

IN THE SUPREME COURT OF THE STATE OF NEVADA

NATIONSTAR MORTGAGE LLC,

Appellant,

vs.

WEST SUNSET 2050 TRUST,

Respondent.

Case No. 79271

Related Case No. 70754

Electronically Filed
Feb 28 2020 06:56 p.m.
Elizabeth A. Brown
Clerk of Supreme Court

APPEAL

From the Eighth Judicial District Court, Department XIII
The Honorable Elizabeth Gonzalez, District Judge
District Court Case No. A-13-691323-C

**APPENDIX TO OPENING BRIEF¹,
VOLUME III**

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¹ Documents from Volumes 1-5 are identical to the Joint Appendix Volumes 1-5 of Related Case No. 70754.

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DATED February 28, 2020.

AKERMAN LLP

/s/ Scott R. Lachman

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CERTIFICATE OF SERVICE

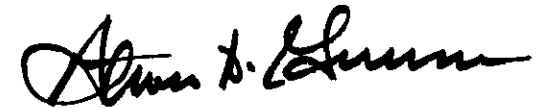
I certify that I electronically filed on February 28, 2020, the foregoing **APPENDIX TO OPENING BRIEF, VOLUME III** with the Clerk of the Court for the Nevada Supreme Court by using the CM/ECF system. I further certify that all parties of record to this appeal either are registered with the CM/ECF or have consented to electronic service.

[] By placing a true copy enclosed in sealed envelope(s) addressed as follows: Not applicable

[X] (By Electronic Service) Pursuant to CM/ECF System, registration as a CM/ECF user constitutes consent to electronic service through the Court's transmission facilities. The Court's CM/ECF systems sends an e-mail notification of the filing to the parties and counsel of record listed above who are registered with the Court's CM/ECF system.

[X] (Nevada) I declare that I am employed in the office of a member of the bar of this Court at whose discretion the service was made.

/s/ Carla Llarena
An employee of Akerman LLP



CLERK OF THE COURT

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DISTRICT COURT

CLARK COUNTY, NEVADA

WEST SUNSET 2050 TRUST, a Nevada Trust

Plaintiff,

vs.

NEW FREEDOM MORTGAGE
CORPORATION, a Foreign Corporation;
BANK OF AMERICA, N.A., a National
Association; NATIONSTAR MORTGAGE
LLC, a Foreign Limited Liability Company,
COOPER CASTLE LAW FIRM, LLP, a
Nevada Limited Liability Partnership
STEPHANIE TABLANTE, an individual,
DOES I through X; and ROE
CORPORATIONS I through X, inclusive,

Defendants.

Case No.: A-13-691323-C

Dept. No.: XXI

**WEST SUNSET 2050 TRUST'S REQUEST
FOR JUDICIAL NOTICE IN SUPPORT OF
MOTION FOR SUMMARY JUDGMENT**

Hearing Date:

Hearing Time:

AND ALL RELATED CLAIMS.

PLEASE TAKE NOTICE that, in connection with plaintiff/counterdefendant West Sunset 2050 Trust's motion for summary judgment, by and through its attorneys of record, the law firm MAIER GUTIERREZ AYON, respectfully requests that, pursuant to NRS 47.130, the Court should take judicial notice of the following documents:

1. Declaration of Covenants, Conditions and Restrictions for Tuscano Condominiums

1 attached as Exhibit 1.

2 2. Grant, Bargain and Sale Deed (NSM00001-NSM00004) attached as Exhibit 2.

3 3. Deed of Trust (NSM00005-23) attached as Exhibit 3.

4 4. Deed in Lieu of Foreclosure (NSM00025-29) attached as Exhibit 4.

5 5. Corrected Deed in Lieu of Foreclosure (NSM00030-35) attached as Exhibit 5.

6 6. Lien for Delinquent Assessments (NSM00039) attached as Exhibit 6.

7 7. Notice of Default and Election to Sell Pursuant to the Lien for Delinquent
8 Assessments (NSM00040) attached as Exhibit 7.

9 8. Notice of Foreclosure Sale under the Lien for Delinquent Assessments (NSM00043)
10 attached as Exhibit 8.

11 9. Foreclosure Deed upon Sale (NSM00044-NSM00046) attached as Exhibit 9.

12 10. Assignment of Deed of Trust (NSM00036-NSM00037) attached as Exhibit 11.

13 11. Substitution of Trustee (NSM00038) attached as Exhibit 12.

14 12. Assignment of Deed of Trust (NSM00041-42) attached as Exhibit 13.

15 13. Notice of Breach and Default and of Election to Cause Sale of Real Property under
16 Deed of Trust (NSM00047-51) attached as Exhibit 14.

17 The Court may take judicial notice of matters of public record. *See, e.g., Breliant v.*
18 *Preferred Equities Corp.*, 109 Nev. 842, 847, 858 P.2d 1258, 1261 (1993) (explaining that a court
19 “may take into account matters of public record, orders, items present in the record of the case, and
20 any exhibits attached to the complaint when ruling on a motion to dismiss for failure to state a claim
21 upon which relief can be granted.”); *United States v. 14.02 Acres of Land*, 547 F.3d 943, 955 (9th
22 Cir. 2008) (the court “may take judicial notice of matters of public record”) (citations and internal
23 quotation marks omitted); *Wensley v. First Nat. Bank of Nevada*, 874 F. Supp. 2d 957, 961 n.1 (D.
24 Nev. 2010) (taking judicial notice of deed of trust, substitution of trustee, election to sell and other
25 recorded documents because “a court may judicially notice matters of public record.”); *Harlow v.*
26 *MTC Financial Inc.*, 865 F. Supp.2d 1095, 1099 (D. Nev. 2012) (explaining that “various title
27 documents recorded in the Clark County Recorder’s Office” are “public records appropriate for
28 judicial notice”); *Valasquez v. Mortgage Elec. Registration Sys., Inc.*, No. C 08-3818 PJH, 2008

1 WL 4938162, at *2-*3 (N.D. Cal. Nov. 17, 2008) (taking judicial notice of: (1) Deed of Trust, (2)
2 Assignment of Deed of Trust, (3) Notice of Default and Election to Sell Under Deed of Trust; (4)
3 Substitution of Trustee, and (5) Rescission of Notice of Default because they were publicly
4 recorded).

5 Here, the documents were recorded with the Clark County Recorder's office and,
6 accordingly, are matters of public record the authenticity of which may be readily and accurately
7 determined, and therefore appropriate for judicial notice.

8 As such, and for all the foregoing reasons, the Court may take judicial notice of each of the
9 documents attached hereto.

10 DATED this 22nd day of May, 2015.

11 Respectfully submitted,

12 **MAIER GUTIERREZ AYON**

13 /s/ Luis A. Ayon

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15 Nevada Bar No. 9752
16 MARGARET E. SCHMIDT, ESQ.
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19 Las Vegas, Nevada 89101
20 *Attorneys for Plaintiff/Counterdefendant West*
21 *Sunset 2050 Trust*
22
23
24
25
26
27
28

1 **CERTIFICATE OF SERVICE**

2 Pursuant to Administrative Order 14-2, a copy of the **WEST SUNSET 2050 TRUST'S**
3 **REQUEST FOR JUDICIAL NOTICE IN SUPPORT OF MOTION FOR SUMMARY**
4 **JUDGMENT** was electronically filed on the 22nd day of May, 2015 and served through the Notice
5 of Electronic Filing automatically generated by the Court's facilities to those parties listed on the
6 Court's Master Service List and by depositing a true and correct copy of the same, enclosed in a
7 sealed envelope upon which first class postage was fully prepaid, in the U.S. Mail at Las Vegas,
8 Nevada, addressed as follows (*Note: All Parties Not Registered Pursuant to Administrative*
9 *Order 14-2 Have Been Served By Mail.*):

10 Ariel E. Stern, Esq.
11 Allison R. Schmidt, Esq.
12 AKERMAN LLP
13 1160 Town Center Drive, Suite 330
14 Las Vegas, Nevada 89144
15 *Attorneys for Defendant Bank of America, N.A., and Nationstar Mortgage LLC*

16 /s/ Charity Barber
17 An Employee of MAIER GUTIERREZ AYON

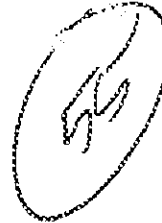
EXHIBIT 1

EXHIBIT 1

APN: 176-03-510-001
through 176-03-510-352

When Recorded Mail To:

SANTORO, DRIGGS, WALCH,
KEARNEY, JOHNSON & THOMPSON
400 SOUTH 4TH STREET, THIRD FLOOR
LAS VEGAS, NEVADA 89101
ATTN: MICHELLE D. BRIGGS, ESQ.



20050405-0002422

Fee: \$68.00
N/C Fee: \$0.00

04/05/2005 13:11:51
T20050060642

Requestor:
SANTORO DRIGGS WALCH KEARNEY JOHNSON &

Frances Deane GWC
Clark County Recorder Pgs: 55

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
AND GRANT AND RESERVATION OF EASEMENTS FOR
TUSCANO TOWNHOMES**

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**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS AND
GRANT AND RESERVATION OF EASEMENTS FOR
TUSCANO TOWNHOMES**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND GRANT AND RESERVATION OF EASEMENTS FOR TUSCANO TOWNHOMES (the "Declaration") is made as of this 4th day of April, 2005, by Tuscano Associates, LLC, a Nevada limited liability company, with an office at 630 Trade Center Drive, Las Vegas, Nevada 89119 ("Declarant") for the purpose of submitting that certain real property located in the County of Clark, State of Nevada described below to the provisions of the Uniform Common Interest Ownership Act, Chapter 116 of the Nevada Revised Statutes, for the purpose of creating a condominium common interest community. Unless otherwise defined, all Capitalized terms used herein shall have the meanings set forth in Article I.

R E C I T A L S:

A. Declarant intends to own the Property which currently contains a total of 352 residential dwelling units by a developer other than Declarant. The Property was constructed as an apartment complex.

B. Declarant desires to convert the units located on the Property from rental units into for sale condominium units and desires to establish the Property together with all improvements, as a condominium common interest community to be known as Tuscano Townhomes. Declarant intends that the Project be a condominium common interest community under the provisions of the Act providing for separate title to living units appurtenant to which will be an undivided fractional interest in the Project other than living units and pursuant to a general plan for the maintenance, care, use and management of the Project. Therefore, Declarant intends to convey the real property within the Project subject to certain protective covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and charges, all running with the real property as hereinafter set forth.

C. There have been no structural changes or alterations made to the Property in connection with the conversion of the Property from rental units into for sale condominium units.

D. The Project contains a total of 352 Units, together with Common Elements and Limited Common Elements. The Project will be consistent with any overall development plan of the Project submitted to the U.S. Department of Veterans Affairs and Federal Housing Administration.

E. Each Unit shall have appurtenant to it a membership in 'Tuscano Townhomes Homeowners' Association, a Nevada nonprofit corporation, which will be the management body for the overall Project.

F. Before selling or conveying any interest in the Property, Declarant desires to subject the Property in accordance with a common plan to certain covenants, conditions, and restrictions for the benefit of Declarant and any and all present and future owners of the Property.

NOW THEREFORE, Declarant hereby declares that the Property shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title, or interest in the described

properties or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1.1 Act. "Act" shall mean the Uniform Common Interest Ownership Act, NRS Chapter 116, as it may be amended from time to time.

Section 1.2 Allocated Interests. "Allocated Interests" shall mean the undivided interest in the Common Elements and Limited Common Elements, the Liability for Common Expenses, and the votes in the Association which are allocated to Units in the Project. The Allocated Interests are described in Article VIII of this Declaration.

Section 1.3 Architectural Committee. "Architectural Committee" shall mean the architectural committee created pursuant to Section 12.1 hereof.

Section 1.4 Architectural Rules. "Architectural Rules" shall mean the rules adopted by the Architectural Committee pursuant to Section 12.3 hereof.

Section 1.5 Articles. "Articles" or "Articles of Incorporation" shall mean the Articles of Incorporation of the Association, as they may from time to time be amended.

Section 1.6 Assessment, Capital Improvement. "Assessment, Capital Improvement" shall mean a charge against each Owner and his Unit representing a portion of the costs to the Association for installation or construction of any Improvements on any portion of the Common Elements which the Association may from time to time authorize, pursuant to the provisions of this Declaration.

Section 1.7 Assessment, Common or Common Expense. "Assessment, Common or Common Expense" shall mean the annual charge against each Owner and his Unit representing a portion of the total, ordinary costs of maintaining, improving, repairing, replacing, managing, insuring and operating the Common Elements or other Common Expenses, which are to be paid by each Owner to the Association, as provided herein and shall also include any extraordinary expenses resulting from an Emergency Situation.

Section 1.8 Assessment, Reconstruction. "Assessment, Reconstruction" shall mean a charge against each Owner and his Unit, representing a portion of the cost to the Association for reconstruction of any portion of the Improvements on the Common Elements, pursuant to the provisions of this Declaration.

Section 1.9 Assessment, Special. "Assessment, Special" shall mean a charge against a particular Owner and his Unit, directly attributable to or reimbursable by the Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration (including, if applicable, the amount of any deductible payable in connection with an insured loss), or levied by the Board as a reasonable fine or penalty for non-compliance with the Restrictions, plus interest and other charges on such Special Assessment as provided for in this Declaration.

Section 1.10 Assessment Unit. "Assessment Unit" shall mean that portion of the total of any given assessment from which the liability to a particular Owner and Unit is determined. Each bedroom in the Project shall represent one Assessment Unit. The total number of bedrooms in the Project is 624, therefore the entire Project, as a whole, consists of 624 Assessment Units.

Section 1.11 Association. "Association" shall mean Tuscano Homeowners' Association, a nonprofit corporation organized under NRS Chapter 82 organized as the Association of Owners pursuant to the Act (NRS 116.011).

Section 1.12 Board of Directors. "Board" or "Board of Directors" shall mean the board of directors of the Association.

Section 1.13 Bylaws. "Bylaws" shall mean the Bylaws of the Association, as they may be amended from time to time.

Section 1.14 Common Elements. "Common Elements" shall mean all of the Project, except Units, and shall include the real property described in Exhibit "B" attached hereto, including without limitation, the following components:

(a) The buildings (including, but not by way of limitation, the foundation, columns, girders, beams, supports, perimeter and supporting walls, chimneys, chimney chases, roofs, stairs, patios, balconies, entrances and exits, and the mechanical installations of a building consisting of the equipment and materials making up any central services such as power, light, gas, hot and cold water, sewer, and heating and central air conditioning which exist for use by one or more of the Owners, including the pipes, vents, ducts, flues, cable conduits, wires, telephone wire, and other similar utility installations used in connection therewith), except for the Units, and

(b) The sidewalks, walkways, paths, grass, shrubbery, trees, driveways, roadways, landscaping, recreation areas, parking areas, entrance gates, crash gates, trash enclosures, fences, pool, community center, maintenance building, carports, and related facilities upon the Property; and

(c) The pumps, tanks, motors, fans, storm drainage structures, compressors, ducts, and, in general, all apparatus, installations, and equipment of the building existing for the use of one or more of the Owners; and

(d) In general, all other parts of the Project designated by Declarant as Common Elements or Limited Common Elements and existing for the use of one or more of the Owners.

The Common Elements shall be owned by the Owners of the Units, each Owner of a Unit having an undivided interest in the Common Elements as provided below.

Section 1.15 Common Expenses. "Common Expenses" shall mean the expenses or financial liabilities for the operation of the Project together with any allocations to reserves and shall include:

(a) Expenses of administration, insurance, operation, maintenance, repair or replacement of the Common Elements except to the extent such repairs and replacements are the responsibility of an Owner pursuant to the terms of this Declaration;

(b) Expenses declared to be Common Expenses under the Documents or the Act;

(c) Sums lawfully assessed against the Units by the Board of Directors;

(d) Expenses agreed upon as Common Expenses by the Members of the Association (including without limitation the painting and maintenance of the exterior or the perimeter walls);

(e) Reserves established by the Association for repair, replacement and restoration of the major components of the Common Elements; and

(f) Expenses, fees, and other charges imposed upon the Association by any governmental entity because the Project is a community interest community pursuant to the Act.

Section 1.16 Declarant. "Declarant" shall mean Tuscano Associates, LLC, a Nevada limited liability company, or its successor as defined in the Act (NRS 116.035).

Section 1.17 Declarant Control Period. "Declarant Control Period" shall mean the period to time during which the Declarant is entitled to appoint a majority of the members of the Board of Directors pursuant to Section 7.6.

Section 1.18 Declaration. "Declaration" shall mean this document, including any amendments.

Section 1.19 Director. "Director" shall mean a member of the Board of Directors.

Section 1.20 Documents. "Documents" shall mean the Declaration, the Articles, the Plat and Plans, the Bylaws and the Rules as they may be amended from time to time. Any exhibit, schedule or certification accompanying a Document shall be deemed to be a part of that Document.

Section 1.21 Eligible Insurer. "Eligible Insurer" shall mean an insurer or guarantor of a first Security Interest in a Unit. An Eligible Insurer shall notify the Association in writing of its name and address and inform the Association that it has insured or guaranteed a first Security Interest in a Unit and must provide the Association with the Unit number and address of the Unit on which it is the insurer or guarantor of a Security Interest. Such notice shall be deemed to include a request that the Eligible Insurer be given the notices and other rights described in Article XVII.

Section 1.22 Eligible Mortgagee. "Eligible Mortgagee" shall mean the holder of a first Security Interest in a Unit, when the holder has notified the Association, in writing, of its name and address and that it holds a first Security Interest in a Unit. The notice must include the Unit number and address of the Unit on which it has a security interest. This notice shall be deemed to include a request that the Eligible Mortgagee be given the notices and other rights described in Article XVII.

Section 1.23 Emergency Situation. "Emergency Situation" shall mean those emergency situations set forth in Section 18.8(b) of this Declaration.

Section 1.24 HUD. "HUD" shall mean the U.S. Department of Housing and Urban Development.

Section 1.25 Improvements. "Improvements" shall mean any construction, structure, fixture or facilities existing or to be constructed on the real property which is included in the Project, including, but not limited to: buildings, pool, utility wires, pipes, light poles, walls, and trees and shrubbery planted by the Declarant or the Association.

Section 1.26 Liability for Common Expenses. "Liability for Common Expenses" shall mean the liability for common expenses allocated to each Unit pursuant to Article VIII.

Section 1.27 Limited Common Elements. "Limited Common Elements" shall mean the portion of the Common Elements allocated for the exclusive use of fewer than all Owners under the Declaration or the Act and are described in Article V of this Declaration.

Section 1.28 Majority of Owners or Majority of Members. "Majority of Owners" or "Majority of Members" shall mean the Owners of more than 50% of the total number of Units contained in the Project.

Section 1.29 Member. "Member" shall mean a person entitled to membership in the Association as provided in the Documents. A "Member in Good Standing" shall mean a Member whose voting rights have not been suspended in accordance with the Bylaws.

Section 1.30 Manager. "Manager" shall mean a person, firm or corporation possessing all licenses and certifications required by the Act, employed or engaged to perform management services for the Project and the Association.

Section 1.31 Notice and Comment. "Notice and Comment" shall mean the right of an Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to comment thereon, the procedure for which is set forth in Section 23.1 of this Declaration.

Section 1.32 Notice and Hearing. "Notice and Hearing" shall mean the right of an Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to be heard thereon, the procedure for which is set forth in Section 23.2 of this Declaration.

Section 1.33 NRS. "NRS" shall mean the Nevada Revised Statutes.

Section 1.34 Owner. "Owner" shall mean the Declarant or other Person who owns a Unit, however, Owner does not include a Person having an interest in a Unit solely as security for an obligation. The Declarant is the initial owner of each Unit created by this Declaration.

Section 1.35 Person. "Person" shall mean an individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, government subdivision or agency or other legal or commercial entity.

Section 1.36 Plat and Plans. "Plat and Plans" means the Final Plat of Tuscano Condominiums (a Common Interest Condominium Subdivision), recorded in Book 122 of Plats, page 11, in the Office of the County Recorder, Clark County, Nevada on January 31, 2005, together with such other diagrammatic plans and information regarding the Project as may be required by the Act or other applicable law, or as may be included in the discretion of Declarant, as each such survey may be amended and supplemented from time to time, and all as recorded in the Office of the County Recorder, Clark County, Nevada.

Section 1.37 Project. "Project" shall mean the Property together with the Common Elements and all Improvements constructed thereon.

Section 1.38 Property. "Property" shall mean the real property described in Exhibit "A" together with the Common Elements and all Improvements, easements, rights, appurtenances which have been or are hereafter submitted to the provisions of the Act by this Declaration.

Section 1.39 Public Offering Statement. "Public Offering Statement" shall mean the current document pertaining to the Project prepared pursuant to the Act as it may be amended from time to time, and provided to purchasers prior to the time of execution of a binding purchase agreement.

Section 1.40 Report. "Report" shall mean the construction defect inspection report concerning the Property prepared by Swainston Consulting Group for Declarant which is incorporated herein by this reference and shall be provided by the Association to all Members in advance of their purchase of a Unit and otherwise upon request by any Member.

Section 1.41 Rules. "Rules" shall mean the rules and regulations for the use of Common Elements and the conduct of persons in connection therewith within the Project as adopted by the Board of Directors pursuant to this Declaration and the Bylaws.

Section 1.42 Security Interest. "Security Interest" shall mean the interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an Association, and any other consensual lien or title retention contract intended as security for an obligation.

Section 1.43 Special Declarant Rights. "Special Declarant Rights" shall mean those rights reserved for the benefit of Declarant to (1) make such repairs or alterations to any Improvements as Declarant deems to be necessary or appropriate for the sale of one or more Units; (2) maintain sales offices, management offices, advertisement signs and models within the Project for the benefit of the Property and any other real property owned by Declarant; (3) use easements through the Common Elements for the purpose of making repairs to the Improvements within the Project, and any other real property owned by Declarant; or (4) appoint

or remove an officer of the Association or a master association or any Board of Directors member during the Declarant Control Period.

Section 1.44 Subsidy Agreement. "Subsidy Agreement" shall mean an agreement between Declarant and the Association of the type described in Section 18.14 of this Declaration.

Section 1.45 Trustee. "Trustee" shall mean the entity which may be designated by the Board of Directors as the Trustee for the receipt, administration and disbursement of funds derived from insured losses, condemnation awards, special assessments for uninsured losses and other sources as defined in the Bylaws. If no Trustee has been designated, the Trustee shall be the Board of Directors acting by majority vote, as executed by the president and attested by the secretary.

Section 1.46 Unit. "Unit" shall mean the fee simple interest in and to a single unit depicted on the Plat and Plans designated for separate ownership and occupancy the boundaries of which are described in Section 4.2 of this Declaration, together with the Limited Common Elements appurtenant to the Unit as specified in Article V and the undivided interest in the Common Elements appurtenant to the Unit as specified in Exhibit "C".

Section 1.47 VA. "VA" shall mean and refer to the U.S. Department of Veterans Affairs.

ARTICLE II PROJECT AND ASSOCIATION

Section 2.1 Project. The name of the Project is Tuscano Townhomes. Tuscano Townhomes is a condominium common interest community under the Act.

Section 2.2 Association. The name of the Association is Tuscano Homeowners' Association. The Association is charged with the duties and vested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed so as to be inconsistent with this Declaration. If there should exist any ambiguity in any provision of the Articles or Bylaws, then such provision shall be consistent with the provisions of this Declaration.

ARTICLE III DESCRIPTION OF PROPERTY

The Property is situated in Clark County, Nevada, and is more particularly described on Exhibit "A" attached hereto.

ARTICLE IV UNIT AND BOUNDARY DESCRIPTIONS

Section 4.1 Maximum Number of Units. When created, the Project shall contain 352 Units. Declarant has not reserved any right to add additional Units to the Project.

Section 4.2 Boundaries. The Boundaries of each Unit created by the Declaration are the unit lines shown on the Plat and Plans as numbered units, along with their identifying number, and are described as follows:

(a) Upper Boundary: The horizontal or sloping plane or planes of the unfinished lower surfaces of the ceiling bearing structure surfaces, beams and rafters, extended to an intersection with the vertical perimeter boundaries.

(b) Lower Boundary: The horizontal plane or planes of the undecorated or unfinished upper surfaces of the floors, extended to an intersection with the vertical perimeter boundaries and open horizontal unfinished surfaces of trim, sills and structural components.

(c) Vertical Perimeter Boundaries: The planes defined by the inner surfaces of the studs and framing of the perimeter walls; the unfinished inner surfaces of poured concrete walls; the unfinished surfaces of the interior trim, and thresholds along perimeter walls and floors; the unfinished (inner/outer) surfaces of closed windows and closed perimeter doors; and the innermost unfinished planes of all interior bearing studs and framing of bearing walls, columns, bearing partitions and partition walls between separate Units.

