank  
12 must show that SFR retained the money or property of the Bank against fundamental principles  
13 of justice or equity and good conscience. Asphalt Products v. All Star Ready Mix, 111 Nev. 799,  
14 802, 898 P.2d 699, 701 (1995). Here, the subject Property was never property belonging to the  
15 Bank. Instead, the Property merely represented collateral that secured the first deed of trust until  
16 that security interest was extinguished by the Association foreclosure sale. As such, SFR has not  
17 retained property belonging to the Bank. Even if this Court were to consider a collateral interest  
18 as ownership interest in the Property, for all the reasons stated above, the Association foreclosure  
19 sale extinguished the deed of trust, and therefore there is no inequity or injustice as SFR has  
20 maintained possession of property it rightfully purchased at the Association sale. Therefore, SFR  
21 is entitled to summary judgment on the Bank's claim for unjust enrichment.

22 **CONCLUSION**

23 Based on the above, the Court should enter summary judgment in favor of SFR.

24 DATED this 7th day of September, 2016.

25 **KIM GILBERT EBRON**

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 8<sup>th</sup> day of September, 2016, pursuant to NRCP 5(b), I served via the Eighth Judicial District Court electronic filing system, the **SFR INVESTMENTS POOL 1, LLC'S REPLY IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT**, to the following parties:

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