(d) Inclusions: Each Unit will include the spaces and Improvements lying within the boundaries described in (a), (b) and (c) above, and will also include the spaces and the Improvements within those spaces containing any space heating, water heating and air conditioning apparatus, all electrical switches, wiring, pipes, ducts, conduits, smoke detector systems and television, telephone, electrical receptacles and light fixtures and boxes serving that Unit exclusively. The surface of the foregoing items will be the boundaries of that Unit, whether or not those items are contiguous to the unit.

(e) Exclusions: Except when specifically included by other provisions of this Section, the following are excluded from each Unit: The spaces and Improvements lying outside of the boundaries described in (a), (b) and (c) above; and all chutes, pipes, flues, ducts, wires, conduits, skylights and other facilities running through or within any interior wall or partition for the purpose of furnishing utility and similar services to other Units and Common Elements or both.

(f) Noncontiguous Portions: Certain Units may include special portions, pieces or equipment such as air conditioning compressors, meter boxes, utility connection structures and storage portions situated in buildings or structures that are detached or semi-detached from the buildings containing the principal occupied portion of the Units. This special equipment and storage portions are a part of the Unit, even though they are not contiguous with the residential portions.

(g) Inconsistency with Plat and Plans: If this definition is inconsistent with the information contained in the Plat and Plans, then the Plat and Plans definition will control.

ARTICLE V LIMITED COMMON ELEMENTS

Section 5.1 Assigned Limited Common Elements. The following portions of the Common Elements are Limited Common Elements assigned to the Units as stated:

(a) If a chute, flue, pipe, duct, wire, conduit, bearing wall, bearing column or other fixture lies partially within and partially outside the designated boundaries of a Unit, the portion serving only the Unit is a Limited Common Element, allocated solely to the Unit, the use of which is limited to that Unit and any portion serving more than one Unit or a portion of the Common Elements is a part of the Common Elements.

(b) Any shutters, awnings, window boxes, doorsteps, storage areas, entry areas, stoops, porches, balconies, patios and exterior doors and windows or other fixtures designed to serve a single Unit and identified on the Plat and Plans as Limited Common Areas, located outside the boundaries of the Unit, are Limited Common Elements allocated exclusively to the Unit and their use is limited to that Unit.

(c) Entry areas, stairs, stoops, steps and walls above door openings at the entrances to each building which provide access to less than all Units, the use of which is limited to the Units to which they provide access.

(d) Exterior surfaces, trim, siding, doors and windows will be Limited Common Elements allocated to the Units sheltered.

(e) Mailboxes, name plates and exterior lighting affixed to the building will be Limited Common Elements allocated to the Units served.

(f) Garages shall be assigned by Declarant by deed for the exclusive use of the grantee thereunder. The exclusive use of a garage shall be transferable only with the transfer of the Unit to which it is assigned hereunder.

Section 5.2 Subsequently Allocated Limited Common Elements. Those portions of the Common Elements shown as unnumbered or unassigned parking spaces on the Plat and Plans may be allocated as Limited Common Elements in accordance with Article XI of this Declaration, or alternatively, the Board of Directors may assign parking spaces to Owners and/or limited parking spaces to visitor parking only through the Rules.

ARTICLE VI MAINTENANCE

Section 6.1 Common Elements. The Association shall maintain, repair and replace all of the Common Elements, except the portions of the Limited Common Elements which are required by this Declaration or the Act to be maintained, repaired or replaced by an Owner.

(a) Specific Maintenance Obligations. In order to ensure that the Common Elements are maintained, repaired and replaced, the Association shall have the following specific obligations:

(i) Roof. The Board shall cause the roofs of all buildings in the Property to be inspected annually, and at least one such inspection each year shall be conducted by a licensed Nevada roofing contractor, who shall provide a written report to the Board. The Board shall cause any necessary or prudent repairs to be undertaken and completed without delay in a manner and to the extent necessary to prevent avoidable deterioration.

(ii) Painting. The Board shall cause all exterior portions of all buildings and structures in the Property to be repainted as necessary to maintain the original appearance thereof (minor wear and fading excepted).

(iii) Drainage and Landscaping. The Board shall cause all drainage related systems and related landscape installations on the Property to be inspected at semi-annually, and at least one such inspection each year shall be done by a licensed and qualified contractor or architect with expertise in the construction and maintenance of such drainage and landscape installations, who shall provide a written report to the Board. The Board shall cause any and all

necessary or prudent repairs to be undertaken and completed without delay in a manner and to the extent necessary to prevent avoidable deterioration or property damage.

(b) Reports. Throughout the term of this Declaration, the Board shall provide to Declarant copies of all inspection reports and checklists rendered pursuant to Sections 6.1(a), (b) and (d), above. Such shall be delivered to Declarant within ten (10) days after they are received by the Board.

Section 6.2 Units. Each Owner shall maintain, repair and replace, at his or her own expense, all portions of his or her Unit, except the portions of the Unit required by this Declaration or the Act to be maintained, repaired or replaced by the Association.

Section 6.3 Limited Common Elements. Any Common Expense associated with the maintenance, repair or replacement of heat exchanger, heater outlet, enclosures and mechanical attachments will be assessed against the Unit or Units to which the Limited Common Element is assigned.

(a) Common Expenses associated with the maintenance, repair or replacement of components and elements attached to, planted on, or a part of yards, patios, balconies, exterior surfaces, trim, siding, doors, and windows will be assessed against the Unit or Units to which the Limited Common Element is assigned. No additional component or element may be attached without consent of the Board of Directors in accordance with Article XII. In the event any additional component or element becomes deteriorated or unsightly, or is inconsistent with conditions of installation, it may be removed or repaired at the Owner's expense as a Common Expense assessment under this section, after Notice and Hearing.

(b) If any such Limited Common Element is assigned to more than one Unit, the Common Expenses attributable to the Limited Common Element will be assessed equally among the Units to which it is assigned.

(c) Common Expenses associated with the cleaning, maintenance, repair or replacement of any Limited Common Elements will be assessed against all Units in accordance with the Allocated Interests in the Common Expenses.

(d) Each Owner shall be responsible for removing snow, leaves and debris from all patios and balconies which are Limited Common Elements appurtenant to the Unit. If any such Limited Common Element is appurtenant to two or more Units, the owners of those Units will be jointly responsible for such removal.

Section 6.4 Right of Access. The Declarant and any person authorized by the Board of Directors shall have the right of access to all portions of the Project for the purpose of performing emergency repairs or to do other work reasonably necessary for the proper maintenance of the Project, for the purpose of performing installations, alterations or repairs, and for the purpose of reading, repairing and replacing utility meters and related pipes, valves, wires and equipment, provided that requests for entry are made in advance and that any entry is at a time reasonably convenient to the affected Owner. In case of an emergency, no request or notice is required and the right of entry shall be immediate, and with as much force as is reasonably necessary to gain entrance, whether or not the Owner is present at the time.

Section 6.5 **Repairs Resulting From Negligence.** Each Owner will reimburse the Association for any damages to any other Unit or to the Common Elements caused intentionally, negligently or by his or her failure to properly maintain, repair or make replacements to his or her Unit or to those Limited Common Elements for which such Owner is responsible under this Declaration. The Association will be responsible for damage to Units which is caused intentionally, negligently or by its failure to maintain, repair or make replacements to the Common Elements. If such damage is caused by misconduct, it will be assessed following Notice and Hearing.

ARTICLE VII

SPECIAL DECLARANT RIGHTS

Section 7.1 **Special Declarant Rights.** Declarant reserves the following Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Project:

- (a) To make such repairs or alterations to any Improvements as Declarant deems necessary or appropriate for the sale of one or more Units;
- (b) To maintain sales offices, management offices, signs advertising the Project and models which are reasonably necessary to market the Units or any other real property owned by Declarant regardless of whether such real property is part of the Project;
- (c) To use easements through the Common Elements for the purpose of making Improvements within the Project or any other real property owned by Declarant regardless of whether such real property is part of the Project;
- (d) To make the Project subject to a master association;
- (e) To merge or consolidate the Project with another common interest community of the same form of ownership;
- (f) To appoint or remove any officer of the Association or an Board of Directors member during the Declarant Control Period; and
- (g) At Declarant's sole discretion, to make reasonable repairs upon the Units, Common Elements or the Limited Common Elements.

Section 7.2 **Models, Sales Offices and Management Offices.** For so long as Declarant is an Owner, Declarant, its duly authorized agents, representatives and employees reserves the right to use any portion of the Project, including without limitation any clubhouse for sales offices and/or management offices. Declarant further reserves the right to maintain any Unit owned by Declarant or any portion of the Common Elements as a model Unit, sales office or management office.

Section 7.3 **Construction; Declarant's Easement.** Declarant reserves the right to perform warranty work, repairs and construction work in Units and Common Elements, to store materials in secure areas, and to control and have the full right of access to perform work, repairs, construction and take any other actions within the Units, the Common Elements and the entire Project, as may be deemed to be appropriate by Declarant in the performance of its obligations hereunder to the Association or any Owner. All work may be performed by

Declarant without the consent or approval of the Board of Directors. Declarant has an easement through the Common Elements (including but not limited to that portion of the Common Elements consisting of the private streets and entry gates) as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising Special Declarant Rights, whether arising under the Act or reserved in this Declaration. This easement includes the right to convey utility and drainage easements to public utilities, municipalities, the State, riparian owners or upland owners to fulfill the plan of development.

Section 7.4 Signs and Marketing. Declarant reserves the right to post signs and displays in the Common Elements in order to promote sales of Units. Declarant also reserves the right to conduct general sales activities in a manner which will not unreasonably disturb the rights of Owners.

Section 7.5 Declarant's Personal Property. Declarant reserves the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the Project that has not been represented as property of the Association. Declarant reserves the right to remove from the Project (promptly after the sale and close of escrow of the last Unit) any and all goods and improvements used in development, marketing and construction, whether or not they have become fixtures.

Section 7.6 Declarant Control of the Association. Subject to Subsection 7.6(b), there shall be a Declarant Control Period during which the Declarant, or persons designated by Declarant, may appoint and remove the officers and members of the Board of Directors. The Declarant Control Period terminates no later than the earlier of:

- (i) 60 days after conveyance of 75% of the Units to Owners other than a Declarant; or
- (ii) 5 years after Declarant has ceased to offer Units for sale in the ordinary course of business; or
- (iii) 5 years after the date this Declaration is recorded in the Recorder's Office for Clark County, Nevada.

Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before the termination of the Declarant Control Period. In that event, Declarant may require, for the duration of the Declarant Control Period, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective.

(b) Not later than 60 days after conveyance of 25% of the Units to Owners other than a Declarant, at least one member and not less than 25% of the members of the Board of Directors shall be elected by Owners other than Declarant. Not later than 60 days after conveyance of 50% of the Units to Owners other than a Declarant, not less than 33-1/3% of the members of the Board of Directors must be elected by Owners other than Declarant.

(c) Not later than the termination of the Declarant Control Period, each member of the Board of Directors must have been elected by the Owners as provided in the Bylaws.

(d) Notwithstanding any provision of this Declaration to the contrary, the termination of the Declarant Control Period shall not affect Declarant's rights as an Owner to exercise the vote allocated to Units which Declarant owns.

Section 7.7 Limitations on Special Declarant Rights. Unless terminated earlier by an amendment to this Declaration executed by Declarant, any Special Declarant Right may be exercised by Declarant until the later of the following: as long as Declarant (a) is obligated under any warranty or obligation, (b) owns any Unit; (c) owns any Security Interest in any Units; or (d) fifteen years have elapsed after recording of this Declaration. Earlier termination of certain rights may occur by statute.

Section 7.8 Interference with Special Declarant Rights. Neither the Association nor any Owner may take any action or adopt any rule that will interfere with or diminish any Special Declarant Right without the prior written consent of Declarant.

Section 7.9 Lender Protection. During the Declarant Control Period, the following actions will require the prior approval of the VA and HUD to the extent necessary to meet any VA and/or HUD requirements which are applicable to the Project: annexation or de-annexation of any additional properties, any merger or consolidation of the Association, any special assessment, mortgaging of the Common Elements, dedication of the Common Elements, any amendment of the Declaration, any amendment to the Bylaws, and the removal of any portion of the Common Elements.

Section 7.10 Declarant's Rights to Complete Development. No provision of this Declaration shall be construed to prevent or limit Declarant's rights to promote, market, sale and lease properties within the boundaries of the Project; to repair or alter Improvements on any property owned by Declarant within such boundaries; to maintain model homes, offices for sales or leasing purposes or similar facilities on any property owned by Declarant or located within the boundaries of the Project; or to post signs incidental to the development, promotion, marketing, sale and leasing of property within such boundaries. Nothing contained in this Declaration shall limit the right of Declarant or require Declarant to obtain approval to: (a) excavate, cut, fill or grade any property owned by Declarant or to alter, remodel, or repair any Improvements on any part of the Property or any property owned by Declarant; (b) use any structure on any part of the Property or any property owned by Declarant as a construction, model home or real estate sales or leasing office in connection with the sale of any property within such boundaries; or (c) require Declarant to seek or obtain the approval of the Board of Directors, the Architectural Committee or the Association for any such activity or Improvement to property by Declarant on any part of the Property or any property owned by Declarant. Nothing in this Section shall limit or impair the reserved rights of Declarant as elsewhere provide in this Declaration.

Section 7.11 Priority of Declarant's Rights and Reservations. Declarant shall have, and hereby retains and reserves, certain rights as set forth in this Declaration with respect to the Association and the Project. The rights and reservations of Declarant set forth in this Declaration shall be deemed excepted and reserved in each conveyance of property by Declarant to the Association and in each deed or other instrument by which any property encumbered hereby is conveyed by Declarant, whether or not specifically stated therein. The rights, reservations and easements of Declarant set forth in this Declaration shall be prior and superior to any other provisions of this Declaration and may not, without Declarant's prior written consent, be

modified, amended, rescinded or affected by any amendment of this Declaration, including any amendment of this Section. Declarant's consent to any one such amendment shall not be construed as consent to any other or subsequent amendment.

Section 7.12 Assignment of Declarant's Rights and Duties. Any and all of the rights, powers and reservations of Declarant herein contained may be assigned by Declarant to any person, corporation or association which will assume any or all of the duties of Declarant hereunder, and upon any such person, corporation or association's evidencing its consent in writing to accept such assignment, said assignee shall, to the extent of such assignment, assume Declarant's duties hereunder, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. Upon such assignment, and to the extent thereof, Declarant shall be relieved from all liabilities, obligations and duties hereunder.

ARTICLE VIII ALLOCATED INTERESTS

Section 8.1 Allocation of Interests. The Allocated Interest attributable to each Unit are allocated and calculated in accordance with the formulas set forth in this Article.

Section 8.2 Formulas for the Allocation of Interests. The interests allocated to each Unit have been calculated by the following formulas:

(a) Undivided Interest in the Common Elements. The percentage of the undivided interest in the Common Elements allocated to each Unit is based on one share for each Unit compared with the total shares allocated to all the Units in the Project. The percentage of the undivided interest in the Common elements allocable to a Unit is equal to 1/352.

(b) Liability for Common Expenses. The percentage of Liability for Common Expenses allocated to each Unit (except as otherwise set forth herein) will be as follows:

- (i) one bedroom Units are liable for one (1) Assessment Unit;
- (ii) two bedroom Units are liable for one and one-quarter (1.25) Assessment Units; and
- (iii) three bedroom Units are liable for one and one-half (1.5) Assessment Units.

Cost per Assessment Unit shall be determined by a formula consisting of a fraction, the numerator of which shall be the total expense to be assessed and the denominator shall be the total assessments represented by the Units subject to such expense. For example, a Common Expense apportioned to all the Units would be determined by dividing the total expense by 624 (representing the total number of Assessment Units in the Project). Then that figure shall be multiplied by the Assessment Unit(s) applicable to a particular Unit to determine an individual Unit's charge. Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under this Declaration.

(c) Votes. Each Unit in the Project shall have one equal vote. Any specified percentage, portion or fraction of Owners, unless otherwise stated in the Documents, means the specified percentage, portion or fraction of all of the votes as allocated under this Article VIII.

ARTICLE IX
RESTRICTION ON USE, ALIENATION AND OCCUPANCY

Section 9.1 Use Restrictions. Subject to the Special Declarant Rights reserved under Article VII, the following use restrictions apply to all Units and to the Common Elements:

(a) The use of each Unit is restricted to that of a single-family residence and accessory uses as permitted herein. Except for those activities conducted as a part of the marketing and development program of Declarant, no industry, business, trade or commercial activities shall be conducted, maintained or permitted in any part of a Unit, nor shall any Unit be used or rented for transient, hotel or motel purposes. The provisions of this Section shall not preclude a professional or administrative occupation, or an occupation of child care provided not more than 5 non-family children, provided that there is no external evidence of any such occupation, for so long as such occupations are conducted in conformance with all applicable governmental ordinances and are merely incidental to the use of the Unit as a residential home.

(b) No immoral, improper, offensive or unlawful use may be made of the Property; Owners shall comply with and conform to all applicable laws and regulations of the United States and of the State of Nevada and all applicable county or city ordinances, rules and regulations. The violating Owner shall hold harmless the Association and other Owners from all fines, penalties, costs and prosecutions for any violation or noncompliance.

Section 9.2 Occupancy Restrictions. Subject to the Special Declarant Rights reserved under Article VII, the following occupancy restrictions apply to all Units, Limited Common Elements and to the Common Elements: No electrical device creating overloading of standard circuits may be used without permission from the Board of Directors. Misuse or abuse of appliances or fixtures within a Unit which affects other Units or the Common Elements is prohibited. Any damage resulting from such misuse shall be the responsibility of the Owner who caused such damage. Total electrical usage in any Unit shall not exceed the capacity of the circuits as labeled on the circuit breaker boxes.

(b) All Owners shall maintain their Units in a clean and well maintained condition. No storage of trash will be permitted in or outside any Unit in a manner which may permit the spread of fire, odors, seepage or encouragement of vermin. No bicycles, refrigerators, boxes, refuse or debris or other items which may be deemed storage items may be placed on balconies or patio areas where they can be seen and laundry may not be placed to dry on balcony or patio areas.

(c) Any parking spaces which are designated as visitor parking by the Board of Directors are for the sole use of visitors and guests only and may not be used by Owners. Such parking spaces may be used only for vehicles, but specifically excluding oversized trucks, commercial vehicles, motorhomes, boats, personal watercrafts, campers and trailers. Furthermore, no motorhomes, boats, personal watercrafts, campers or trailers may be parked in any parking space within the Project, regardless of whether the parking space is designated for use by visitors or residents.

(d) No noxious, offensive, dangerous or unsafe activity shall be conducted in any Unit, nor shall anything be done, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or occupants of Units. No Owner or occupant of a

Unit shall make or permit any disturbing noises nor do or permit anything to be done by others that will interfere with the rights, comforts or convenience of other Owners or Unit occupants.

(e) No animals, birds or reptiles of any kind shall be kept in a Unit, except for a maximum of two household pets (exclusive of aquarium fish) of a gentle disposition which individually weigh not more than twenty (20) pounds at maturity, without the prior written consent of the Board of Directors. Pets may not be kept for any commercial purposes. Any pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Project upon three days' written notice following Notice and Hearing from the Board of Directors. Each Owner shall hold the Association harmless from any claim resulting from any action of their pets. Seeing eye dogs and hearing ear dogs will be permitted for those persons holding certificates of necessity.

(f) Except as otherwise approved by the Board, no signs, window displays or advertising visible from outside a Unit (except for a name plate or sign not exceeding nine square inches in area, on the main door to each Unit) shall be maintained or permitted in any part of a Unit. All draperies which can be seen from the outside of the Unit must have a white or off-white backing.

(g) There will be no changes made to the appearance of any Unit without permission of the Association under Article XII.

(h) The Common Elements shall be improved and used only for the following purposes:

(i) Affording vehicular passage and pedestrian movement within the Project, including access to the Units;

(ii) Recreation use by the Owners and occupants of Units in the Project and their guests, subject to rules established by the Board of Directors;

(iii) Beautification of the Common Elements and providing privacy to the residents of the Project through landscaping and such other means as the Board of Directors shall deem appropriate;

(iv) Parking of automotive passenger vehicles in areas provided therefor upon such terms and conditions as may from time to time be determined by the Board of Directors;

(v) The following uses are hereby expressly prohibited:

(a. No garbage or refuse may be placed or left in the Common Elements except in receptacles provided for that use.

(b. No planting may be done in the Common Elements by any Owner, except at the direction of the Board of Directors.

(c. No recreational vehicle parking within the project.

(i) No part of the Common Elements shall be obstructed so as to interfere with its use for the purposes hereinabove permitted, nor shall any part of the Common Elements be used for storage purposes (except as incidental to one of such permitted uses, or for storage of maintenance equipment used exclusively to maintain the Common Elements or in storage areas designated by the Board of Directors), nor in any manner which shall increase the rate at which insurance against loss by fire, or the perils of the extended coverage endorsement to the Fire

Policy Form, or bodily injury or property damage liability insurance covering the Common Elements and the improvements situated thereon may be obtained, or cause such premises to be uninsurable against such risks or any policy or policies representing such insurance to be canceled or suspended or the company issuing the same to refuse renewal thereof.

Section 9.3 Mold. Each Owner, by acceptance of a deed to a Unit, acknowledges and understands that there is, and will always be, the presence of certain biological organisms within the Unit. Most typically, this will include the common occurrence of mold and/or mildew. It is important to note that mold and mildew tend to proliferate in warm, wet areas. As such, it is each Owner's responsibility to maintain his Unit so as to avoid the accumulation of moisture and/or mold and mildew within the Unit. Such mitigation matters should include, without limitation, the frequent ventilation of the Unit, removal of standing water, prompt repair of any leaks which permit water intrusion into the Unit, and prompt repair of plumbing leaks within the Unit (irrespective of who may have caused any such leaks). Each Owner also understands that the presence of indoor plants may also increase moisture and/or mold and mildew. Also, the propping of large pieces of furniture against wall surfaces may lead to mold or mildew accumulation. It is the responsibility of each Owner to monitor and maintain his Unit so as to mitigate and avoid the conditions which are likely to lead to the existence and/or growth of mold and/or mildew. In the event that mold does appear and/or grow within the Unit, it is also the Owner's responsibility to promptly and properly treat such mold to minimize the spreading thereof and/or unhealthy conditions likely to arise as a result thereof. Such measures frequently include, but are not limited to, cleaning mold-affected surfaces with chlorine bleach. Each Owner is responsible to learn how to clean any affected Improvements. **THE ASSOCIATION HEREBY WAIVES ANY AND ALL CLAIMS OR DAMAGES ARISING FROM OR RELATING TO THE PRESENCE OF MOLD OR MOLD-RELATED DAMAGE IN, ON OR ABOUT THE PROPERTY AND/OR ANY UNIT.**

Section 9.4 Notice Regarding Water Intrusion. Notwithstanding any other provision herein, in the event that there shall be intrusion of water into any Unit (including, without limitation, as a result of any Roof, window, siding or other leaks (including, without limitation, plumbing leaks), and whether or not the cause of such leak constitutes a construction defect, the Owner of the affected Unit shall be obligated to immediately notify Declarant of such event, and Owner shall take all necessary and appropriate action to stop any such water intrusion. Declarant shall thereafter have all of the rights afforded Declarant under Section 27.2 to inspect the condition, including the right to assess the likelihood of mold or mildew, and to offer recommendations for mitigation of mold or mildew. Nothing herein shall obligate Declarant to take any action, nor shall any rights of Declarant under this subsection constitute an admission or acknowledgment that any causes of any water intrusion are the result of defective construction. Failure of any Owner to timely notify Declarant of any such water intrusion shall be cause to deny future claims against Declarant relating thereto, which claims could have been mitigated had earlier action been taken.

Section 9.5 Noise Attenuation; Floor Coverings. General Noise Guidelines. In the event that any Owner other than Declarant desires to modify any Improvement to such Owner's Unit, including, without limitation, the floor coverings in such Owner's Unit, then, in addition to all other requirements set forth herein, each Owner shall be, and remain, obligated to comply with the terms of this Section.

(a) Floor Coverings. With respect to carpeting installed in an Owner's Unit by any Owner, padding shall be used, and such carpeting and padding shall be of a total weight of no less than 70 ounces per square yard. With respect to hardwood, marble, ceramic tile or other hard floor coverings, if permitted, such flooring shall be installed only with appropriate acoustic underlayment. The particular underlayment may be dictated by the nature of the floor covering. It shall remain the responsibility of each Owner to abide by the sound and noise reduction requirements set forth in this Declaration. It shall be required for any such Owner contemplating the installation of hardwood flooring, marble, ceramic tile or other hard floor coverings on the floor directly above a Unit owned by another Owner, to request the Association's approval to permit the Owner to install same. Under no circumstances shall any Owner modify, alter or impair the floor/ceiling assembly of any Unit. Any Owner desiring to install hard-surface flooring in any Unit to replace any originally-installed flooring shall provide at such Owner's sole expense the following information to the Association for its reference in connection with its review of any request to permit the installation of such hard-surface flooring (subject to the waiver by the Association of the requirement that any particular materials or information be submitted):

(i) Information, including, if appropriate, construction plans and/or drawings, clearly indicating the type of flooring to be installed and the underlayment to be provided to mitigate impact noises such as foot-falls. The information must clearly identify all materials, their composition, and thickness. This information, including any plans and/or drawings, must be approved, at Owner's sole expense, by the resilient underlayment manufacturer for acoustical and structural integrity and performance and compliance with the acoustical requirements of this Declaration;

(ii) A copy of the installation instructions from the resilient underlayment manufacturer, which instructions shall be followed by the installing contractor;

(iii) The name, qualifications, and experience of the contractor who will install the hard-surface flooring and resilient underlayment, with a listing of such contractor's experience in the installation of floors utilizing impact installation materials; and

(iv) Evidence that the newly-installed flooring will not create greater noise impacts than the test results for the floor/ceiling assembly yielded when tested as described above.

(b) Noise Reduction. Acoustical privacy is in the mutual interest and benefit of all Owners, lessees and other occupants of the Project. Acoustical privacy can only be achieved through understanding and compliance with certain limitations and restrictions. It is recognized that total isolation from an adjacent Unit in a manner comparable to a single-family residence is difficult if not impossible to attain. There will usually be some awareness of one's neighbors. Efforts have been made in the basic design of the Property to alleviate airborne noise, structure-borne noise and impact noise transmission from and to each Unit. The design and construction of this Project attempts to meet the standards and criteria imposed by the applicable governmental authorities related to sound insulation to the extent permitted by construction practices today. Modification of design of the structures or related components thereof by any Owner, or installation of noise generating instruments or equipment, could then alter the resultant expected isolation. The following restrictions are intended to maximize the acoustical privacy of all Owners, lessees and other occupants of the Property.

(i) Impacts from Improvements; Noise Study. Any improvement, equipment, or activity which may create noise impacts for any Unit or Common Elements (other than those related to Declarant's activities within the Project) shall be subject to the strict noise reduction requirements and guidelines set forth herein and/or in any guidelines adopted by the Association from time to time (the "Noise Guidelines"). The Board shall have the right to request that any Owner desiring to install any such improvements or equipment submit the results of a noise study prepared by a qualified consultant reasonably acceptable to the Architectural Committee or the Board, as applicable.

(ii) Sound System Loudspeakers and Pianos. Prior to attaching sound system loudspeakers to ceilings, walls, shelves or cabinets in a Unit, and prior to the placement of a piano in a Unit, the Owner, lessee or other occupant of said Unit shall submit a written description to the Association of the measures that the Owner intends to take to ensure that said equipment or instrument shall not disturb the Owners, lessees and other occupants of the Property (the "Noise Reduction Measures"). The Association shall review the proposed Noise Reduction Measures submitted by an Owner, lessee or other occupant of a Unit and, if in its sole discretion, determines that said measures will be adequate to minimize noise, the Association shall provide written notice of approval to said Owner, lessee or occupant within 30 days of receipt of the Noise Reduction Measures. If the Association, in its sole discretion, determines that the Noise Reduction Measures are inadequate, then the Owner shall be prohibited from making the desired installation. If the Association fails to provide written notice to the Owner, lessee or occupant within said 60 day period, it shall be conclusively presumed that the Association has not approved the Noise Reduction Measures.

(iii) Washing Machines and Dishwashers. In order to avoid transmitting vibration to other Units, resilient pads must be placed under all washing machines and dishwashers that were not installed by Declarant as part of the original construction. If the Association approves replacement of any plumbing lines and fixtures within a Unit, such plumbing lines and fixtures shall be vibration isolated consistent with the existing isolation.

(iv) Other Devices and Decorations. Many other devices and decorations or uses or misuses thereof, can likewise be the cause of unacceptable sound or vibration in adjacent (along side, above or below as the case may be) Units, including, but not limited to, rotating, oscillating or vibrating devices. The Unit Owners are forewarned and on notice that the criteria for acoustical privacy set forth herein shall apply for any condition resulting in annoyance and complaint by other Unit occupants within the Property. Without limiting any other guidelines or restrictions now or hereafter affecting the Property, no Owner or other person (other than Declarant) shall install or permit the installation of any therapeutic spa or similar device or equipment, whether portable or otherwise, without the prior written approval of the Architectural Committee. Any installed shelving or hanging pictures shall only be installed or hung with toggle bolts into the drywall. No Owner or other person shall fasten shelving or hanging pictures directly to studs.

(v) Indemnity. In the event that any flooring installation by an Owner, other than Declarant, does not comply with the sound attenuation requirements set forth herein, irrespective of any approval by the Association, the non-complying Owner shall indemnify, defend and hold harmless Declarant and the Association from any claims for defects, damages, liabilities, costs, and/or expenses (including reasonable attorneys' fees) arising out of, caused by, or associated with such non-compliance.

(vi) Noise Field Testing. In the event a complaint is made for non-compliance with the Noise Guidelines, the Board may retain the services of a recognized acoustical engineer to field test the area of complaint. The costs shall be chargeable to the complaining party in the event the field test shows that conditions meet the criteria of the applicable guidelines. If such field tests show non-compliance, then the costs of the testing shall be borne by the offending party. In the event an Owner fails to comply with the provisions of this Section or any Noise Guidelines (a "Noise Violation"), the Association shall have the right, after Notice and Hearing and reasonable opportunity to cure such Noise Violation as determined by the Board pursuant to this Section, to enter into the Owner's Unit for the purpose of remedying the Noise Violation. The Association shall not be liable for trespass in connection with such entry. At any hearing on a noise issue, the Owner will have an opportunity to discuss with the Board the merits of the claims set forth in the Association's original notice of Noise Violation, and the Board will determine what action, if any, needs to be taken by the Owner to remedy the Noise Violation and the time within which it must be accomplished. The cost to the Association of remedying such Owner's failure to comply with the provisions of this Section, as well as any damages suffered by the Association with respect thereto, shall be assessed to the Owner as a Special Assessment, enforceable in the manner provided in this Declaration.

THE ASSOCIATION HEREBY WAIVES ANY AND ALL CLAIMS OR DAMAGES ARISING FROM OR RELATING TO THE PRESENCE OF NOISE IN, ON OR ABOUT THE PROPERTY AND/OR ANY UNIT.

Section 9.6 Laws and Insurance Requirements. Nothing shall be done to or kept on any Unit or improvement thereon that might increase the rate of, or cause the cancellation of, insurance for the Project, or any portion of the Project, without the prior written consent of the Association. No Owner shall permit anything to be done or kept in his or her Unit or any improvement thereon that violates any of the restrictions contained in this Declaration or any law, ordinance, statute, rule, or regulation of any local, city, county, state or federal body, including, without limitation, local ordinances relating to zoning and building codes.

Section 9.7 Restrictions on Alienation. A Unit may not be conveyed pursuant to a time-sharing plan. A Unit may not be leased or rented for an initial term of less than thirty (30) days. All leases and rental agreements shall be in writing and subject to the requirements of the Documents and the Association. All leases shall be submitted to the Association no more than ten (10) days prior to the commencement of the tenancy.

All leases of a Unit shall include a provision that the tenant will recognize and attorn to the Association as landlord, solely for the purpose of having the power to enforce a violation of the provisions of the Documents against the tenant, provided the Association gives the Owner notice of its intent to so enforce and a reasonable opportunity to cure the violation directly, prior to the commencement of an enforcement action. Notwithstanding the foregoing, the Owner shall be responsible for the actions of any tenant, guest, invitee, contractor, employee, or any other Person on the Property at the Owner's request or for the Owner's benefit.

No right of first refusal to purchase a Unit in favor of any party or similar restriction on the ability of an Owner to sell the Owner's Unit shall be deemed to exist solely as a result of this Declaration or the inclusion of any Unit in the Project.

Section 9.8 **Declarant's Rights.** As long as Declarant is an Owner, Declarant and its duly authorized agents, representatives and employees may maintain any Unit owned by Declarant or any portion of the Common Elements, as model units or sales offices. Declarant may also maintain management offices and signs and display advertising the Project.

ARTICLE X EASEMENTS AND LICENSES

Section 10.1 **Easements of Record.** All easements or licenses to which the Project is presently subject to are shown on the Plat and Plans or otherwise contained herein. In addition, the Project may be subject to other easements or licenses granted by Declarant pursuant to its powers under Article VII of this Declaration, liens created under Article XVIII of this Declaration, and easements granted by the Association pursuant to its powers under Article XXIV of this Declaration.

Section 10.2 **Encroachment Easement.** In the Property, and all portions thereof, shall be subject to an easement of up to 1 foot from the Unit or Common Elements boundaries for the actual extent of encroachments created by construction as designed or constructed by Declarant and for settling, shifting, and movement of any portion of the Property, except that no such easement is created for an encroachment which is the result of willful conduct on the part of Declarant, an Owner, a tenant, the Association, or any other person or entity. A valid easement for said encroachments and for the maintenance thereof shall exist. Such encroachments shall not be considered to be encumbrances upon any part of the Project. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of improvements constructed on any Unit, by settling, rising, or shifting of the earth, or by changes in position caused by repair or reconstruction of any improvements on the Property.

ARTICLE XI ALLOCATION OF LIMITED COMMON ELEMENTS

A Common Element not previously allocated as a Limited Common Element may be so allocated only pursuant to the provisions of this Article. All allocations will be made by amendments to the Declaration specifying to which Unit or Units the Limited Common Element is allocated.

All amendments shall specify to which Unit or Units the Limited Common Element is allocated. Such amendment shall require the approval of all holders of Security Interests in the affected Units. The person executing the amendment shall provide an executed copy of the amendment to the Association, which shall record it, provided that the amendment complies with the provisions of this Declaration and the Act. The amendment shall contain words of conveyance and must be recorded and indexed in the names of the parties and the Project.

The parties executing the amendment shall be responsible for the preparation of the amendment and shall reimburse the Association for its reasonable attorneys' fees in connection with the review of the amendment and for the recording costs.

Notwithstanding the forgoing, garages, identified on the Plat and Plans, may be assigned to a particular Unit by reference in the deed to the Owner of the Unit from Declarant.

ARTICLE XII
ADDITIONS, ALTERATIONS AND IMPROVEMENTS

Section 12.1 Requisite Approvals and Procedures for Owner Alteration. No Owner may make or commence any structural addition, alteration or Improvement in the Project, including without limitation, the alteration or construction of a building, fence, wall or structure or the placement, erection or alteration of any Limited Common Element without the prior written consent of the Board of Directors or an architectural committee appointed by the Board of Directors composed of from one to three members ("Architectural Committee").

(a) Any request for approval of anything prohibited under Section 12.1 or Section 12.1(b)(i) or (ii) must be submitted in writing to the Board of Directors or the Architectural Committee, as applicable. The Board of Directors or the Architectural Committee shall answer any written request for approval within 60 days after the request. Failure to answer the request within this time shall not constitute a consent or approval by the Board of Directors or the Architectural Committee to the proposed action. Any such request shall be reviewed in accordance with any Architectural Committee Rules then in effect.

(b) Subject to this Section 12.1, an Owner:

(i) May make any improvements or alterations to the interior of their Units that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Project.

(ii) May not change the appearance of the Common Elements, the exterior appearance of a Unit or any other portion of the Project, without permission of the Board of Directors or the Architectural Committee.

(iii) After acquiring an adjoining Unit, may remove or alter any intervening partition or create apertures therein even if the partition in whole or in part is a Common Element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Project. Removal of partitions or creation of apertures under this subsection is not an alteration of boundaries. If a part of an adjoining Unit is acquired, boundaries will be relocated in accordance with Article XIII.

(c) Any applications to any department or governmental authority for a permit to make any addition, alteration or improvement in or to any Unit shall be executed by the Association only. This execution will not, however, create any liability on the part of the Association or any of its members to any contractor, subcontractor or materialman on account of the addition, alteration or improvement or to any person because of any claim for injury to person or damage to property arising from the permit.

(d) Any member or authorized consultant of the Board of Directors or the Architectural Committee, or any authorized officer, employee or agent of the Association may enter upon any Unit at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect any structural addition, alteration or Improvement constructed or under construction in the Unit to determine whether the work has been or is being built in compliance with the plans and specifications approved by the Board of Directors or the Architectural Committee.

(e) All additions, alterations and improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Board of Directors, cause any increase in the premiums of any insurance policies carried by the Association or by the Owners of any Units other than those affected by such change.

Section 12.2 Limitation on Liability of Architectural Committee. Provided that the Architectural Committee or a particular member of the Architectural Committee has acted in good faith on the basis of the information as may be possessed by the Architectural Committee or the member, as the case may be, then neither the Architectural Committee nor any member thereof shall be liable to the Association, to any Owner, or any other person for any damage, loss, or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings, and specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; (c) the development of any property subject to this Declaration. Without limiting the generality of the foregoing, the Architectural Committee and any member thereof may, but it is not required to, consult with knowledgeable outsiders with respect to any plans, drawings, specifications, or any other proposal submitted to the Architectural Committee.

Section 12.3 Architectural Committee Rules. The Architectural Committee shall, upon request of the Board of Directors and subject to the approval of the Board of Directors, prepare and promulgate Architectural Committee Rules containing guidelines and review procedures on behalf of the Association. The Architectural Committee Rules shall be those of the Association, and the Architectural Committee shall have sole and full authority to prepare and to amend the Architectural Committee Rules, provided the Architectural Committee Rules are otherwise in compliance with the Articles, the Bylaws and this Declaration. The Architectural Committee shall make Architectural Committee Rules available to Owners.

Section 12.4 Board of Directors and Architectural Committee Discretion. Except as may be expressly provided in this Declaration, any consent or approval of the Board of Directors, Architectural Committee, or Association that is required under the provisions hereof may be granted or withheld in the sole and absolute discretion of the Board of Directors, Architectural Committee, or Association, as applicable. In that regard, the granting or withholding of such consent or approval shall not be subject to any objective standards of "reasonableness" or otherwise. Further, the approval of or consent to any matter shall not be deemed to be a waiver of the right to disapprove the same or similar matters in subsequent requests for consents or approvals from the same or other parties.

Section 12.5 No Applicability to Construction by Declarant. The provisions of this Article XII shall not apply to any additions, alterations, repairs, reconstruction, or other Improvements made by Declarant in the Project whether structural or non-structural in nature, and neither the Board of Directors nor any Architectural Committee appointed by the Board of Directors shall have any authority or right to approve or disapprove any such addition, alteration, repairs, reconstruction, or other Improvement made or to be made by Declarant in the Project.

Section 12.6 No Applicability to Board of Directors. Subject to the limitations of Sections 13.1 and 13.2 of this Declaration, the Board of Directors may make any additions, alterations or improvements to the Common Elements which, in its judgment, it deems necessary.

ARTICLE XIII BOUNDARIES

Section 13.1 Application and Amendment. The boundaries between adjoining Units may not be relocated without the approval of the Board of Directors or the Architectural Committee under Article XII. In addition to the plans and specifications required for approval under Section 12.1, a request for a boundary adjustment must be accompanied by the written consent of all Owners of the Units affected by the relocation. If the Owners of the adjoining Units have specified a reallocation between their Units of their Allocated Interests, the application shall state the proposed reallocation. In the event that the Board of Directors or the Architectural Committee approves the request for boundary adjustment, the Association shall prepare an amendment that identifies the Units involved, states the reallocations and indicates the Association's consent. The amendment must be executed by those Unit Owners affected and contain words of conveyance between them. The approval of all holders of Security Interests in the affected Units shall be endorsed on the conveyance. On recordation, the amendment shall be indexed in the name of the grantor and the grantee, and in the grantee's index in the name of the Association.

Section 13.2 Recording Amendments. The Association shall prepare and record an amendment to the Plat and Plans as necessary to show the altered boundaries between adjoining Units, along with the Units' dimensions and identifying numbers. The applicants will pay for the costs of preparation of the amendment and its recording, as well as any reasonable consultant fees incurred by the Association.

ARTICLE XIV AMENDMENTS TO DECLARATION

Section 14.1 In General. Except in cases of amendments that may be executed (i) by Declarant under Section 28.8, (ii) by the Association under Article X of this Declaration and NRS 116.1107 or (iii) by certain Owners under Article XIII and Section 13.1 of this Declaration, Section 28.9 of this Declaration, and NRS 116.2118, and except as limited by Section 14.5 and Article XVII of this Declaration, including the Plat and Plans, may be amended only by vote or agreement of Seventy-five percent (75%) of the Owners. The procedure for amendment must follow the procedures set forth in NRS 116.2117.

Section 14.2 Consent of Declarant Required for Certain Amendments. Declarant has reserved and retained certain rights under the terms of this Declaration. In furtherance of the Declarant's rights hereunder, any amendment which operates to change or remove any of the provisions contained in Article VII and/or Article XXVII of this Declaration may only occur if the requisite number of Owners have approved the amendment in accordance with Section 15.1, and the Declarant has approved the amendment.

Section 14.3 Limitation of Challenges. An action to challenge the validity of an amendment adopted by the Association pursuant to this Article may not be brought more than one year after the amendment is recorded.

Section 14.4 **Recordation of Amendments.** Each amendment to this Declaration must be recorded in the Clark County Recorder's Office, and the amendment is effective only upon recording.

Section 14.5 **Unanimous Consent.** Except to the extent expressly permitted or required by other provisions of this Declaration or the Act, an amendment may not create, increase or decrease Special Declarant Rights, increase the number of Units, change the boundaries of any Unit, change the Allocated Interests of a Unit or change the uses to which any Unit is restricted, except by unanimous consent of the Owners affected and the consent of a Majority of Owners.

Section 14.6 **Execution of Amendments.** An amendment to this Declaration required by the Act to be recorded by the Association, which has been adopted in accordance with this Declaration and the Act, must be prepared, executed, recorded and certified on behalf of the Association by an officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

Section 14.7 **Special Declarant Rights.** Provisions in this Declaration creating Special Declarant Rights may not be amended without the consent of Declarant.

Section 14.8 **Consent of Holders of Security Interests and VA.** Amendments are subject to the consent requirements of Article XVII, and, to the extent that any Security Interests are held by or insured by FNMA, FHLMC, VA, or HUD, such amendments shall be in accordance with applicable rules and regulations of FNMA, FHLMC, VA, or HUD.

Section 14.9 **Amendments To Create Units:** Declarant must record an amendment to this Declaration to create additional Units within the Project. Declarant shall also record new Plat and Plans to the extent as necessary to conform to the requirements of NRS 116.2109(1), (2) and (4).

ARTICLE XV AMENDMENTS TO BYLAWS

The Bylaws may be amended or repealed by the vote or written consent of a Majority of the Owners and in accordance with Article 12 of the Bylaws. Furthermore, any amendment of the Bylaws during the Declarant Control Period shall require the prior approval of the VA and HUD to the extent necessary to meet any VA and/or HUD requirements applicable to the Project.

ARTICLE XVI TERMINATION

Termination of the Project may be accomplished only upon the approval of the Owners of 100% of the total number of Units within the Project, and then in accordance with the provisions of the Act.

ARTICLE XVII MORTGAGEE PROTECTION

Section 17.1 **Introduction.** This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Security Interests.

This Article is supplemental to, not a substitution for, any other provisions of the Documents, but in the case of conflict, this Article shall control.

Section 17.2 Percentage of Eligible Mortgagees. Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent of Eligible Mortgagees holding Security Interests in Units which in the aggregate have allocated to them that specified percentage of votes as compared to the total votes allocated to all Units in the Association then subject to Security Interests held by all Eligible Mortgagees.

Section 17.3 Notice of Actions. The Association shall give prompt written notice to each Eligible Mortgagee and Eligible Insurer of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Unit in which there is a first Security Interest held, insured or guaranteed by that Eligible Mortgagee or Eligible Insurer, as applicable;
- (b) Any delinquency in the payment of Common Expense Assessments owed by an Owner which remains uncured for a period of 60 days and whose Unit is subject to a first Security Interest held, insured or guaranteed by that Eligible Mortgagee or Eligible Insurer, as applicable;
- (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 17.4 of the Declaration; and
- (e) Any judgment rendered against the Association.

Section 17.4 Consent and Notice Required. Document Changes. Notwithstanding any requirement permitted by this Declaration or the Act, no amendment of any material provision of the Documents by the Association or Owners described in this Section may be effective without notice to all Eligible Mortgagees and Eligible Insurers, as required by Section 17.3 above, without the vote of at least a 67% of the Owners (or any greater Owner vote required in this Declaration or the Act) and without approval by at least 51% of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by this Declaration). The foregoing approval requirements do not apply to amendments effected by the exercise of any right reserved by Declarant hereunder. A change to any of the following would be considered material:

- (i) Any provision of this Declaration pertaining to voting rights;
- (ii) Any provision of this Declaration pertaining to assessments, assessment liens or priority of assessment liens;
- (iii) Any provision of this Declaration pertaining to reserves for maintenance, repair and replacement of Common Elements;
- (iv) Any provision of this Declaration pertaining to responsibility for maintenance and repairs;

- (v) Any provision of this Declaration pertaining to expansion or contraction of the Project, or the addition, annexation or withdrawal of property to or from the Project;
- (vi) Any provision of this Declaration pertaining to insurance or fidelity bonds;
- (vii) Any provision of this Declaration pertaining to leasing of Units;
- (viii) Any provision of this Declaration pertaining to imposition of any restrictions on Owners' right to sell or transfer their Units; or
- (ix) Any provision of this Declaration that expressly benefits holders, insurers or guarantors of Security Interests.

(b) Actions. Notwithstanding any lower requirement permitted by this Declaration or the Act, the Association may not take any of the following actions, other than rights reserved to Declarant as Special Declarant Rights, without notice to all Eligible Mortgagees and Eligible Insurers, as required by Section 17.3 above, and approval of at least 51% (or the indicated percentage, if higher) of the Eligible Mortgagees:

- (i) Reallocation of interests in the Common Elements or Limited Common Elements, except that when Limited Common Elements are reallocated by agreement between Owners, only those Owners and only the Eligible Mortgagees holding Security Interests in those Units need approve the action;
- (ii) Redefinitions of boundaries of Units, except that when boundaries of only adjoining Units are involved, or a Unit is being subdivided, then only those Owners and the Eligible Mortgagees holding Security Interests in the Unit or Units need approve the action;
- (iii) Convertibility of Units into Common Elements or Common Elements into Units;
- (iv) A decision by the Association to establish self-management when professional management had been required previously by the Documents or any Eligible Mortgagee;
- (v) Termination of the Project after occurrence of substantial destruction or condemnation;
- (vi) Convey or encumber the Common Elements or any portion of the Common Elements, for which approval of at least 67% of the Eligible Mortgagees is required. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Project will not be deemed a transfer within the meaning of this clause);
- (vii) The termination of the Project for reasons other than substantial destruction or condemnation, for which approval of at least 67% of Eligible Mortgagees is required;
- (viii) The alteration of any partition or creation of any aperture between adjoining Units (when Unit boundaries are not otherwise being affected), for which only the Owners of Units affected and Eligible Mortgagees of those Units need approve the action;

(ix) The granting of any easements, leases, licenses or concessions through or over the Common Elements (excluding, however, any utility easements serving or to serve the Project and also excluding any leases, licenses or concessions lasting for no more than one year);

(x) The restoration or repair of the Project after hazard damage or a partial condemnation in a manner other than specified in the Documents;

(xi) The merger of the Project with any other common interest community, for which the prior written approval of the VA must also be obtained to the extent required under Section 7.9 hereof;

(xii) The assignment of the future income of the Association, including its right to receive Common Expense Assessments; or

(xiii) Any action taken not to repair or replace the Project in the event of substantial destruction of any part of a Unit or the Common Elements.

(c) Limitations. The Association may not change the period for collection of regularly budgeted Common Expense Assessments to other than monthly collection without the consent of all Eligible Mortgagees.

(d) VA Approval. The prior approval of the VA and HUD shall be required during the Declarant Control Period for those Association actions set forth in Section 7.9 to the extent necessary to meet any VA and/or HUD requirements which are applicable to the Project.

(e) Implied Approval. The failure of an Eligible Mortgagee or Insurer to respond within 30 days to any written request for approval of an addition or amendment to the Document wherever Eligible Mortgagee or Insurer approval is required, when such request is delivered by certified or registered mail, return receipt requested, shall constitute an implied approval of the addition or amendment.

Section 17.5 Inspection of Books. The Association must maintain current copies of the Declaration, Bylaws, Rules, the Articles of Incorporation, books, records and financial statements of the Association. The Association shall permit any Eligible Mortgagee or Eligible Insurer, or other first mortgagee of Units, to inspect the books and records of the Association during normal business hours.

Section 17.6 Financial Statements. The Association shall provide any Eligible Mortgagee or Eligible Insurer who submits a written request with a copy of an annual financial statement. It shall be provided within 120 days following the end of each fiscal year of the Association. This financial statement shall be audited by an independent certified public accountant if:

(a) The Project contains 50 or more Units, in which case the cost of the audit shall be a Common Expense; or

(b) Any Eligible Mortgagee or Eligible Insurer requests it, in which case the Eligible Mortgagee or Eligible Insurer shall bear the cost of the audit.

Section 17.7 Enforcement. The provisions of this Article are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors and may be enforced by any of them by any available means, at law or in equity.

Section 17.8 Attendance at Meetings. Any representative of an Eligible Mortgagee or Eligible Insurer may attend and address any meeting which an Owner may attend.

Section 17.9 Appointment of Trustee. In the event of damage or destruction under Article XXII or condemnation of all or a portion of the Project, any Eligible Mortgagee may require that such proceeds be payable to a Trustee established pursuant to this Declaration. This Trustee may be required to be a corporate trustee licensed by the State of Nevada. Proceeds will then be distributed pursuant to Article XXII or pursuant to a condemnation award. Unless otherwise required, the members of the Board of Directors, acting by majority vote through the president, may act as Trustee.

ARTICLE XVIII ASSESSMENT AND COLLECTION OF COMMON EXPENSES

Section 18.1 Apportionment of Common Expenses. Except as provided in Section 18.2, all Common Expenses shall be assessed at a uniform rate for all Units in accordance with the percentage of Liability for Common Expenses as set forth in Article VIII of this Declaration.

Section 18.2 Common Expenses Attributable to Fewer than all Units; Exempt Property. Any Common Expense associated with the maintenance, repair or replacement of components and elements attached to, planted on, or a part of yards, patios, balconies, entries, exterior surfaces, trim, siding, doors, and windows shall be assessed against the Unit or Units to which the Limited Common Element is assigned. If any such Limited Common Element is assigned to more than one Unit, the Common Expenses attributable to the Limited Common Element shall be assessed equally among the Units to which it is assigned.

(a) Any Common Expense or portion thereof benefiting fewer than all of the Units shall be assessed exclusively against the Units benefited.

(b) The costs of insurance shall be assessed in proportion to risk and the cost of utilities shall be assessed in proportion to usage.

(c) An assessment to pay a judgment against the Association may be made only against the Units in the Project at the time the judgment was entered, in proportion to the respective Liability for Common Expense.

(d) If a Common Expense is caused by the misconduct of an Owner, the Association may assess that expense exclusively against that Owner's Unit.

(e) If the Liability for Common Expenses are reallocated, Common Expenses Assessments and any installment thereof not yet due shall be recalculated in accordance with the reallocated liabilities.

(f) Fees, charges, late charges, fines, collection costs and interest charged against an Owner pursuant to the Documents and the Act are enforceable as Common Expense Assessments against that Owner's Unit.

Section 18.3 Lien. The Association has a lien on a Unit for an assessment levied against the Unit or fines imposed against its Owner from the time the assessment or fine becomes due. Fees, charges, late charges, fines and interest charged pursuant to the Act and the Documents are enforceable as assessments under this Section; provided, however, that unless otherwise permitted by law, the Association may not foreclose upon a lien for unpaid assessments which is comprised solely of fines levied against an Owner for violation of the Documents unless the violation is of a type that threatens the health and welfare of the residents of the Project. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment becomes due.

(a) Except to the extent permitted under the Act (NRS 116.3116(2)), a lien under this Section is prior to all other liens and encumbrances on a Unit except: (1) liens and encumbrances recorded before the recordation of this Declaration; (2) a first Security Interest on the Unit recorded before the date on which the assessment sought to be enforced became delinquent; and (3) liens for real estate taxes and other governmental assessments or charges against the Unit. A lien under this Section is also prior to all Security Interests described in Subdivision (2) of this Subsection to the extent that the Common Expense assessments are based on the periodic budget adopted by the Association pursuant to Section 18.4 and 18.5 of this Article and would have become due in the absence of acceleration, during the six months immediately preceding institution of an action to enforce the Association's lien. This Subsection does not affect the priority of mechanics' or materialmen's liens or the priority of a lien for other assessments made by the Association.

(b) Recording of the Declaration constitutes record notice and perfection of the lien. Further recording of a claim of lien for assessment under this Section is not required.

(c) A lien for an unpaid assessment is extinguished unless proceedings to enforce the lien are instituted within three years after the full amount of the assessment becomes due, except that if an Owner of a Unit subject to a lien under this Section files a petition for relief under the United States Bankruptcy Code, the time period for instituting proceedings to enforce the Association's lien shall be tolled until thirty days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.

(d) This Section does not prohibit an action to recover sums for which Subsection (a) of this Section creates a lien or prohibit the Association from taking a deed in lieu of foreclosure.

(e) A judgment or decree in any action brought under this Section shall include costs and reasonable attorney's fees for the prevailing party.

(f) The Association's lien must be foreclosed by the same procedure set forth in NRS 116.31162 and NRS 116.31164.

(g) In any action by the Association to collect assessments or to foreclose a lien for unpaid assessments, the court may appoint a receiver for the Owner to collect all sums alleged to be due to that Owner from third parties prior to or during the pendency of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action to the extent of the Association's Common Expense Assessments, based on a periodic budget adopted by the Association pursuant to Section 18.4 of this Declaration.

(h) If a holder of a first Security Interest in a Unit forecloses that Security Interest, the purchaser at the foreclosure sale is not liable for any unpaid assessments against that Unit which

became due before the sale, other than the assessments which are prior to that Security Interest under Subsection (b) of this section of this Declaration. Any unpaid assessments not satisfied from the proceeds of sale become Common Expenses collectible from all the Owners, including the purchaser.

(i) A Request for Notice of Default and Sale recorded in accordance with NRS 107.090 shall apply to the foreclosure of an Association lien. The Request must identify the lien by stating the names of the Owner and the Project.

(j) In the case of foreclosure under NRS 116.31162 and NRS 116.31164, the Association shall give reasonable notice of its intent to foreclose to each lien holder of the affected Unit known to the Association.

(k) Any payments received by the Association in the discharge of an Owner's obligation may be applied to the oldest balance due; provided, however, that the Association may not apply any assessment, fee or other charge that is paid by an Owner toward a fine imposed against the Owner by the Association unless otherwise directed by the Owner or as permitted by law.

Section 18.4 Budget Adoption and Ratification. Each year the Board of Directors shall adopt a proposed budget of the Common Expenses of the Project, which shall include the budget for the daily operation of the Association and an adequate reserve (the "Reserve Funds") for the repair, replacement and restoration of the major components of the Common Elements. Such budget must be adopted by the Board of Directors before the beginning of each Fiscal Year and distributed to the Members in accordance with the Bylaws and the Act. Within 30 days after adoption of a proposed budget for the Project, the Board of Directors shall provide the budget or a summary thereof to each Owner and shall set a date for a meeting of the Owners to consider ratification of the budget. The meeting shall be not less than 14 or more than 30 days after mailing of the summary. Unless at that meeting a Majority of Owners reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Owners continues until the Owners ratify a subsequent budget proposed by the Board of Directors.

Section 18.5 Capital Improvement Assessments. If the Board of Directors votes to levy a Capital Improvement Assessment the Board of Directors shall submit the assessment to the Owners for ratification in the same manner as budget under Section 18.4. A Capital Improvement Assessment levied pursuant to this Section 18.5 shall include (i) an assessment not included in the current budget, other than one enumerated in Section 18.2 of this Declaration, in an amount greater than 15% of the current annual operating budget, or (ii) an assessment for the cost of construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements.

Section 18.6 Certificate of Payment of Common Expense Assessments. The Association, upon written request, shall furnish an Owner with a statement, in recordable form, setting out the amount of unpaid assessments against the Unit. The statement must be furnished within 10 business days after receipt of the request and is binding on the Association, the Board of Directors and each Owner.

Section 18.7 Monthly Payment of Common Expenses. All Common Expenses assessed under Sections 18.1 and 18.2 of this Declaration shall be due and payable monthly, at 1/12th of the annual total (in cases where an annual total is applicable).

Section 18.8 Limitations on Maximum Annual Assessment.

(a) Limitation Increases. From and after January 1st of the year immediately following the first conveyance of a Unit to an Owner other than Declarant, the maximum annual Common Expense Assessment may not be increased by more than 20% of the annual budget for the previous year unless approved by the vote or written assent of a Majority of Owners.

(b) Emergency Situation Exemptions. Notwithstanding the foregoing, this Section shall not operate to limit increases in the Common Expense Assessments that are necessary due to any "Emergency Situation." As used in this Section 18.8(b), an Emergency Situation shall mean the occurrence of any one of the following:

- (i) An extraordinary expense required by an order of a court;
- (ii) An extraordinary expense necessary to repair or maintain the Project or any portion thereof for which the Association is responsible when a threat to personal safety on the Property or the Project is discovered; and
- (iii) An extraordinary expense necessary to repair or maintain the Property, the Project, or any portion thereof for which the Association is responsible that could not have been reasonably foreseen by the Board when preparing the budget pursuant to Section 18.4 hereof.

The Board shall have the power to increase the Common Expense Assessments above the amount set forth in the budget adopted pursuant to Section 18.4, if prior to the imposition or collection of an Common Expense Assessment increase pursuant to this Section 18.8(b), the Board passes a resolution containing written findings that the extraordinary expense involved is necessary and, for any increases made under Section 18.8(b)(iii) an additional finding that expense was not or could not have been reasonably foreseen in the budgeting process. The resolution shall be distributed to the Members with a notice of Common Expense Assessment increase not less than 30 nor more than 60 days prior to the increased Common Expense Assessment becoming due.

Section 18.9 Acceleration of Common Expense Assessments. In the event of default in which any Owner does not make the payment of any Common Expense Assessment levied against his or her Unit within 10 days after the date due, the Board of Directors shall have the right, after Notice and Hearing, to declare all unpaid assessments for the pertinent fiscal year immediately due and payable.

Section 18.10 Commencement of Common Expense Assessments. The Common Expense Assessments provided for herein shall begin as to all Units in the Project (other than unsold Units owned by Declarant if a Subsidy Agreement is in effect) on the first day of the month following the first conveyance of a Unit to an Owner other than Declarant. The first assessment shall be adjusted according to the number of months remaining in the calendar year. If a Subsidy Agreement is in effect, regular assessments as to all unsold Units owned by Declarant shall commence upon termination or expiration of the Subsidy Agreement.

Section 18.11 No Waiver of Liability for Common Expenses. No Owner may become exempt from liability for payment of the Common Expense Assessments by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the assessments are made.

Section 18.12 Personal Liability of Owners. The Owner of a Unit, at the time a Common Expense Assessment or portion of the assessment is due and payable, is personally liable for the assessment. Additionally, the Owner of a Unit, by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in such deed or such other instrument, is deemed to covenant and agree to pay to the Association (1) annual Common Expense Assessments, (2) Capital Improvement Assessments, (3) Special Assessments, and (4) Reconstruction Assessments; such assessments to be established and collected as herein provided. All Assessments, together with interest, costs, and reasonable attorneys' fees for the collection thereof, shall be a charge on the land and shall be a continuing lien upon the Unit against which such assessment is made.

(a) No Owner may exempt himself from the personal liability for assessments levied by the Association, nor release the Unit owned by him from the liens and charges thereof by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his/her Unit.

(b) Personal liability for the assessment shall not pass to a successor in title to the Unit unless the successor agrees to assume the obligation. The successor in title shall be personally liable for any Common Expense Assessments thereafter due.

Section 18.13 Capitalization of Association. A working capital fund is to be established in the amount of 2 months' regularly budgeted initial Common Expense Assessments, measured as of the date of the first assessment levied by the Association. Any amounts paid into this fund shall not be considered as advance payment of assessments. Each Unit's share of the working capital fund may be collected and then contributed to the Association by Declarant at the time the sale of the Unit is closed or at the termination of the Declarant Control Period, if earlier. Until paid to the Association, the contribution to the working capital shall be considered an unpaid Common Expense Assessment, with a lien on Declarant's unsold Units pursuant to the Act. Until termination of Declarant control of the Board of Directors, the working capital shall be deposited without interest in a segregated fund. While Declarant is in control of the Board of Directors, Declarant cannot use any of the working capital funds to defray its expenses, reserve contributions or construction costs or to make up budget deficits.

Section 18.14 Subsidy Agreements. The Association is specifically authorized and empowered to enter into a subsidy agreement or other similar agreement with the Declarant whereby assessments otherwise payable by the Declarant on Units owned by the Declarant are suspended in exchange for the payment by the Declarant of shortfalls in the Associations' operating expenses or the provision of maintenance of the Common Elements and/or the performance of certain other services which are Common Expenses of the Association. Any such agreement shall provide that it may be terminated upon the vote of the Owners of 67% of the total number of Units in the Project, other than those Units owned by Declarant, in which event, after the date of such termination, all Owners, including Declarant shall be liable for the

full amount of the regular assessments which would otherwise be payable in accordance with this Article XVIII.

ARTICLE XIX RIGHT TO ASSIGN FUTURE INCOME

The Association may assign its future income, including its right to receive Common Expense Assessments, only upon the approval of a Majority of Owners, at a meeting called for that purpose, and with the Eligible Mortgagee consent described in Article XVII.

ARTICLE XX PERSONS AND UNITS SUBJECT TO DOCUMENTS

Section 20.1 Membership in the Association. Every Owner of a Unit shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Unit. Membership in the Association shall not be transferred, pledged, or alienated in any way, except upon the sale of a Unit to which it is appurtenant, and then only to the purchaser of such Unit. Any attempt to make a prohibited transfer is void. In the event the Owner of any Unit should fail or refuse to transfer the membership registered in his or her name to the purchaser of his or her Unit, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

Section 20.2 Compliance with Documents. All Owners, tenants, mortgagees and occupants of Units shall comply with the Documents. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the occupancy of a Unit constitutes agreement that the provisions of the Documents are accepted and ratified by that Owner, tenant, mortgagee or occupant. All provisions of the Documents recorded in the Clark County Recorder's Office are covenants running with the land and shall bind any Persons having at any time any interest or estate in any Unit. Owners are responsible for any violations of this Declaration or any other Document committed by any tenant, occupant of the Owner's Unit, invitee, employee, family member, agent, or any other Person on the Property at the request or for the benefit of Owner (collectively, "Owner's Invitees"). An Owner may be assessed fines for violations of the Documents committed by Owner's Invitees, as if the Owner committed the violation.

Section 20.3 Adoption of Rules. The Board of Directors may adopt Rules regarding the use and occupancy of Units as it affects the Common Elements, the Limited Common Elements and the activities of occupants, subject to Notice and Comment.

ARTICLE XXI INSURANCE

Section 21.1 Coverage. To the extent reasonably available, the Board of Directors shall obtain and maintain insurance coverage as set forth in this Article. If such insurance is not reasonably available, and the Board of Directors determines that any insurance described in this Article will not be maintained, the Board of Directors shall promptly cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Owners and Eligible Mortgagees at their respective last known addresses.

Section 21.2 Property Insurance Coverage.

(a) Coverage. Property insurance will cover:

(i) The facilities of the Project including all buildings on the Property, for example, the Units and all fixtures, equipment and any improvements and betterments whether part of a Unit or a Common Element, and such personal property of Owners as is normally insured under building coverage, but excluding land, excavations, portions of foundations below the undersurface of the lowest basement floors, underground pilings, piers, pipes, flues and drains and other items normally excluded from property policies; and

(ii) All personal property owned by the Association.

(b) Amounts. The insurance will be for an amount (after application of any deductions) equal to 100% of the actual cash value of the covered items at the time the insurance is purchased and at each renewal date.

The Board of Directors is authorized to obtain appraisals periodically for the purpose of establishing replacement cost of the insured items, and the cost of such appraisals shall be a Common Expense.

(c) Risks Insured Against. The insurance shall afford protection against "all risks" of direct physical loss commonly insured.

(d) Other Provisions. Insurance policies required by this Section shall provide that:

(i) Each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association.

(ii) The insurer waives the right to subrogation under the policy against an Owner or member of the household of an Owner.

(iii) An act or omission by an Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will not void the policy or be a condition of recovery under the policy.

(iv) If, at the time of a loss under the policy, there is other insurance in the name of an Owner which covers the same risk covered by the policy, the Association's policy provides primary insurance.

(v) Losses must be adjusted with the Association.

(vi) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and otherwise to the Association, but, in any case, it is to be held in trust for each Owner and the Owner's mortgagee.

(vii) The insurer may not cancel or refuse to renew the policy until 30 days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, to each Owner and to each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

(viii) The name of the insured shall be substantially as follows:

Tuscano Homeowners' Association, for the use and benefit of the individual Owners.

Section 21.3 Liability Insurance. Liability insurance, including medical payments insurance, will be maintained as determined by the Board of Directors. This insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements and the activities of the Association.

Insurance policies carried pursuant to this Section shall provide that:

(i) Each Owner is an insured person under the policy with respect to liability arising out of the Owner's interest in the Common Elements or membership in the Association;

(ii) The insurer waives the right to subrogation under the policy against an Owner or member of the household of an Owner.

(iii) An act or omission by an Owner, unless acting within the scope of the Owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy.

(iv) If, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same risk covered by the policy, the policy of the Association provides primary insurance.

(v) Losses must be adjusted with the Association.

(vi) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and otherwise to the Association, but, in any case, it is to be held in trust for each Owner and the Owner's mortgagee.

(vii) The insurer issuing the policy may not cancel or refuse to renew it until 30 days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, each Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued at their last known addresses.

Section 21.4 Flood Insurance. If HUD/FHA or FNMA is a holder or insurer of first mortgages on Units within the Project, and if the Project or portions thereof are identified as being within a flood hazard area and if flood hazard insurance is available under the National Flood Insurance Program, the Association shall be required to acquire such insurance, as a Common Expense, in an amount not less than: (a) the maximum coverage available; or (b) 100% of the replacement costs of all buildings and other property. The maximum deductible allowed with such policy shall be the lesser of \$5,000 or one percent (1%) of the face amount of coverage.

Section 21.5 Fidelity Bonds. A blanket fidelity bond shall be provided for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The bond shall name the Association as obligee and shall cover the maximum funds that will be in the custody of the Association or the Manager at any time while the bond is in force. In no event shall the bond be for an amount less than the sum of three months' assessments plus reserve funds. The bond shall include a provision that calls for 10 days' written notice to the Association, each holder of a Security Interest in a Unit, each servicer that services a FNMA-owned or FALMC-owned mortgage on a Unit and the insurance trustee, if any, before the bond can be canceled or substantially modified for any

reason. The bond shall be in an amount equal to the maximum amount of funds in the custody and control of the Association when the bond is in effect. When either: (a) separate bank accounts for working funds and reserves are maintained and monthly checks are sent directly to the Association, (b) a management company maintains separate records and bank accounts for each reserve account of the Association, or (c) two Directors must sign any check written on the reserve account, then the fidelity bond may be in an amount equal to three months Common Expense Assessments on all Units.

Section 21.6 Owner Policies. An insurance policy issued to the Association does not preclude Owners from obtaining insurance for their own benefit.

Section 21.7 Workers' Compensation Insurance. The Board of Directors shall obtain and maintain Workers' Compensation Insurance to meet the requirements of the laws of the State of Nevada.

Section 21.8 Directors' and Officers' Liability Insurance. The Board of Directors shall obtain and maintain directors' and officers' liability insurance, if available, covering all of the directors and officers (including without limitation the members of the Architectural Committee) of the Association. This insurance will have limits determined by the Board of Directors.

Section 21.9 Other Insurance. The Association may carry other insurance which the Board of Directors considers appropriate to protect the Association and/or the Owners.

Section 21.10 Premiums. Insurance premiums for insurance carried or to be carried by the Association shall be a Common Expense.

ARTICLE XXII DAMAGE TO OR DESTRUCTION OF PROPERTY

Section 22.1 Duty to Restore. Any portion of the Project for which insurance is required under the Act (NRS 116.31135) that is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (a) The Project is terminated; or
- (b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety; or
- (c) The Owners of 80% of the total number of Units in the Project, including each Owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild.

Section 22.2 Cost. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

Section 22.3 Plans. The Property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Board of Directors, a Majority of Owners and 51% of Eligible Mortgagees.

Section 22.4 Replacement of Less Than Entire Property. The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Project.

(a) Except to the extent that other persons will be distributees:

(i) The insurance proceeds attributable to a Unit and Limited Common Elements that are not rebuilt must be distributed to the Owner of the Unit and the Owner of the Unit to which the Limited Common Elements were allocated, or to lien holders, as their interests may appear; and

(ii) The remainder of the proceeds must be distributed to each Owner or lien holder, as their interests may appear, in proportion to the Common Element interests of all the Units.

(b) If the Owners vote not to rebuild a Unit, the Allocated Interests shall be automatically reallocated upon the vote as if the Unit had been condemned under the Act (NRS 116.1107(1)), and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocation of the Allocated Interests.

Section 22.5 Insurance Proceeds. The Trustee, or if there is no Trustee, then the Board of Directors of the Association, acting by the President, shall hold any insurance proceeds in trust for the Association, Owners and lien holders as their interests may appear. Subject to the provisions of Subsection 22.1(a) through Subsection 22.1(c) of this Declaration, the proceeds shall be disbursed first for the repair or restoration of the damaged Property. The Association, Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus after the Property has been completely repaired or restored, or unless the Project is terminated.

Section 22.6 Certificates By Board of Directors. The Trustee, if any, may rely on the following certifications in writing made by the Board of Directors:

(a) Whether or not damaged or destroyed Property is to be repaired or restored; and

(b) The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

Section 22.7 Certificates by Title Insurance Companies. If payments are to be made to Owners or mortgagees, then the Board of Directors and the Trustee, if any, shall obtain and may rely on a title insurance company's certificate or a title insurance policy based on a search of the Records in the Clark County Recorder's Office from the date of the recording of the original Declaration, stating the names of the Owners and the mortgagees.

ARTICLE XXIII NOTICE AND HEARING

Section 23.1 Right to Notice and Comment. Before the Board of Directors amends the Bylaws or the Rules, whenever the Documents require that an action be taken after "Notice and Comment," and at any other time the Board of Directors determines, the Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action either shall be given to each Owner in writing, delivered

personally or by mail to all Owners at such address as appears in the records of the Association, or it shall be published in a newsletter or similar publication which is routinely circulated to all Owners. The notice shall be given not less than five days before the proposed action is to be taken. It shall invite comment to the Board of Directors orally or in writing before the scheduled time of the meeting.

Section 23.2 Right to Notice and Hearing. Whenever the Documents require that an action be taken after "Notice and Hearing," the following procedure shall be observed: The party proposing to take the action (e.g., the Board, a committee, an officer, the Manager, etc.) shall give written notice of the proposed action to all Owners or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing, and if the notice relates to a proposed violation of the Documents, a statement of the alleged violation. At the hearing, the affected Person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Any evidence shall be duly considered, but is not binding in making the decision. The affected Person shall be notified of the decision in the same manner in which notice of the meeting was given. No fine for a violation of the Documents may be imposed until after a hearing before the Board or committee authorized by the Board, and the requirements of the Act are followed. The Board or committee authorized by the Board may impose an initial fine for the violation of the Documents in the amount of \$100, or such other minimum amount as allowed by the Act, and may impose additional fines in accordance with the Act. If a violation goes uncured, the Board or the committee may consider the violation a continuing violation and proceed with fines of \$100 for each seven-day period the violation remains uncured. After the initial Notice and Hearing, no further notice or hearings are required for the Board or the committee to assess additional fines for the continuing violation. In all actions by the Board or by a committee authorized by the Board to enforce the provisions of the Documents the minimum standards set forth in the Act, as amended, shall be followed.

Section 23.3 Appeals. Any person having a right to Notice and Hearing shall have the right to appeal to the Board of Directors from a decision of persons other than the Board of Directors by filing a written notice of appeal with the Board of Directors within 10 days after being notified of the decision. The Board of Directors shall conduct a hearing within 30 days, giving the same notice and observing the same procedures as were required for the original meeting.

ARTICLE XXIV BOARD OF DIRECTORS

Section 24.1 Association Records and Minutes of Board of Directors Meetings. The Board of Directors shall maintain and make available, subject to the provisions of the Bylaws and the Act, to any Owner, or holder, insurer or guarantor of a first mortgage secured by a Unit, current copies of this Declaration, the Articles, the Bylaws, the Rules, and all other books, records and other papers of the Association, including but not limited to the financial statements, budgets and reserve studies.

Section 24.2 Powers and Duties. The Board of Directors may act in all instances on behalf of the Association, except as provided in this Declaration, the Bylaws or the Act. The Board of Directors shall have, subject to the limitations contained in this Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Project, which shall include, but not be limited to, the powers set forth in the Bylaws.

Section 24.3 Board of Directors Limitations. The Board of Directors may not act on behalf of the Association to amend this Declaration, to terminate the Project or to elect members of the Board of Directors or determine the qualifications, powers and duties or terms of office of Board of Directors members, but the Board of Directors may fill vacancies in its membership for the unexpired portion of any term, subject to the terms of the Bylaws and the provisions of the Act.

Section 24.4 Legal Proceedings. The Association, acting through the Board, shall have the power and the duty to reasonably defend the Association (and, in connection therewith, to raise counterclaims) in any pending or potential lawsuit, arbitration, mediation or governmental proceeding (collectively hereinafter referred to as a "Proceeding"). The Association, acting through the Board, shall, based on the standards imposed under the business judgment rules, have the power, but not the duty, to reasonably institute, prosecute, maintain and/or intervene in a Proceeding, in its own name, but only on matters affecting or pertaining to this Declaration or the Common Elements and as to which the Association is a proper party in interest, and any exercise of such power shall be subject to full compliance with the following provisions:

(a) Any Proceeding commenced by the Association: (i) to enforce the payment of an assessment or an assessment lien or other lien against an Owner as provided for in this Declaration, or (ii) to otherwise enforce compliance with the Governing Documents by, or to obtain other relief from, any Owner who has violated any provision thereof, or (iii) to protect against any matter which imminently and substantially threatens or effects the health, safety and of not less than 75% of the Owners based upon a physical inspection by a third party licensed Professional with expertise in the area, or (iv) against a supplier, vendor, contractor or provider of services, pursuant to a contract or purchase order with the Association and in the ordinary course of business, or (v) for money damages wherein the total amount in controversy for all matters arising in connection with the action is not likely to exceed Ten Thousand Dollars (\$10,000.00) in the aggregate; shall be referred to herein as an "Operational Proceeding." The Board from time to time may cause an Operational Proceeding to be reasonably commenced and prosecuted, without the need for further authorization.

(b) Any and all pending or potential Proceedings other than Operational Proceedings, including demands or notices, prior to the commencement of litigation, regarding potential or actual construction defects, shall be referred to herein as a "Non-Operational Controversy" or "Non-Operational Controversies." To protect the Association and the Owners from being subjected to potentially costly or prolonged Non-Operational Controversies without full disclosure, analysis and consent; to protect the Board and individual Directors from any charges of negligence, breach of fiduciary duty, conflict of interest or acting in excess of their authority or in a manner not in the best interests of the Association and the Owners; and to ensure voluntary and well-informed consent and clear and express authorization by the Owners, strict

compliance with all of the following provisions of this Section 24.4 shall be mandatory with regard to any and all Non-Operational Controversies commenced, instituted or maintained by the Board:

(i) The Board shall first endeavor to resolve any Non-Operational Controversy by good faith negotiations with the adverse party or parties. In the event that such good faith negotiations fail to reasonably resolve the Non-Operational Controversy, the Board shall then endeavor in good faith to resolve such Non-Operational Controversy by mediation, provided that the Board shall not incur liability for or spend more than Five Thousand Dollars (\$5,000.00) in connection therewith (provided that, if more than said sum is reasonably required in connection with such mediation, then the Board shall be required first to reasonably seek approval of a majority of the voting power of the Members for such additional amount for mediation before proceeding to either arbitration or litigation). In the event that the adverse party or parties refuse mediation, or if such good faith mediation still fails to reasonably resolve the Non-Operational Controversy, the Board shall not be authorized to commence, institute or maintain any arbitration or litigation of such Non-Operational Controversy until the Board has fully complied with the following procedures:

(1) The Board shall first investigate the legal merit, feasibility and expense of prosecuting the Non-Operational Controversy, by obtaining the written opinion of a licensed Nevada attorney regularly residing in Clark County, Nevada, with a Martindale-Hubbell rating of "av", expressly stating that such attorney has reviewed the underlying facts and data in sufficient, verifiable detail to render the opinion, and expressly opining that the Association has a substantial likelihood of prevailing on the merits with regard to the Non-Operational Controversy, without substantial likelihood of incurring any material liability with respect to any counterclaim which may be asserted against the Association. The Board shall be authorized to spend up to an aggregate of Five Thousand Dollars (\$5,000.00) to obtain such legal opinion, including all amounts paid to said attorney therefor, and all amounts paid to any consultants, contractors and/or experts preparing or processing reports and/or information in connection therewith. The Board may increase said \$5,000.00 limit, with the express consent of more than fifty percent (50%) or more of all of the Members of the Association, at a special meeting called for such purpose.

(2) Said attorney opinion letter shall also contain the attorney's best good faith estimate of the aggregate maximum "not-to-exceed" amount of legal fees and costs, including, without limitation, court costs, costs of investigation and all further reports or studies, costs of court reporters and transcripts, and costs of expert witnesses and forensic specialists (all collectively, "Quoted Litigation Costs") which are reasonably expected to be incurred for prosecution to completion (including appeal) of the Non-Operational Controversy. Said opinion letter shall also include a draft of any proposed fee agreement with such attorney. If the attorney's proposed fee arrangement is contingent, the Board shall nevertheless obtain the Quoted Litigation Costs with respect to all costs other than legal fees, and shall also obtain a written draft of the attorney's proposed contingent fee agreement. (Such written legal opinion, including the Quoted Litigation Costs, and also including any proposed fee agreement, contingent or non-contingent, are collectively referred to herein as the "Attorney Letter"). Said Attorney Letter shall also set forth the expected length of the Civil Proceeding and the expected impact on the Members of the Association.

(3) Upon receipt and review of the Attorney Letter, if two-thirds (2/3) or more of the Board affirmatively vote to proceed with the institution or prosecution of, and/or intervention in, the Non-Operational Controversy, the Board thereupon shall duly notice and call a special meeting of the Members. The written notice to each Member of the Association shall include a copy of the Attorney Letter, including the Quoted Litigation Costs and any proposed fee agreement, contingent or non-contingent, together with a written report ("Special Assessment Report") prepared by the Board: (A) itemizing the amount necessary to be assessed to each Member ("Special Litigation Assessment"), on a monthly basis, to fund the Quoted Litigation Costs, and (B) specifying the probable duration and aggregate amount of such Special Litigation Assessment. At said special meeting, following review of the Attorney Letter, Quoted Litigation Costs, and the Special Assessment Report, and full and frank discussion thereof, including balancing the desirability of instituting, prosecuting and/or intervening in the Non-Operational Controversy against the desirability of accepting any settlement proposals from the adversary party or parties, the Board shall call for a vote of the Members, whereupon: (x) if not more than sixty-seven percent (67%) of the total voting power of the Association votes in favor of pursuing such Non-Operational Controversy and levying the Special Litigation Assessment, then the Non-Operational Controversy shall not be pursued further, but (y) if more than fifty percent (50%) of the total voting power of the Association (i.e., more than sixty-seven percent (67%) of all of the Members of the Association) affirmatively vote in favor of pursuing such Non-Operational Controversy, and in favor of levying a Special Litigation Assessment on the Members in the amounts and for the duration set forth in the Special Assessment Report, then the Board shall be authorized to proceed to institute, prosecute, and/or intervene in the Non-Operational Controversy. In such event, the Board shall engage the attorney who gave the opinion and quote set forth in the Attorney Letter, which engagement shall be expressly subject to the Attorney Letter. The terms of such engagement shall require (i) that said attorney shall be responsible for all attorneys' fees and costs and expenses whatsoever in excess of one hundred twenty percent (120%) of the Quoted Litigation Costs, and (ii) that said attorney shall provide, and the Board shall distribute to the Members, not less frequently than quarterly, a written update of the progress and current status of, and the attorney's considered prognosis for, the Non-Operational Controversy, including any offers of settlement and/or settlement prospects, together with an itemized summary of attorneys fees and costs incurred to date in connection therewith.

(4) In the event of any bona fide settlement offer from the adverse party or parties in the Non-Operational Controversy, if the Association's attorney advises the Board that acceptance of the settlement offer would be reasonable under the circumstances, or would be in the best interests of the Association, or that said attorney no longer believes that the Association is assured of a substantial likelihood of prevailing on the merits without prospect of material liability on any counterclaim, then the Board shall have the authority to accept such settlement offer. In all other cases, the Board shall submit any settlement offer to the Owners, who shall have the right to accept any such settlement offer upon a majority vote of all of the Members of the Association.

In no event shall any Association Reserve Fund be used as the source of funds to institute, prosecute, maintain and/or intervene in any Proceeding (including, but not limited to, any Non-Operational Controversy). Association Reserve Funds, pursuant to Section 6.3, are to be used only for the specified replacements, painting and repairs of Common Elements, and for no other purpose whatsoever.

THE ASSOCIATION IS PROHIBITED FROM BRINGING ANY CLAIMS FOR DEFECTS IN RELATION TO APPURTENANCES WITHIN THE PROPERTY DUE TO DISCLOSURES MADE BY THE DECLARANT IN THE PUBLIC OFFERING STATEMENT AND/OR THE RELEVANT PURCHASE DOCUMENTS. SPECIFICALLY, THE FOLLOWING DISCLOSURES WERE MADE WITH RESPECT TO THE CONDITION OF THE PROPERTY: THE PROPERTY WAS NOT CONSTRUCTED BY THE DECLARANT AND MAY CONTAIN CONDITIONS WHICH MAY CONSTITUTE DEVIATIONS FROM THE PLANS AND/OR INTENDED MANNER OF CONSTRUCTION, SUCH CONDITIONS MAY RESULT FROM THE TYPE OF MATERIALS PROCESSED AND PROCEDURES USED TO CONSTRUCT A CONDOMINIUM UNIT AND MAY INCLUDE, BUT ARE NOT LIMITED TO SUCH CONDITIONS AS ARE SET FORTH IN THE REPORT. THE ASSOCIATION ACKNOWLEDGES THAT THE REPORT IS INCORPORATED HEREIN BY THIS REFERENCE AND SHALL BE PROVIDED BY THE ASSOCIATION TO ALL MEMBERS IN ADVANCE OF THEIR PURCHASE OF A RESIDENTIAL UNIT AND OTHERWISE UPON REQUEST BY ANY MEMBER.

AS SUCH, EVEN THOUGH SUCH CONDITIONS MAY EXIST, THEY DID NOT INTERFERE WITH THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY BY THE LOCAL GOVERNMENTAL ENTITY. THE MEMBERS OF THE ASSOCIATION FURTHER AGREE THAT AS LONG AS THERE IS NO PHYSICAL DAMAGE TO THE PROPERTY, AND THERE IS NO DETERMINATION THAT THERE IS AN IMMEDIATE THREAT TO THE HEALTH, SAFETY AND WELFARE OF THE OCCUPANTS OF THE PROPERTY BY A BUILDING INSPECTOR REPRESENTATIVE OF THE NEVADA CONTRACTOR'S BOARD, OR A LICENSED ENGINEER, ARCHITECT OR CONTRACTOR, THE ASSOCIATION WILL NOT CLAIM THAT THERE ARE ANY CONSTRUCTION DEFECTS AND HEREBY SPECIFICALLY WAIVES ANY CLAIMS IN THAT REGARD PURSUANT TO NRS 40.640(5) AND NRS 116.4115.

THE ASSOCIATION FURTHER SPECIFICALLY ACKNOWLEDGES THAT IT IS WAIVING ANY AND ALL CLAIMS AGAINST DECLARANT, DECLARANT'S PREDECESSORS, THE GENERAL CONTRACTOR (OXBOW CONSTRUCTION, LLC), ALL SUBCONTRACTORS, DESIGN PROFESSIONALS AND SUPPLIERS, BROUGHT UNDER NRS 40.600 ET SEQ.; WHICH MAY AFFECT THE RIGHTS TO RECOVER ATTORNEYS' FEES; CLAIMS FOR BREACH OF EXPRESS WARRANTY; CLAIMS FOR BREACH OF IMPLIED WARRANTY; AND NEGLIGENCE. THIS WAIVER SHALL BE BINDING ON ALL SUCCESSORS AND ASSIGNS. IN MAKING THIS WAIVER, THE ASSOCIATION SPECIFICALLY UNDERSTANDS THAT AT THE TIME THE PROJECT WAS BUILT, IT WAS INTENDED TO BE USED AS AN APARTMENT COMPLEX, NOT AS A RESIDENCE AS DEFINED BY NRS 40.630. THUS THE PROVISIONS OF NRS 40.600 ARE NOT APPLICABLE TO THIS PROJECT.

(c) Any provision in this Declaration notwithstanding: (i) other than as set forth in this Section 24.4, the Association shall have no power whatsoever to institute, prosecute, maintain, or intervene in any Proceeding, (ii) any institution, prosecution, or maintenance of, or intervention in, a Proceeding by the Board without first strictly complying with, and thereafter

continuing to comply with, each of the provisions of this Section 24.4, shall be unauthorized and ultra vires (i.e., an unauthorized and unlawful act, beyond the scope of authority of the corporation or of the person(s) undertaking such act) as to the Association, and shall subject any Director who voted or acted in any manner to violate or avoid the provisions and/or requirements of this Section 24.4 to personal liability to the Association for all costs and liabilities incurred by reason of the unauthorized institution, prosecution, or maintenance of, or intervention in, the Proceeding; and (iii) this Section 24.4 may not be amended or deleted at any time without the express prior written approval of both: (1) Members representing not less than seventy-five percent (75%) of the total voting power of Association, and (2) not less than seventy-five percent (75%) of the total voting power of the Board of Directors; and any purported amendment or deletion of this Section 24.4, or any portion hereof, without both of such express prior written approvals shall be void.

ARTICLE XXV OPEN MEETINGS

Section 25.1 Access. All meetings of the Board of Directors will be open to the Owners, except as hereinafter provided.

Section 25.2 Executive Sessions. Meetings of the Board of Directors may be held in executive session, without giving notice and without the requirement that they be open to Owners, only if the action taken at the executive session involves (i) consultation with the Association's attorney regarding proposed or pending litigation which consultation involves privileged attorney-client information; (ii) personal matters; (iii) alleged violations of the Documents committed by an Owner; or (iv) any other matter permitted by law to be discussed in an executive session.

ARTICLE XXVI CONDEMNATION

If part or all of the Project is taken by any person or entity having the authority of eminent domain, all compensation and damages for and on account of the taking shall be payable in accordance with the Act (NRS 116.1107).

ARTICLE XXVII AS-IS SALE; DECLARANT MADE NO IMPROVEMENTS TO THE PROPERTY

Section 27.1 As-Is Sale. By accepting a deed conveying an interest in a portion of the Property, each Owner agrees that each Unit has been sold by Declarant without any warranties, expressed or implied, unless specifically agreed to by Declarant in a separate agreement or unless specifically implied by law. All express and implied warranties of quality under NRS 116.4113 and 116.4114 and specifically excluded from the sale of a Unit by Declarant and by accepting a deed conveying an interest in any portion of the Property Buyer expressly waives any such express or implied warranty of quality.

Section 27.2 Declarant Made No Improvements to the Property. Each Owner hereby acknowledges that Declarant is not the developer of the Property and made no Improvements to the Property. The Property was completely constructed and subdivided prior to Declarant's purchase of the Property. Each Owner acknowledges that the Property was initially

constructed as an apartment complex and subsequently subdivided and converted into condominiums.

ARTICLE XXVIII MISCELLANEOUS PROVISIONS

Section 28.1 Enforcement:

(a) The Association and any Owner shall have the right to enforce by any proceedings at law or in equity, each covenant, condition, restriction and reservation now or hereafter imposed by the provisions of this Declaration. Each Owner shall have a right of action against the Association for any failure by the Association to comply with the provisions of the Documents. Failure by the Association or any Owner to enforce any covenant, condition, restriction or reservation contained herein shall not be deemed a waiver or the right to do so thereafter.

(b) In the event the Association, Declarant, or any Owner shall commence litigation to enforce any of the covenants, conditions, restrictions or reservations herein contained, the prevailing party in such litigation shall be entitled to costs of suit and such attorney's fees as the Court may adjudge reasonable and proper. The "prevailing party" shall be the party in whose favor a final judgment is entered.

Section 28.2 Captions. The captions contained in the Documents are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Documents or the intent of any provision thereof.

Section 28.3 Gender. The use of the masculine gender refers to the feminine gender, and vice versa, and the use of the singular includes the plural, and vice versa, whenever the context of the Documents so require.

Section 28.4 Waiver. No provision contained in the Documents is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 28.5 Invalidity. The invalidity of any provision of the Documents does not impair or affect in any manner the validity, enforceability or effect of the remainder, and if a provision is invalid, all of the other provisions of the Documents shall continue in full force and effect.

Section 28.6 Conflict. The Documents are intended to comply with the requirements of the Act applicable to common interest communities and the Documents shall be interpreted, if at all possible, so as to be consistent with the Act. If there is any conflict between the Documents and the provisions of the foregoing statutes, the provisions of the applicable statutes shall control. In the event of any conflict between this Declaration and any other Document, this Declaration shall control.

Section 28.7 Notices. Any notice permitted or required to be given under the provisions of this Declaration shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered on the third day (other than a Sunday or a legal holiday) after a copy of the same has been deposited in the United

States mail, postage prepaid, addressed to the person at the address given by such person to the Association for the purpose of service of notices, or to the residence of such person if no address has been given to the Association. Such address may be changed from time to time by notice in writing given by such person to the Association.

Section 28.8 Unilateral Amendment By Declarant. Declarant may unilaterally amend this Declaration if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, to enable such lender or purchaser to make or purchase mortgage loans on the Units; (iv) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units; or (v) otherwise necessary to satisfy the requirements of any governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. So long as Declarant still owns property described in Exhibit "A" or Exhibit "B" for development as part of the Project, it may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon right of any Owner.

Section 28.9 Term. This Declaration, including all of the covenants, conditions and restrictions hereof, shall run with and bind the Property for a term of 30 years from the date this Declaration is recorded. After such time, the covenants, conditions and restrictions contained herein, shall be automatically extended for successive periods of 10 years, unless an instrument is signed by the Owner of at least 2/3 of the total number of Units in the Project and recorded in the Clark County, Nevada Recorder's Office within the year preceding the beginning of each successive period of 10 years, agreeing to change the terms of this Declaration, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified herein.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the date set forth above.

"DECLARANT"

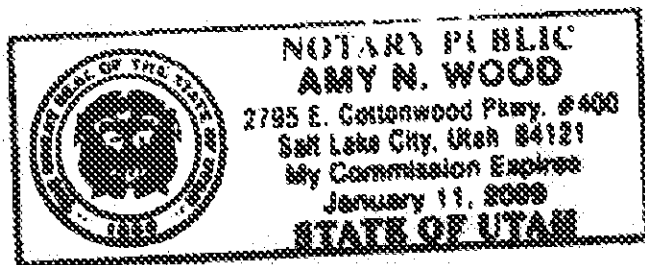
Tuscano Associates, LLC,
a Nevada limited liability company.

By: Kenneth M. Woolley
Name: Kenneth M. Woolley
Title: Manager

STATE OF UTAH

COUNTY OF SALT LAKE

This instrument was acknowledged before me on April 4, 2005, by Kenneth M. Woodley, as Manager of Tuscano Associates, LLC, a Nevada limited liability company.



Amy N. Wood
Notary Public

EXHIBIT "A"

Legal Description

All of the following described real property located in the County of Clark, State of Nevada, more particularly described as follows:

All that real property described in the Final Plat of Tuscano Condominiums (a Common Interest Condominium Subdivision), recorded in Book 122 of Plats, page 11, in the Office of the County Recorder, Clark County, Nevada on January 31, 2005.

EXHIBIT "B"

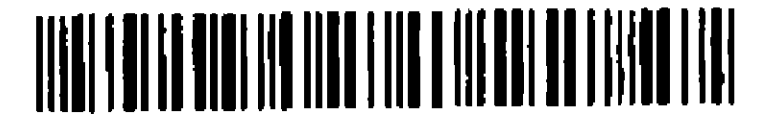
Common Elements

All of the following described real property located in the County of Clark, State of Nevada, more particularly described as follows:

All that real property described as Common Elements on the Final Plat of Tuscano Condominiums (a Common Interest Condominium Subdivision), recorded in Book 122 of Plats, page 11, in the Office of the County Recorder, Clark County, Nevada on January 31, 2005.

EXHIBIT 2

EXHIBIT 2



20051207-0002366

Fee: \$17.00 RPTT: \$1,002.15
N/C Fee: \$0.00

12/07/2005 09:54:01
T20050220961

Requestor:
FIRST AMERICAN TITLE COMPANY OF NEVADA

Frances Deane PUN
Clark County Recorder Pgs: 4

A.P.N.: 176-03-510-102
File No: 101-2237055 (SC)
R.P.T.T.: \$1,002.16

When Recorded Mail To: Mail Tax Statements To:
Stephanie Tablante
7255 West Sunset Road Unit 2050
Las Vegas, NV 89113

US

4

GRANT, BARGAIN and SALE DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Tuscano Condominiums LLC., a Nevada limited liability company

do(es) hereby *GRANT, BARGAIN and SELL* to

Stephanie Tablante, a single woman

the real property situate in the County of Clark, State of Nevada, described as follows:

PARCEL ONE (1) - UNITS:

UNIT 2050 IN BUILDING 7 AS SHOWN ON THE FINAL PLAT OF TUSCANO CONDOMINIUMS, A CONDOMINIUM COMMUNITY, RECORDED JANUARY 31, 2005, IN BOOK 122, PAGE 11 OF PLATS, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA (THE "PLAT"), AND

PARCEL TWO (2) - COMMON ELEMENTS:

1/352 INTEREST AS A TENANT-IN-COMMON IN THE COMMON ELEMENTS IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR TUSCANO TOWNHOMES RECORDED APRIL 5, 2005 IN BOOK 20050405 AS DOCUMENT NO. 0002422 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA (THE "DECLARATION").

EXCEPTING THEREFROM, ALL UNITS SHOWN ON THE PLAT.

RESERVING THEREFROM, THE RIGHT TO USE ANY OF THOSE AREAS DESIGNATED AS LIMITED COMMON ELEMENTS IN THE PLAT AND/OR THE DECLARATION.

FURTHER RESERVING THEREFROM, FOR THE BENEFIT OF THE OWNERS OF ALL UNITS SHOWN ON THE PLAT (EXCEPT THE UNIT REFERRED TO IN PARCEL 1 ABOVE) NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE, ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS, AS DEFINED IN AND SUBJECT TO THE DECLARATION.

PARCEL THREE (3) - APPURTENANT EASEMENTS:

NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE, ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS AS DEFINED IN AND SUBJECT TO THE DECLARATION, WHICH EASEMENTS ARE APPURTENANT TO PARCELS 1, 2 ABOVE.

Subject to

1. All general and special taxes for the current fiscal year.
2. Covenants, Conditions, Restrictions, Reservations, Rights, Rights of Way and Easements now of record.

TOGETHER with all tenements, hereditaments and appurtenances, including easements and water rights, if any, thereto belonging or appertaining, and any reversions, remainders, rents, issues or profits thereof.

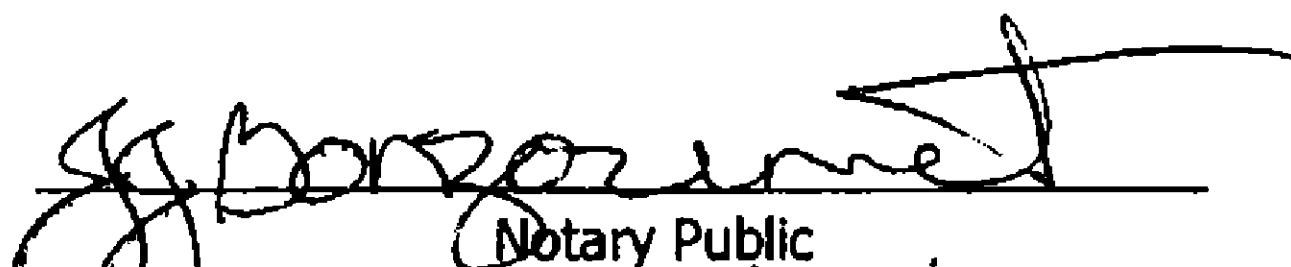
Date: 12/02/2005

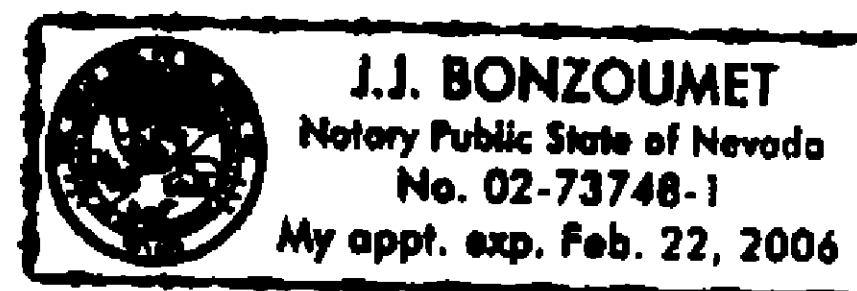
Tuscano Condominiums LLC, a Nevada
Limited Liability Company


By: Ken Baxter, Member

STATE OF **NEVADA**)
 : **ss.**
COUNTY OF **CLARK**)

This instrument was acknowledged before me on 12/2/05 by
Tuscano Condominiums LLC, a Nevada Limited Liability Company by Ken Baxter,
Member.


Notary Public
(My commission expires: 2/22/06)



**STATE OF NEVADA
DECLARATION OF VALUE**

1. Assessor Parcel Number(s)

- a) 176-03-510-102
b) _____
c) _____
d) _____

2. Type of Property

- a) ☐ Vacant Land b) ☐ Single Fam. Res. ⁴⁸
c) ☒ Condo/Twnhse d) ☐ 2-4 Plex
e) ☐ Apt. Bldg. f) ☐ Comm'l/Ind'l
g) ☐ Agricultural h) ☐ Mobile Home
i) ☐ Other _____

FOR RECORDERS OPTIONAL USE

Book _____ Page: _____
Date of Recording: _____
Notes: _____

3. Total Value/Sales Price of Property:

\$196,400.00

Deed in Lieu of Foreclosure Only (value of property)

(\$ _____)

Transfer Tax Value:

\$196,400.00

Real Property Transfer Tax Due

\$1,002.15

4. **If Exemption Claimed:**

a. Transfer Tax Exemption, per 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: _____ Capacity: Agent

Signature: _____ Capacity: _____

SELLER (GRANTOR) INFORMATION
(REQUIRED)

Print Name: Tuscano Condominiums LLC.

Address: 630 Trade Center Drive

City: Las Vegas

State: NV Zip: 89119

BUYER (GRANTEE) INFORMATION
(REQUIRED)

Print Name: Stephanie Tablante

Address: 7255 West Sunset Road

City: Las Vegas

State: NV Zip: 89113

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

First American Title Company of

Print Name: Nevada

File Number: 101-2237055 SC/SRF

Address: 2490 Paseo Verde Parkway #100

City: Henderson

State: NV Zip: 89074

(AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED)

239dc

EXHIBIT 3

EXHIBIT 3



20051207-0002367

Fee: \$32.00
N/C Fee: \$0.00

12/07/2005 09:54:01
T20050220961

Requestor:
FIRST AMERICAN TITLE COMPANY OF NEVADA

Frances Deane PUN
Clark County Recorder Pgs: 19

Assessor's Parcel Number: 176-03-510-102

Return To: NEW FREEDOM MORTGAGE CORPORATION
ATTN: FINAL DOC'S
2363 SOUTH FOOTHILL DRIVE
SALT LAKE CITY, UT 84109

Prepared By: Tammy Gonzales
2363 SOUTH FOOTHILL DRIVE
SALT LAKE CITY, UT 84109

~~Recording Requested By:~~

NEW FREEDOM MORTGAGE CORPORATION
2363 SOUTH FOOTHILL DRIVE
SALT LAKE CITY, UT 84109

49

191

[Space Above This Line For Recording Data]

DEED OF TRUST

MIN
1000360-0000275964-1

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated November 29, 2005, together with all Riders to this document.

(B) "Borrower" is STEPHANIE TABLANTE, A SINGLE WOMAN

Borrower is the trustor under this Security Instrument.

(C) "Lender" is NEW FREEDOM MORTGAGE CORPORATION

Lender is a A CORPORATION
organized and existing under the laws of
TABLAN, S275964 275964

THE STATE OF UTAH

NEVADA-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
WITH MERS

Form 3029 1/01

VMP-6A(NV) (0507) MW 07/03

Page 1 of 15 Initials: ST

VMP Mortgage Solutions, Inc.
(800)521-7291



Lender's address is 2363 SOUTH FOOTHILL DRIVE, SALT LAKE CITY, UT 84109

(D) "Trustee" is FIRST AMERICAN TITLE CO. OF NEVADA

(E) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. **MERS is the beneficiary under this Security Instrument.** MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.

(F) "Note" means the promissory note signed by Borrower and dated November 29, 2005. The Note states that Borrower owes Lender One Hundred Seventy Six Thousand Seven Hundred Sixty and no/100 Dollars (U.S. \$176,760.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than December 1, 2035.

(G) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(H) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(I) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

<input type="checkbox"/> Adjustable Rate Rider	<input checked="" type="checkbox"/> Condominium Rider	<input type="checkbox"/> Second Home Rider
<input type="checkbox"/> Balloon Rider	<input type="checkbox"/> Planned Unit Development Rider	<input type="checkbox"/> 1-4 Family Rider
<input type="checkbox"/> VA Rider	<input type="checkbox"/> Biweekly Payment Rider	<input type="checkbox"/> Other(s) [specify]

(J) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(K) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(L) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(M) "Escrow Items" means those items that are described in Section 3.

(N) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(O) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(P) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(Q) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time.

TABLAN, S275964

275964

Initials: ST

 -6A(NV) (0507)

Page 2 of 15

Form 3029 1/01

time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(R) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

The beneficiary of this Security Instrument is MERS (solely as nominee for Lender and Lender's successors and assigns) and the successors and assigns of MERS. This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the COUNTY [Type of Recording Jurisdiction] of CLARK [Name of Recording Jurisdiction]:
SEE ATTACHED EXHIBIT "A" APN: 176-03-510-102

Parcel ID Number: 176-03-510-102
7255 W. SUNSET ROAD #2050
LAS VEGAS
("Property Address"):

which currently has the address of
[Street]
[City], Nevada 89113 [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances

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of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives

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Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

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lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

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the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

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attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

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(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

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12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

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16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be

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one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

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Initials: ST

 -6A(NV) (0507)

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NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option, and without further demand, may invoke the power of sale, including the right to accelerate full payment of the Note, and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold, and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender shall mail copies of the notice as prescribed by Applicable Law to Borrower and to the persons prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time required by Applicable Law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law.

24. Substitute Trustee. Lender at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Applicable Law.

25. Assumption Fee. If there is an assumption of this loan, Lender may charge an assumption fee of U.S. \$ 0.00

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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

STEPHANIE TABLANTE (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

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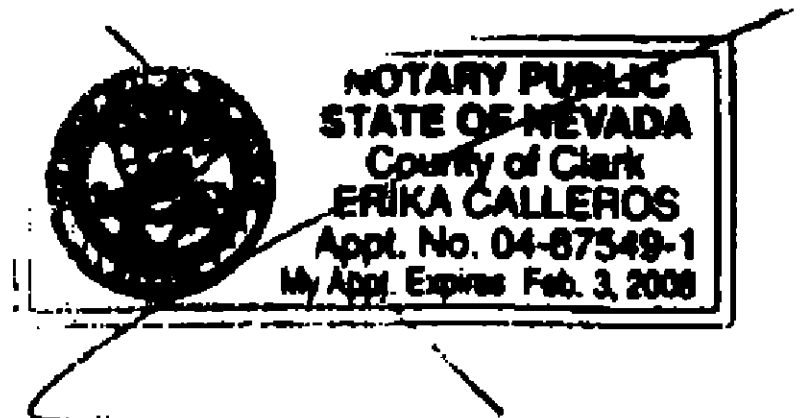
Form 3029 1/01

NSM00018

STATE OF NEVADA
COUNTY OF CLARK

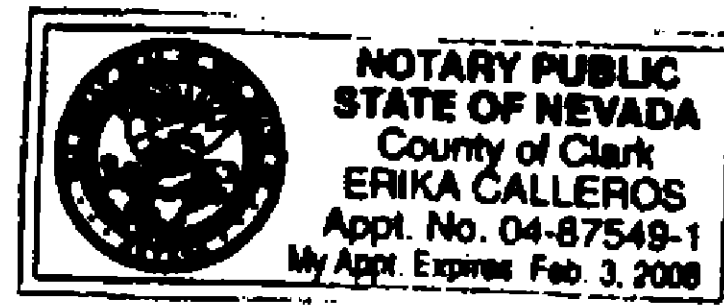
This instrument was acknowledged before me on
STEPHANIE TABLANTE

December 1, 2005 by



Erika Calleros

Mail Tax Statements To:
NEW FREEDOM MORTGAGE CORPORATION
2363 SOUTH FOOTHILL DRIVE
SALT LAKE CITY, UT 84109



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275964

Initials: ST

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NSM00019

EXHIBIT "A"

The land referred to in this Commitment is situated in the City of Las Vegas, County of Clark, State of Nevada and is described as follows:

PARCEL ONE (1) - UNITS:

UNIT 2050 IN BUILDING 7 AS SHOWN ON THE FINAL PLAT OF TUSCANO CONDOMINIUMS, A CONDOMINIUM COMMUNITY, RECORDED JANUARY 31, 2005, IN BOOK 122, PAGE 11 OF PLATS, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA (THE "PLAT"), AND

PARCEL TWO (2) - COMMON ELEMENTS:

1/352 INTEREST AS A TENANT-IN-COMMON IN THE COMMON ELEMENTS IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR TUSCANO TOWNHOMES RECORDED APRIL 5, 2005 IN BOOK 20050405 AS DOCUMENT NO. 0002422 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA (THE "DECLARATION").

EXCEPTING THEREFROM, ALL UNITS SHOWN ON THE PLAT.

RESERVING THEREFROM, THE RIGHT TO USE ANY OF THOSE AREAS DESIGNATED AS LIMITED COMMON ELEMENTS IN THE PLAT AND/OR THE DECLARATION.

FURTHER RESERVING THEREFROM, FOR THE BENEFIT OF THE OWNERS OF ALL UNITS SHOWN ON THE PLAT (EXCEPT THE UNIT REFERRED TO IN PARCEL 1 ABOVE) NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE, ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS, AS DEFINED IN AND SUBJECT TO THE DECLARATION.

PARCEL THREE (3) - APPURTENANT EASEMENTS:

NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE, ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS AS DEFINED IN AND SUBJECT TO THE DECLARATION, WHICH EASEMENTS ARE APPURTENANT TO PARCELS 1, 2 ABOVE.

CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 29th day of November 2005 , and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to NEW FREEDOM MORTGAGE CORPORATION

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

7255 W. SUNSET ROAD #2050, LAS VEGAS, NV 89113
[Property Address]

The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

TUSCANO CONDOMINIUMS

[Name of Condominium Project]

(the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

CONDOMINIUM COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. Condominium Obligations. Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Property Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes and floods, from which Lender requires insurance, then: (i) Lender waives the provision in

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MULTISTATE CONDOMINIUM RIDER - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

VMP-8R (0411) Form 3140 1/01

Page 1 of 3 Initials: ST

VMP Mortgage Solutions, Inc.

(800)521-7291 MW 11/04



Section 3 for the Periodic Payment to Lender of the yearly premium installments for property insurance on the Property; and (ii) Borrower's obligation under Section 5 to maintain property insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

What Lender requires as a condition of this waiver can change during the term of the loan.

Borrower shall give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy.

In the event of a distribution of property insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Section 11.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

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Form 3140 1/01

NSM00022

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

 _____ (Seal) _____ (Seal)
STEPHANIE TABLANTE -Borrower -Borrower

_____ (Seal) _____ (Seal)
-Borrower -Borrower

_____ (Seal) _____ (Seal)
-Borrower -Borrower

_____ (Seal) _____ (Seal)
-Borrower -Borrower

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275964

 -8R (0411)

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Form 3140 1/01

EXHIBIT 4

EXHIBIT 4

Inst #: 201103030003444

Fees: \$17.00 N/C Fee: \$25.00

RPTT: \$499.80 Ex: #

03/03/2011 01:40:52 PM

Receipt #: 694986

Requestor:

JOHN PETER LEE LTD

Recorded By: JRV Pgs: 5

DEBBIE CONWAY

CLARK COUNTY RECORDER

CS-1

APN # 176-03-510-102

Deed in Lieu of Foreclosure

Recording requested by:

JOHN PETER LEE, LTD.

Return to:

John Peter Lee, Ltd.
830 Las Vegas Boulevard South
Las Vegas, NV 89101

This page added to provide additional information required by NRS 111.312
Sections 1-2. (Additional recording fee applies.)

This cover page must be typed or printed clearly in black ink only.

APN 176-03-510-102

The undersigned hereby affirms that
there is no Social Security number
contained in this document.

WHEN RECORDED, RETURN TO:

New Freedom Mortgage Corporation
2363 South Foothill Drive
Salt Lake City, UT 84109

GRANTEE/MAIL TAX STATEMENTS TO:

New Freedom Mortgage Corporation
2363 South Foothill Drive
Salt Lake City, UT 84109

DEED IN LIEU OF FORECLOSURE

THIS INDENTURE, made and entered into this 15th day of March, 2011, by and between
Stephanie Tablante, party of the first part, and New Freedom Mortgage Corporation, its successors
and assigns, party of the second part.

WITNESSETH

That the said party of the first part for valuable consideration conveys to the party of the
second part, all that certain real property situate in Clark County, State of Nevada, described as
follows:

APN: 176-03-510-102
7255 W. Sunset Road, # 2050
Las Vegas, Nevada 89113

TOGETHER with the tenements, hereditaments and appurtenances thereunto belonging or appertaining , and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the said premises, together with the appurtenances, unto the said party of the second part, and to the assigns and transferees of the said party of the second part forever.

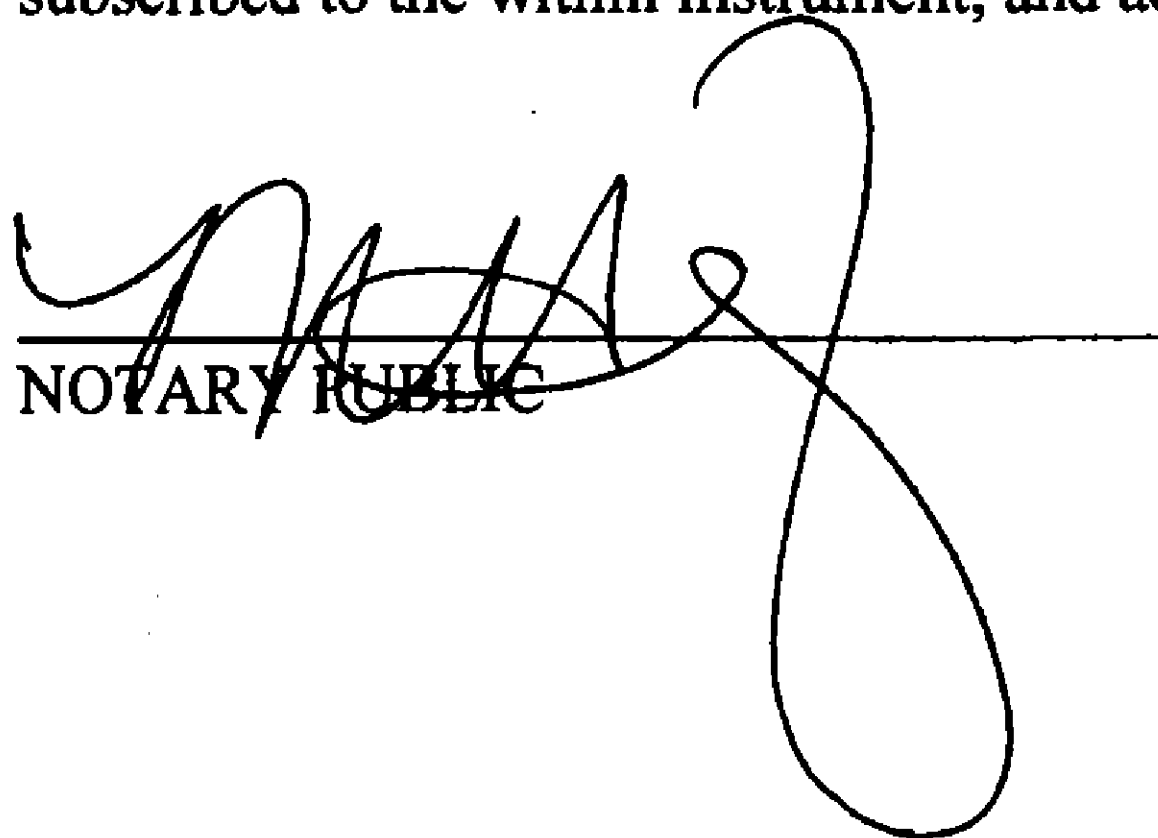
THIS DEED is an absolute conveyance, the party of the first part having sold said land to the party of the second part for a fair and adequate consideration, such consideration being full satisfaction of all obligations secured by the Deeds of Trust executed by the party of the first part to New Freedom Mortgage Corporation, trustee for party of the second part, beneficiary, Mortgage Electronic Registration Systems, Inc.("MERS"), P.O. Box 2026, Flint, MI 48501-2026 nominee for lender, New Freedom Mortgage Corporation and recorded on December 7, 2005, in the Official Records of the Clark County Recorder's Office, Las Vegas, Nevada as Document Number 200512070002367. Party of the first part declares that this conveyance is voluntarily and freely and fairly made and that there are no agreements, oral or written, other than this deed between the parties hereto with respect to the property hereby conveyed.

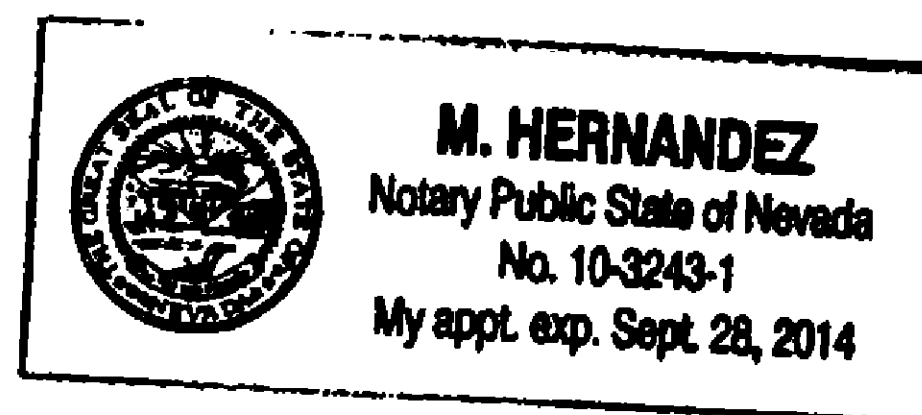
IN WITNESS WHEREOF the party of the first part has executed this Deed in Lieu of Foreclosure the day and year first hereinabove written.


Stephanie Tablante

STATE OF Nevada
COUNTY OF Clark) SS.:

On March 1st, 2011, before me the undersigned, a Notary Public in and for said County and State, personally appeared Stephanie Tablante, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.


NOTARY PUBLIC



**STATE OF NEVADA
DECLARATION OF VALUE FORM**

1. Assessor Parcel Number(s)

a. 176-03-510-102
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 RECORDER'S OPTIONAL USE ONLY	
Book: _____	Page: _____
Date of Recording: _____	
Notes: _____	

3. a. Total Value/Sales Price of Property \$ 165,850.63
b. Deed in Lieu of Foreclosure Only (value of property) (67,977.00)
c. Transfer Tax Value: \$ 99,873.00
d. Real Property Transfer Tax Due \$ ~~510.00~~ 499.80 m.m.

4. If Exemption Claimed:

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

5. Partial Interest: Percentage being transferred: _____%

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  Capacity Seller

Signature _____ Capacity _____

SELLER (GRANTOR) INFORMATION
(REQUIRED)

Print Name: Stephanie Tablante
Address: 9037 Loggers Mile Ave.
City: Las Vegas
State: NV Zip: 89143

BUYER (GRANTEE) INFORMATION
(REQUIRED)

Print Name: New Freedom Mortgage Corp.
Address: 2363 South Foothill Drive
City: Salt Lake City
State: UT Zip: 84109

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

Print Name: John Peter Lee, Ltd. Escrow #: _____
Address: 830 Las Vegas Blvd., South
City: Las Vegas State: NV Zip: 89101

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

EXHIBIT 5

EXHIBIT 5

Cl-1

Inst #: 201106210002567

Fees: \$18.00 N/C Fee: \$25.00

RPTT: \$0.00 Ex: #003

06/21/2011 01:48:06 PM

Receipt #: 819251

Requestor:

JOHN PETER LEE LTD

Recorded By: JRV Pgs: 6

DEBBIE CONWAY

CLARK COUNTY RECORDER

APN # 176-03-510-102

Re-recorded to correct legal description
(Deed in Lieu of Foreclosure)

RE-RECORDED

Recording requested by:

JOHN PETER LEE, LTD.

Return to:

John Peter Lee, Ltd.
830 Las Vegas Boulevard South
Las Vegas, NV 89101

This page added to provide additional information required by NRS 111.312
Sections 1-2. (Additional recording fee applies.)

This cover page must be typed or printed clearly in black ink only.

Inst #: 201103030003444

Fees: \$17.00 N/C Fee: \$25.00

RPTT: \$499.80 Ex: #

03/03/2011 01:40:52 PM

Receipt #: 694986

Requestor:

JOHN PETER LEE LTD

Recorded By: JRV Pgs: 5

DEBBIE CONWAY

CLARK COUNTY RECORDER

CS-1

APN # 176-03-510-102

Deed in Lieu of Foreclosure

Recording requested by:

JOHN PETER LEE, LTD.

Return to:

John Peter Lee, Ltd.
830 Las Vegas Boulevard South
Las Vegas, NV 89101

This page added to provide additional information required by NRS 111.312
Sections 1-2. (Additional recording fee applies.)

This cover page must be typed or printed clearly in black ink only.

APN 176-03-510-102

The undersigned hereby affirms that
there is no Social Security number
contained in this document.

WHEN RECORDED, RETURN TO:

New Freedom Mortgage Corporation
2363 South Foothill Drive
Salt Lake City, UT 84109

GRANTEE/MAIL TAX STATEMENTS TO:

New Freedom Mortgage Corporation
2363 South Foothill Drive
Salt Lake City, UT 84109

DEED IN LIEU OF FORECLOSURE

THIS INDENTURE, made and entered into this 21st day of June, 2011, by and between
Stephanie Tablante, party of the first part, and New Freedom Mortgage Corporation, its successors
and assigns, party of the second part.

WITNESSETH

That the said party of the first part for valuable consideration conveys to the party of the
second part, all that certain real property situate in Clark County, State of Nevada, described as
follows:

PARCEL ONE (1) - UNITS:

**UNIT 2050 IN BUILDING 7 AS SHOWN ON THE FINAL PLAT OF TUSCANO
CONDOMINIUMS, A CONDOMINIUM COMMUNITY, RECORDED JANUARY 31, 2005,
IN BOOK 122, PAGE 11 OF PLATS, IN THE OFFICE OF THE COUNTY RECORDER OF
CLARK COUNTY, NEVADA (THE "PLATE"), AND**

PARCEL TWO (2) - COMMON ELEMENTS:

1/352 INTEREST AS A TENANT - IN - COMMON IN THE COMMON ELEMENTS IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR TUSCANO TOWNHOMES RECORDED APRIL 5, 2005 IN BOOK 20050405 AS DOCUMENT NO. 0002422 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA (THE "DECLARATION").

EXCEPTING THEREFROM, ALL UNITS SHOWN ON THE PLAT.

RESERVING THEREFROM, THE RIGHT TO USE ANY OF THOSE AREAS DESIGNATED AS LIMITED COMMON ELEMENTS IN THE PLAT AND/OR THE DECLARATION.

FURTHER RESERVING THEREFROM, FOR THE BENEFIT OF THE OWNERS OF ALL UNITS SHOWN ON THE PLAT (EXCEPT THE UNIT REFERRED TO IN PARCEL 1 ABOVE) NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS, AS DEFINED IN AND SUBJECT TO THE DECLARATION.

PARCEL THREE (3) - APPURTENANT EASEMENTS:

NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE, ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS AS DEFINED IN AND SUBJECT TO THE DECLARATION, WHICH EASEMENTS ARE APPURTENANT TO PARCELS 1,2 ABOVE.

TOGETHER with the tenements, hereditaments and appurtenances thereunto belonging or appertaining , and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the said premises, together with the appurtenances, unto the said party of the second part, and to the assigns and transferees of the said party of the second part forever.

THIS DEED is an absolute conveyance, the party of the first part having sold said land to the party of the second part for a fair and adequate consideration, such consideration being full satisfaction of all obligations secured by the Deeds of Trust executed by the party of the first part to

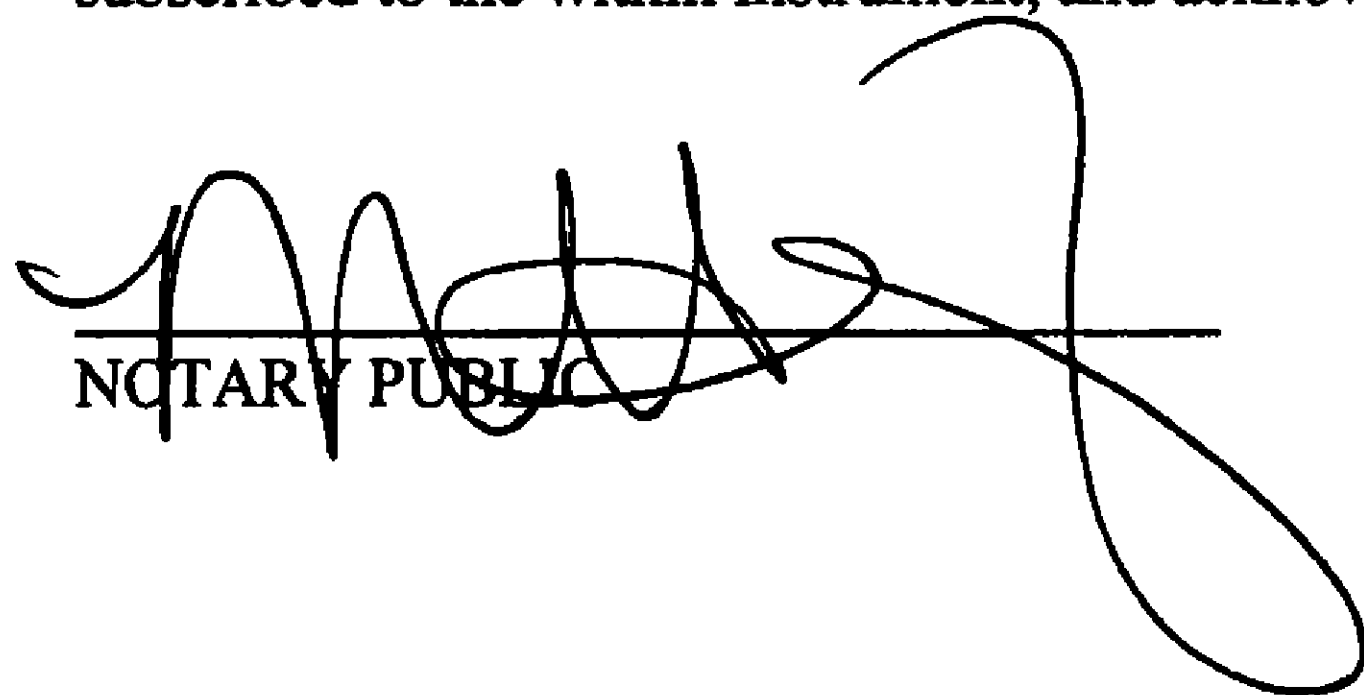
New Freedom Mortgage Corporation, trustee for party of the second part, beneficiary, Mortgage Electronic Registration Systems, Inc. ("MERS"), P.O. Box 2026, Flint, MI 48501-2026 nominee for lender, New Freedom Mortgage Corporation and recorded on December 7, 2005, in the Official Records of the Clark County Recorder's Office, Las Vegas, Nevada as Document Number 200512070002367. Party of the first part declares that this conveyance is voluntarily and freely and fairly made and that there are no agreements, oral or written, other than this deed between the parties hereto with respect to the property hereby conveyed.

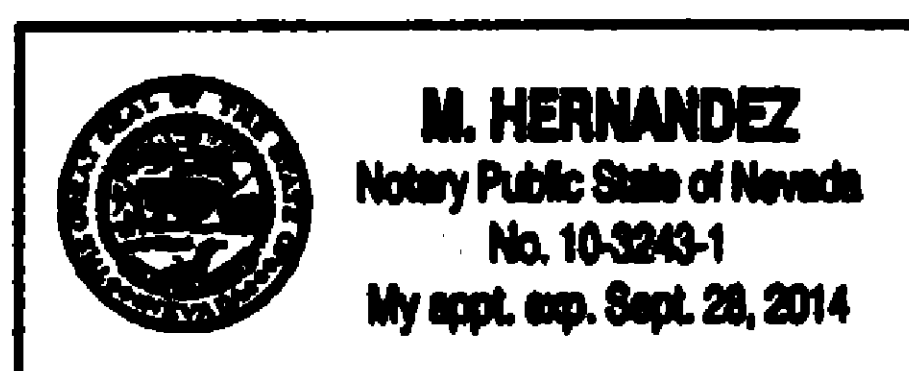
IN WITNESS WHEREOF the party of the first part has executed this Deed in Lieu of Foreclosure the day and year first hereinabove written.


Stephanie Tablante

STATE OF NEVADA)
) SS.:
COUNTY OF CLARK)

On June 21st, 2011, before me the undersigned, a Notary Public in and for said County and State, personally appeared Stephanie Tablante, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.


NOTARY PUBLIC



STATE OF NEVADA
DECLARATION OF VALUE FORM

1. Assessor Parcel Number(s)

a. 176-03-510-102
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 RECORDER'S OPTIONAL USE ONLY

Book: _____ Page: _____

Date of Recording: _____

Notes: _____

3. a. Total Value/Sales Price of Property \$ 165,850.63
b. Deed in Lieu of Foreclosure Only (value of property) (67,977.00)
c. Transfer Tax Value: \$ 99,873.00
d. Real Property Transfer Tax Due \$ ~~499.80~~ TB

4. If Exemption Claimed:

a. Transfer Tax Exemption per NRS 375.090, Section 3 *add*
b. Explain Reason for Exemption: Re-Recording to ~~original~~ legal
discription #201103030003444

5. Partial Interest: Percentage being transferred: _____%

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 [Signature] Capacity seller

Signature _____ Capacity _____

SELLER (GRANTOR) INFORMATION
(REQUIRED)

Print Name: Stephanie Tablante
Address: 9037 Loggers Mile Ave.
City: Las Vegas
State: NV Zip: 89143

BUYER (GRANTEE) INFORMATION
(REQUIRED)

Print Name: New Freedom Mortgage Corp
Address: 2363 South Foothill Dr.
City: Salt Lake City
State: UT Zip: 84109

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

Print Name: John Peter Lee, Ltd. Escrow #: _____
Address: 830 Las Vegas Blvd., South
City: Las Vegas State: NV Zip: 89101

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

**STATE OF NEVADA
DECLARATION OF VALUE FORM**

1. Assessor Parcel Number(s)

a. 176-03-510-102
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 RECORDER'S OPTIONAL USE ONLY

Book: _____ Page: _____

Date of Recording: _____

Notes: _____

3. a. Total Value/Sales Price of Property \$ 165,850.63
b. Deed in Lieu of Foreclosure Only (value of property) (67,977.00)
c. Transfer Tax Value: \$ 99,873.00
d. Real Property Transfer Tax Due \$ ~~510.00~~ 499.80 m.m.

4. If Exemption Claimed:

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

5. Partial Interest: Percentage being transferred: _____%

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  Capacity Seller

Signature _____ Capacity _____

**SELLER (GRANTOR) INFORMATION
(REQUIRED)**

Print Name: Stephanie Tablante
Address: 9037 Loggers Mile Ave.
City: Las Vegas
State: NV Zip: 89143

**BUYER (GRANTEE) INFORMATION
(REQUIRED)**

Print Name: New Freedom Mortgage Corp.
Address: 2363 South Foothill Drive
City: Salt Lake City
State: UT Zip: 84109

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

Print Name: John Peter Lee, Ltd. Escrow #: _____
Address: 830 Las Vegas Blvd., South
City: Las Vegas State: NV Zip: 89101

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

EXHIBIT 5

EXHIBIT 5

Cl-1

Inst #: 201106210002567

Fees: \$18.00 N/C Fee: \$25.00

RPTT: \$0.00 Ex: #003

06/21/2011 01:48:06 PM

Receipt #: 819251

Requestor:

JOHN PETER LEE LTD

Recorded By: JRV Pgs: 6

DEBBIE CONWAY

CLARK COUNTY RECORDER

APN # 176-03-510-102

Re-recorded to correct legal description
(Deed in Lieu of Foreclosure)

RE-RECORDED

Recording requested by:

JOHN PETER LEE, LTD.

Return to:

John Peter Lee, Ltd.
830 Las Vegas Boulevard South
Las Vegas, NV 89101

This page added to provide additional information required by NRS 111.312
Sections 1-2. (Additional recording fee applies.)

This cover page must be typed or printed clearly in black ink only.

Inst #: 201103030003444

Fees: \$17.00 N/C Fee: \$25.00

RPTT: \$499.80 Ex: #

03/03/2011 01:40:52 PM

Receipt #: 694986

Requestor:

JOHN PETER LEE LTD

Recorded By: JRV Pgs: 5

DEBBIE CONWAY

CLARK COUNTY RECORDER

CS-1

APN # 176-03-510-102

Deed in Lieu of Foreclosure

Recording requested by:

JOHN PETER LEE, LTD.

Return to:

John Peter Lee, Ltd.
830 Las Vegas Boulevard South
Las Vegas, NV 89101

This page added to provide additional information required by NRS 111.312
Sections 1-2. (Additional recording fee applies.)

This cover page must be typed or printed clearly in black ink only.

APN 176-03-510-102

The undersigned hereby affirms that
there is no Social Security number
contained in this document.

WHEN RECORDED, RETURN TO:

New Freedom Mortgage Corporation
2363 South Foothill Drive
Salt Lake City, UT 84109

GRANTEE/MAIL TAX STATEMENTS TO:

New Freedom Mortgage Corporation
2363 South Foothill Drive
Salt Lake City, UT 84109

DEED IN LIEU OF FORECLOSURE

THIS INDENTURE, made and entered into this 21st day of June, 2011, by and between
Stephanie Tablante, party of the first part, and New Freedom Mortgage Corporation, its successors
and assigns, party of the second part.

WITNESSETH

That the said party of the first part for valuable consideration conveys to the party of the
second part, all that certain real property situate in Clark County, State of Nevada, described as
follows:

PARCEL ONE (1) - UNITS:

**UNIT 2050 IN BUILDING 7 AS SHOWN ON THE FINAL PLAT OF TUSCANO
CONDOMINIUMS, A CONDOMINIUM COMMUNITY, RECORDED JANUARY 31, 2005,
IN BOOK 122, PAGE 11 OF PLATS, IN THE OFFICE OF THE COUNTY RECORDER OF
CLARK COUNTY, NEVADA (THE "PLATE"), AND**

PARCEL TWO (2) - COMMON ELEMENTS:

1/352 INTEREST AS A TENANT - IN - COMMON IN THE COMMON ELEMENTS IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR TUSCANO TOWNHOMES RECORDED APRIL 5, 2005 IN BOOK 20050405 AS DOCUMENT NO. 0002422 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA (THE "DECLARATION").

EXCEPTING THEREFROM, ALL UNITS SHOWN ON THE PLAT.

RESERVING THEREFROM, THE RIGHT TO USE ANY OF THOSE AREAS DESIGNATED AS LIMITED COMMON ELEMENTS IN THE PLAT AND/OR THE DECLARATION.

FURTHER RESERVING THEREFROM, FOR THE BENEFIT OF THE OWNERS OF ALL UNITS SHOWN ON THE PLAT (EXCEPT THE UNIT REFERRED TO IN PARCEL 1 ABOVE) NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS, AS DEFINED IN AND SUBJECT TO THE DECLARATION.

PARCEL THREE (3) - APPURTENANT EASEMENTS:

NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE, ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS AS DEFINED IN AND SUBJECT TO THE DECLARATION, WHICH EASEMENTS ARE APPURTENANT TO PARCELS 1,2 ABOVE.

TOGETHER with the tenements, hereditaments and appurtenances thereunto belonging or appertaining , and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the said premises, together with the appurtenances, unto the said party of the second part, and to the assigns and transferees of the said party of the second part forever.

THIS DEED is an absolute conveyance, the party of the first part having sold said land to the party of the second part for a fair and adequate consideration, such consideration being full satisfaction of all obligations secured by the Deeds of Trust executed by the party of the first part to

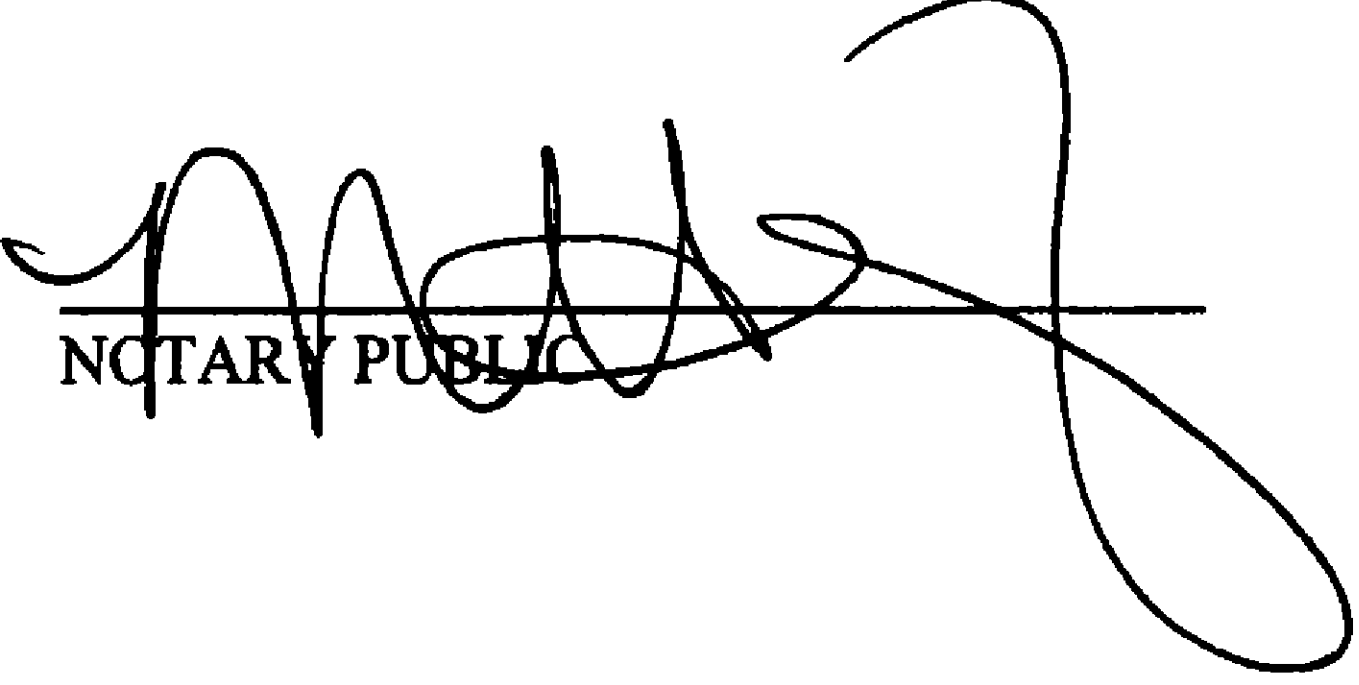
New Freedom Mortgage Corporation, trustee for party of the second part, beneficiary, Mortgage Electronic Registration Systems, Inc. ("MERS"), P.O. Box 2026, Flint, MI 48501-2026 nominee for lender, New Freedom Mortgage Corporation and recorded on December 7, 2005, in the Official Records of the Clark County Recorder's Office, Las Vegas, Nevada as Document Number 200512070002367. Party of the first part declares that this conveyance is voluntarily and freely and fairly made and that there are no agreements, oral or written, other than this deed between the parties hereto with respect to the property hereby conveyed.

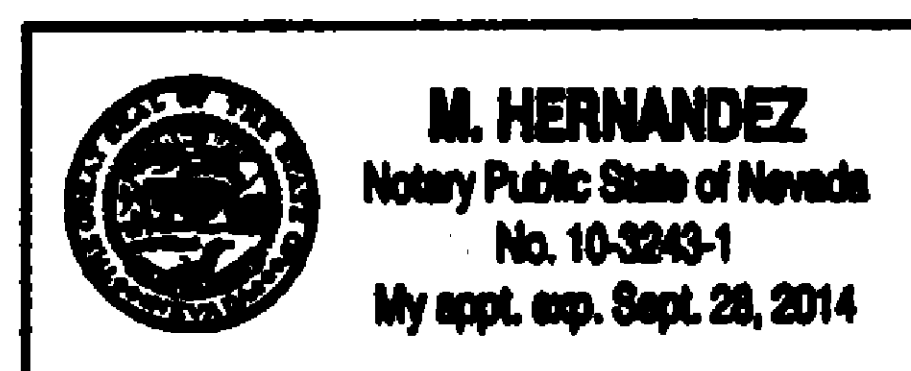
IN WITNESS WHEREOF the party of the first part has executed this Deed in Lieu of Foreclosure the day and year first hereinabove written.


Stephanie Tablante

STATE OF NEVADA)
) SS.:
COUNTY OF CLARK)

On June 21st, 2011, before me the undersigned, a Notary Public in and for said County and State, personally appeared Stephanie Tablante, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.


NOTARY PUBLIC



STATE OF NEVADA
DECLARATION OF VALUE FORM

1. Assessor Parcel Number(s)

a. 176-03-510-102
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 RECORDER'S OPTIONAL USE ONLY

Book: _____ Page: _____

Date of Recording: _____

Notes: _____

3. a. Total Value/Sales Price of Property \$ 165,850.63
b. Deed in Lieu of Foreclosure Only (value of property) (67,977.00)
c. Transfer Tax Value: \$ 99,873.00
d. Real Property Transfer Tax Due \$ ~~499.80~~ TB

4. If Exemption Claimed:

a. Transfer Tax Exemption per NRS 375.090, Section 3 *add*
b. Explain Reason for Exemption: Re-Recording to ~~original~~ legal
discription #201103030003444

5. Partial Interest: Percentage being transferred: _____%

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 [Signature] Capacity seller

Signature _____ Capacity _____

SELLER (GRANTOR) INFORMATION
(REQUIRED)

Print Name: Stephanie Tablante
Address: 9037 Loggers Mile Ave.
City: Las Vegas
State: NV Zip: 89143

BUYER (GRANTEE) INFORMATION
(REQUIRED)

Print Name: New Freedom Mortgage Corp
Address: 2363 South Foothill Dr.
City: Salt Lake City
State: UT Zip: 84109

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

Print Name: John Peter Lee, Ltd. Escrow #: _____
Address: 830 Las Vegas Blvd., South
City: Las Vegas State: NV Zip: 89101

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

PARCEL TWO (2) - COMMON ELEMENTS:

1/352 INTEREST AS A TENANT - IN - COMMON IN THE COMMON ELEMENTS IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR TUSCANO TOWNHOMES RECORDED APRIL 5, 2005 IN BOOK 20050405 AS DOCUMENT NO. 0002422 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA (THE "DECLARATION").

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TOGETHER with the tenements, hereditaments and appurtenances thereunto belonging or appertaining , and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the said premises, together with the appurtenances, unto the said party of the second part, and to the assigns and transferees of the said party of the second part forever.

THIS DEED is an absolute conveyance, the party of the first part having sold said land to the party of the second part for a fair and adequate consideration, such consideration being full satisfaction of all obligations secured by the Deeds of Trust executed by the party of the first part to

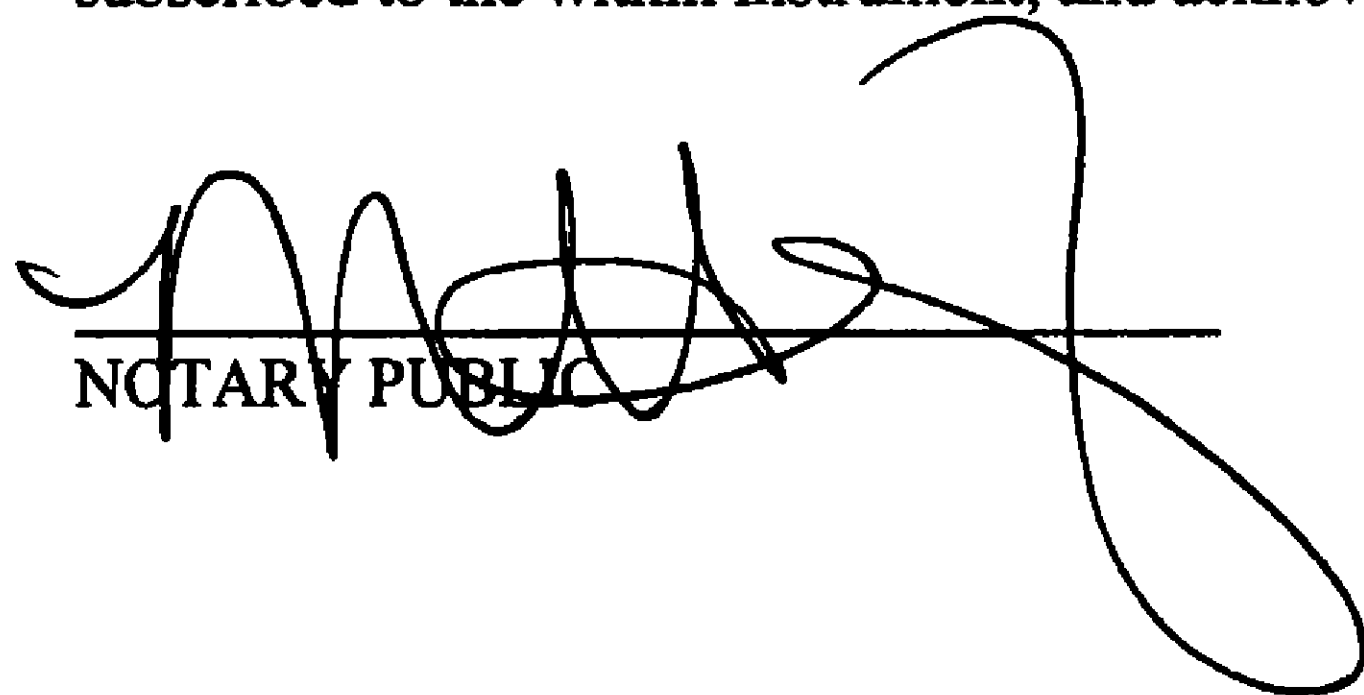
New Freedom Mortgage Corporation, trustee for party of the second part, beneficiary, Mortgage Electronic Registration Systems, Inc. ("MERS"), P.O. Box 2026, Flint, MI 48501-2026 nominee for lender, New Freedom Mortgage Corporation and recorded on December 7, 2005, in the Official Records of the Clark County Recorder's Office, Las Vegas, Nevada as Document Number 200512070002367. Party of the first part declares that this conveyance is voluntarily and freely and fairly made and that there are no agreements, oral or written, other than this deed between the parties hereto with respect to the property hereby conveyed.

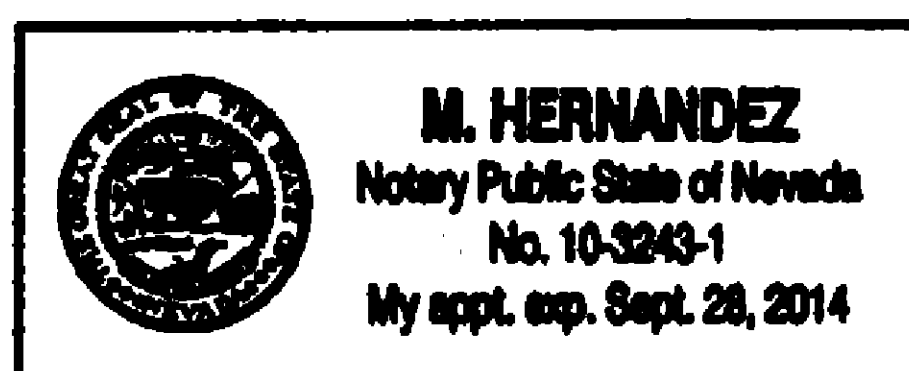
IN WITNESS WHEREOF the party of the first part has executed this Deed in Lieu of Foreclosure the day and year first hereinabove written.


Stephanie Tablante

STATE OF NEVADA)
) SS.:
COUNTY OF CLARK)

On June 21st, 2011, before me the undersigned, a Notary Public in and for said County and State, personally appeared Stephanie Tablante, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.


NOTARY PUBLIC



STATE OF NEVADA
DECLARATION OF VALUE FORM

1. Assessor Parcel Number(s)

a. 176-03-510-102
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 RECORDER'S OPTIONAL USE ONLY

Book: _____ Page: _____

Date of Recording: _____

Notes: _____

3. a. Total Value/Sales Price of Property \$ 165,850.63
b. Deed in Lieu of Foreclosure Only (value of property) (67,977.00)
c. Transfer Tax Value: \$ 99,873.00
d. Real Property Transfer Tax Due \$ ~~499.80~~ TB

4. If Exemption Claimed:

a. Transfer Tax Exemption per NRS 375.090, Section 3 *add*
b. Explain Reason for Exemption: Re-Recording to ~~original~~ legal
discription #201103030003444

5. Partial Interest: Percentage being transferred: _____%

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 [Signature] Capacity seller

Signature _____ Capacity _____

SELLER (GRANTOR) INFORMATION
(REQUIRED)

Print Name: Stephanie Tablante
Address: 9037 Loggers Mile Ave.
City: Las Vegas
State: NV Zip: 89143

BUYER (GRANTEE) INFORMATION
(REQUIRED)

Print Name: New Freedom Mortgage Corp
Address: 2363 South Foothill Dr.
City: Salt Lake City
State: UT Zip: 84109

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

Print Name: John Peter Lee, Ltd. Escrow #: _____
Address: 830 Las Vegas Blvd., South
City: Las Vegas State: NV Zip: 89101

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

EXHIBIT 6

EXHIBIT 6

Assessor Parcel Number: 176-03-510-102
File Number: R792725

Accommodation

Inet #: 201204040001017
Fees: \$17.00
N/C Fee: \$0.00
04/04/2012 09:15:46 AM
Receipt #: 1119454
Requestor:
NORTH AMERICAN TITLE COMPAN
Recorded By: SOL Pgs: 1
DEBBIE CONWAY
CLARK COUNTY RECORDER

LIEN FOR DELINQUENT ASSESSMENTS

Red Rock Financial Services is a debt collector and is attempting to collect a debt. Any information obtained will be used for that purpose.

NOTICE IS HEREBY GIVEN: Red Rock Financial Services, a division of RMI Management LLC, officially assigned as agent by the Tuscano Homeowners Association, herein also called the Association, in accordance with Nevada Revised Statutes 116 and outlined in the Association Covenants, Conditions, and Restrictions, herein also called CC&R's, recorded on 04/05/2006, in Book Number 20060405, as Instrument Number 0002422 and including any and all Amendments and Annexations et. seq., of Official Records of Clark County, Nevada, which have been supplied to and agreed upon by said owner.

Said Association imposes a Lien for Delinquent Assessments on the commonly known property:

7255 W Sunset Rd #2050, Las Vegas, NV 89113

TUSCANO CONDO PLAT BOOK 122 PAGE 11 UNIT 2050 BLDG 7, in the County of Clark

Current Owner(s) of Record:

NEW FREEDOM MORTGAGE CORPORATION

The amount owing as of the date of preparation of this lien is **\$2,695.10.

This amount includes assessments, late fees, interest, fines/violations and collection fees and costs.

****** The said amount may increase or decrease as assessments, late fees, interest, fines/violations, collection fees, costs or partial payments are applied to the account.

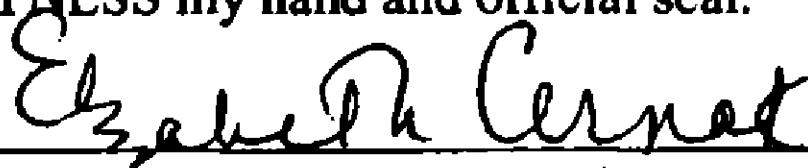
Dated: March 29, 2012


Prepared By Rebecca Tom, Red Rock Financial Services, on behalf of Tuscano Homeowners Association

STATE OF NEVADA)
COUNTY OF CLARK)

On March 29, 2012, before me, personally appeared Rebecca Tom, 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 to me that they executed the same in their authorized capacity, and that by their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.


When Recorded Mail To: Red Rock Financial Services
7251 Amigo Street, Suite 100
Las Vegas, Nevada 89119
702-932-6887

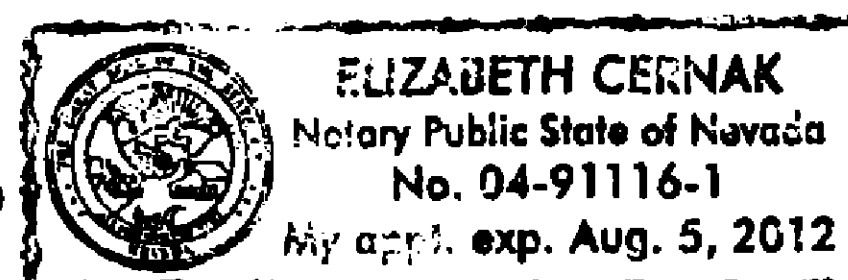


EXHIBIT 7

EXHIBIT 7

Assessor Parcel Number: 176-03-510-102
File Number: R792725
Property Address: 7255 W Sunset Rd #2050
Las Vegas, NV 89113
Title Order Number: 1048078

Inst #: 201205290001690
Fees: \$17.00
N/C Fee: \$0.00
05/29/2012 12:55:19 PM
Receipt #: 1178178
Requestor:
STEWART TITLE LAS VEGAS WAR
Recorded By: SOL Pgs: 1
DEBBIE CONWAY
CLARK COUNTY RECORDER

**NOTICE OF DEFAULT AND ELECTION TO SELL PURSUANT TO THE
LIEN FOR DELINQUENT ASSESSMENTS**

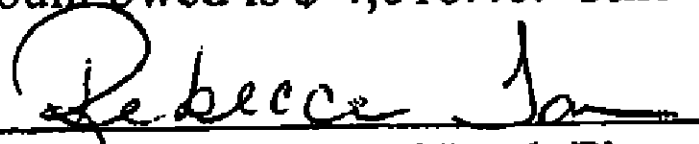
◆ IMPORTANT NOTICE ◆

Red Rock Financial Services is a debt collector and is attempting to collect a debt. Any information obtained will be used for that purpose.

WARNING! IF YOU FAIL TO PAY THE AMOUNT SPECIFIED IN THIS NOTICE, YOU COULD LOSE YOUR HOME, EVEN IF THE AMOUNT IS IN DISPUTE!

NOTICE IS HEREBY GIVEN: Red Rock Financial Services officially assigned as agent by the Tuscano Homeowners Association, under the Lien for Delinquent Assessments, recorded on 04/04/2012, in Book Number 20120404, as Instrument Number 0001017, reflecting NEW FREEDOM MORTGAGE CORPORATION as the owner(s) of record on said lien, land legally described as TUSCANO CONDO PLAT BOOK 122 PAGE 11 UNIT 2050 BLDG 7, of the Official Records in the Office of the Recorder of Clark County, Nevada, makes known the obligation under the Covenants, Conditions and Restrictions recorded 04/05/2006, in Book Number 20060405, as Instrument Number 0002422, has been breached. As of 12/01/2011 forward, all assessments, whether monthly or otherwise, late fees, interest, Association charges, legal fees and collection fees and costs, less any credits, have gone unpaid.

Above stated, the Association has equipped Red Rock Financial Services with verification of the obligation according to the Covenants, Conditions and Restriction in addition to documents proving the debt, therefore declaring any and all amounts secured as well as due and payable, electing the property to be sold to satisfy the obligation. In accordance with Nevada Revised Statutes 116, no sale date may be set until the ninety-first (91) day after the recorded date or the mailing date of the Notice of Default and Election to Sell. As of May 23, 2012, the amount owed is \$ 4,018.40. This amount will continue to increase until paid in full.

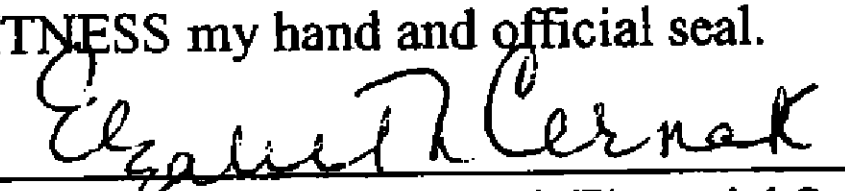

Prepared By Rebecca Tom, Red Rock Financial Services, on behalf of Tuscano Homeowners Association

Dated: May 23, 2012

STATE OF NEVADA)
COUNTY OF CLARK)

On May 23, 2012, before me, personally appeared Rebecca Tom, 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 to me that they executed the same in their authorized capacity, and that by their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.


When Recorded Red Rock Financial Services
Mail To: 7251 Amigo Street, Suite 100
Las Vegas, Nevada 89119
702-932-6887

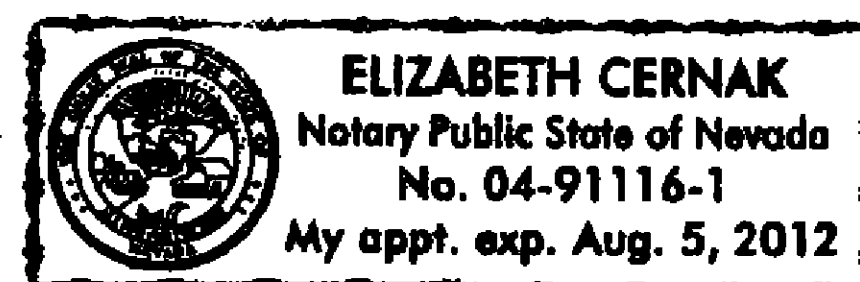


EXHIBIT 8

EXHIBIT 8

APN: 176-03-510-102
ULS#: NV-TU3-03

When recorded mail to:
United Legal Services Inc.
A Nevada Law Firm
9484 South Eastern Ave. #163
Las Vegas, NV 89123
Phone: (702) 617-3263

Inst #: 201305290000306
Fees: \$17.00
N/C Fee: \$0.00
05/29/2013 08:03:04 AM
Receipt #: 1632393
Requestor:
UNITED LEGAL SERVICES INC.
Recorded By: DXI Pgs: 1
DEBBIE CONWAY
CLARK COUNTY RECORDER

NOTICE OF FORECLOSURE SALE
UNDER THE LIEN FOR DELINQUENT ASSESSMENTS

WARNING! A SALE OF YOUR PROPERTY IS IMMINENT! UNLESS YOU PAY THE AMOUNT SPECIFIED IN THIS NOTICE BEFORE THE SALE DATE, YOU COULD LOSE YOUR HOME, EVEN IF THE AMOUNT IS IN DISPUTE. YOU MUST ACT BEFORE THE SALE DATE. IF YOU HAVE ANY QUESTIONS, PLEASE CALL UNITED LEGAL SERVICES INC. AT (702) 617-3263. IF YOU NEED ASSISTANCE, PLEASE CALL THE FORECLOSURE SECTION OF THE OMBUDSMAN'S OFFICE, NEVADA REAL ESTATE DIVISION, AT (877) 829-9907.

YOU ARE IN DEFAULT UNDER THE LIEN FOR DELINQUENT ASSESSMENTS, notice of which was recorded on April 4, 2012 as instrument 201204040001017 in the Official Records of the Recorder of Clark County, Nevada ("Official Records"), by the Tuscano Homeowners Association. The Notice of Default and Election to Sell Pursuant to the Lien for Delinquent Assessments was recorded on May 29, 2012 as instrument 201205290001690 in the Official Records. The property owner(s) of record is/are: New Freedom Mortgage Corporation. The total amount necessary to satisfy the lien as of the proposed sale date is \$7,806.42.

UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT WILL BE SOLD AT PUBLIC SALE. United Legal Services Inc. ("ULS") has the collections file on this account. Any payments to satisfy the lien must be in cash, cashier's check, or wire transfer, and must be actually received by ULS prior to the sale. If payment in full is not received prior to the date/time below, the property will be auctioned. All auction sales are final and late payments will be returned. If you need an explanation of this notice or its contents, you should contact an attorney.

NOTICE IS HEREBY GIVEN THAT on June 22, 2013 at 9:00 AM at 8965 S. Eastern Ave, Suite 350, Las Vegas, NV 89123, United Legal Services Inc., as duly authorized agent for sale pursuant to NRS 116, will sell at public auction to the highest bidder, for lawful money of the United States, all right, title, and interest in the property commonly known as: 7255 W Sunset Unit 2050, Las Vegas, Nevada 89113. Payment by the winning bidder must be made at the conclusion of the auction and in cash or a cashier's check drawn on a bank or credit union authorized to do business in the State of Nevada. The sale will be made without covenant or warranty, expressed or implied, regarding, but not limited to, title, possession, encumbrances, or obligations to satisfy any secured or unsecured liens.

Date: May 28, 2013

By: 
Mia Fregeau
An employee of United Legal Services Inc.
As authorized agent for, and on behalf of, Tuscano Homeowners Association

EXHIBIT 9

EXHIBIT 9

(3-1)

APN: 176-03-510-102

Return document and mail tax statements to:

West Sunset 2050 Trust
P.O. Box 530541
Henderson NV 89053

Inst #: 201306240003127
Fees: \$18.00 N/C Fee: \$0.00
RPTT: \$323.85 Ex: #
06/24/2013 03:46:06 PM
Receipt #: 1667567
Requestor:
WEST SUNSET 2050 TRUST
Recorded By: GILKS Pgs: 3
DEBBIE CONWAY
CLARK COUNTY RECORDER

FORECLOSURE DEED UPON SALE

Foreclosing lienholder **TUSCANO HOMEOWNERS ASSOCIATION**, under power of sale pursuant to NRS Chapter 116, does hereby sell, without warranty, expressed or implied, to:


WEST SUNSET 2050 TRUST

the real property situated in Clark County, Nevada legally described as:

SEE EXHIBIT A ATTACHED FOR LEGAL DESCRIPTION

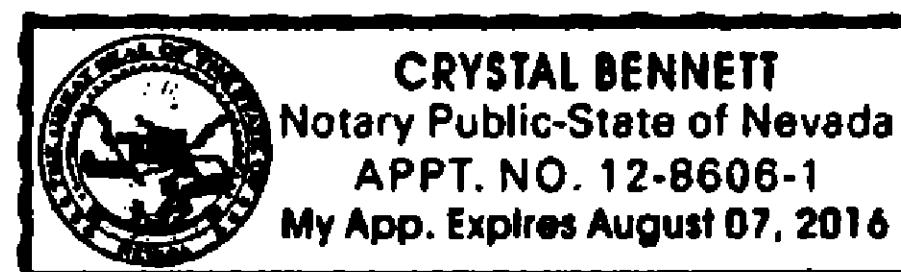
and commonly known as 7255 W SUNSET RD UNIT 2050, LAS VEGAS NV 89113.

This conveyance is made pursuant to the powers conferred upon Agent by NRS Chapter 116, the foreclosing Association's governing documents (CC&R's), and the notice of the Lien for Delinquent Assessments, recorded on April 4, 2012 as instrument 201204040001017 in the Official Records of the Recorder of Clark County, Nevada. Default occurred as set forth in the Notice of Default and Election to Sell, recorded on May 29, 2012 as instrument 201205290001690 in the Official Records of the Recorder of Clark County, Nevada. All requirements of law have been complied with, including, but not limited to, the elapsing of the 90 days, the mailing of copies of the notice of Lien of Delinquent Assessment, and Notice of Default, and the mailing, posting, and publication of the Notice of Foreclosure Sale. Agent, in compliance with the Notice of Foreclosure Sale and in exercise of its power under NRS § 116.31164, sold the property at public auction on June 22, 2013.

By: 
Robert Opdyke, Esq.
United Legal Services Inc.
As authorized agent for, and on behalf of, foreclosing Association

STATE OF NEVADA)
COUNTY OF CLARK)

This instrument was acknowledged before me
on June 24th, 2013, by: Robert Opdyke.





NOTARY PUBLIC

EXHIBIT A

All that certain real property situated in the County of Clark, State of Nevada, described as follows:

PARCEL ONE (1) - UNITS:

UNIT 2050 IN BUILDING 7 AS SHOWN ON THE FINAL PLAT OF TUSCANO CONDOMINIUMS, A CONDOMINIUM COMMUNITY, RECORDED JANUARY 31, 2005, IN BOOK 122, PAGE 11 OF PLATS, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA (THE "PLAT"), AND

PARCEL TWO (2) - COMMON ELEMENTS:

1/352 INTEREST AS A TENANT-IN-COMMON IN THE COMMON ELEMENTS IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR TUSCANO TOWNHOMES RECORDED APRIL 5, 2005 IN BOOK 20050405 AS DOCUMENT NO. 0002422 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA (THE "DECLARATION").

EXCEPTING THEREFROM, ALL UNITS SHOWN ON THE PLAT.

RESERVING THEREFROM, THE RIGHT TO USE ANY OF THOSE AREAS DESIGNATED AS LIMITED COMMON ELEMENTS IN THE PLAT AND/OR THE DECLARATION.

FURTHER RESERVING THEREFROM, FOR THE BENEFIT OF THE OWNERS OF ALL UNITS SHOWN ON THE PLAT (EXCEPT THE UNIT REFERRED TO IN PARCEL 1 ABOVE) NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE, ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS, AS DEFINED IN AND SUBJECT TO THE DECLARATION.

PARCEL THREE (3) - APPURTENANT EASEMENTS:

NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE, ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS AS DEFINED IN AND SUBJECT TO THE DECLARATION, WHICH EASEMENTS ARE APPURTENANT TO PARCELS 1,2 ABOVE.

STATE OF NEVADA
DECLARATION OF VALUE

1. Assessor Parcel Number(s)

- a. 176-03-510-102
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

\$ 63280.00

b. Deed in Lieu of Foreclosure Only (value of property (_____)

c. Transfer Tax Value: \$ 63280.00

d. Real Property Transfer Tax Due \$ 323.85

4. If Exemption Claimed:

a. Transfer Tax Exemption per NRS 375.090, Section _____

b. Explain Reason for Exemption: _____

5. Partial Interest: Percentage being transferred: _____ %

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 [Signature] Capacity: Grantee

Signature _____ Capacity: _____

SELLER (GRANTOR) INFORMATION
(REQUIRED)

Print Name: United Legal Services Inc.*

Address: 9484 S. Eastern Ave. #163

City: Las Vegas

State: NV Zip: 89123

**As agent for Tuscano Homeowners Association.*

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

Print Name: _____

Address: _____

City: _____

BUYER (GRANTEE) INFORMATION
(REQUIRED)

Print Name: West Sunset 2050 Trust

Address: P.O. Box 530541

City: Henderson

State: NV Zip: 89053

Escrow # _____

State: _____ Zip: _____

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

EXHIBIT 11

EXHIBIT 11

Recording Requested By:
Bank of America
Prepared By: Srbui Muradyan
888-603-9011

When recorded mail to:
CoreLogic
450 E. Boundary St.
Attn: Release Dept.
Chapin, SC 29036



DocID# 16910692327163615

Tax ID: 176-03-510-102

Property Address:

7255 W Sunset Rd Unit 2050

Las Vegas, NV 89113-1911

NV0-ADT 14411205 7/25/2011

Inst #: 201107290000895

Fees: \$15.00

N/C Fee: \$0.00

07/29/2011 09:30:03 AM

Receipt #: 862036

Requestor:

CORELOGIC

Recorded By: MSH Pgs: 2

DEBBIE CONWAY

CLARK COUNTY RECORDER

This space for Recorder's use

MIN #: 1000360-0000275964-1

MERS Phone #: 888-679-6377

ASSIGNMENT OF DEED OF TRUST

For Value Received, the undersigned holder of a Deed of Trust (herein "Assignor") whose address is 3300 S.W. 34TH AVENUE, SUITE 101 OCALA, FL 34474 does hereby grant, sell, assign, transfer and convey unto BAC HOME LOANS SERVICING, LP FKA COUNTRYWIDE HOME LOANS SERVICING LP whose address is 400 NATIONAL WAY, SIMI VALLEY, CA 93065 all beneficial interest under that certain Deed of Trust described below together with the note(s) and obligations therein described and the money due and to become due thereon with interest and all rights accrued or to accrue under said Deed of Trust.

Original Lender: NEW FREEDOM MORTGAGE CORPORATION

Made By: STEPHANIE TABLANTE, A SINGLE WOMAN

Trustee: FIRST AMERICAN TITLE CO. OF NEVADA

Date of Deed of Trust: 11/29/2005 Original Loan Amount: \$176,760.00

Recorded in Clark County, NV on: 12/7/2005, book 20051207, page 0002367 and instrument number N/A

I the undersigned hereby affirm that this document submitted for recording does not contain the social security number of any person or persons.

IN WITNESS WHEREOF, the undersigned has caused this Assignment of Deed of Trust to be executed on

7/28/11

MORTGAGE ELECTRONIC REGISTRATION
SYSTEMS, INC.

By: 

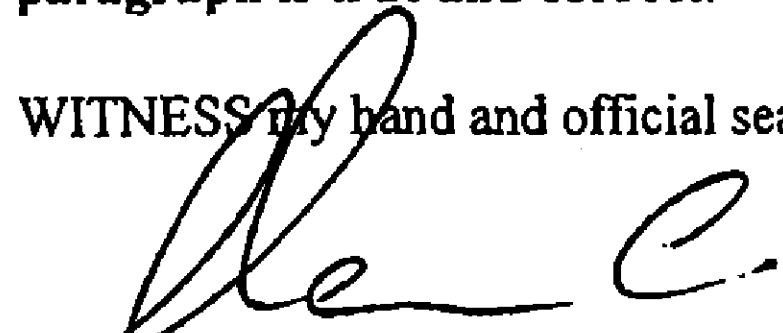
Chester Levings, Assistant Secretary

State of California
County of Ventura

On 07/28/11 before me, MARCELLUS ELLIS, Notary Public, personally appeared Chester Levings, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

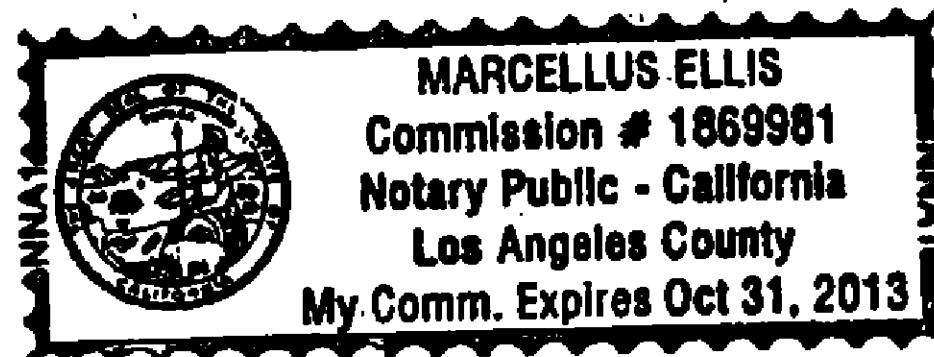
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

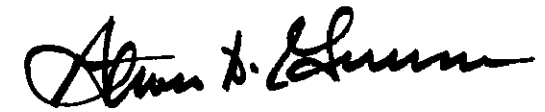


Notary Public: MARCELLUS ELLIS
My Commission Expires: 10/31/13

(Seal)



BORROWER : STEPHANIE TABLANTE



CLERK OF THE COURT

OMSJ

ARIEL E. STERN, ESQ.

Nevada Bar No. 8276

ALLISON R. SCHMIDT, ESQ.

Nevada Bar No. 10743

AKERMAN LLP

1160 Town Center Drive, Suite 330

Las Vegas, NV 89144

Telephone: (702) 634-5000

Facsimile: (702) 380-8572

Email: ariel.stern@akerman.com

Email: allison.schmidt@akerman.com

Attorneys for Defendant Nationstar

Mortgage, LLC and Bank of America, NA

EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

WEST SUNSET 2050 TRUST, a Nevada Trust,

Plaintiff,

v.

NEW FREEDOM MORTGAGE
CORPORATION, a Foreign Corporation;
BANK OF AMERICA, N.A., a National
Association; NATIONSTAR MORTGAGE,
LLC, a Foreign Limited Liability Company;
COOPER CASTLE LAW FIRM, LLP, a Nevada
Limited Liability Partnership; STEPHANIE
TABLANTE, an individual; DOES I through X;
and ROE CORPORATIONS I through X,
inclusive,

Defendants.

NATIONSTAR MORTGAGE, LLC,

Counterclaimant,

v.

WEST SUNSET 2050 TRUST, a Nevada Trust,

Counter-Defendant.

Case No.: A-13-691323-C

Dept. No.: XXI

**OPPOSITION TO MOTION FOR
SUMMARY JUDGMENT AND
COUNTERMOTION FOR SUMMARY
JUDGMENT**

1 NATIONSTAR MORTGAGE, LLC,
2 Cross-Claimant,
3 v.
4 STEPHANIE TABLANTE,
5 Cross-Defendant.
6

7
8 Nationstar Mortgage, LLC (**Nationstar**) and Bank of America, NA (**Bank of America**)
9 hereby opposes plaintiff West Sunset 2050 Trust's (**West Sunset**) Motion for Summary Judgment
10 and countermoves for summary judgment.

11 **MEMORANDUM OF POINTS AND AUTHORITIES**

12 **I.**

13 **INTRODUCTION**

14 This Court should grant summary judgment to Nationstar. **First**, It is undisputed that the
15 beneficiary of the senior deed of trust was never provided a copy of the HOA's notice of default as
16 required under NRS Chapter 116 and the Due Process Clauses of the Nevada and United States
17 Constitutions. Rather, Red Rock Financial Services improperly relied on a fraudulent and facially-
18 invalid "deed in lieu of foreclosure" recorded unilaterally by the former property owner in providing
19 the required notices. **Second**, even if notice was not fatally deficient in this case, the foreclosure is
20 invalid because First 100, LLC split the payment rights from the security interest and also satisfied
21 the super-priority portion of the HOA's lien. **Third**, NRS 116's super-priority foreclosure scheme
22 violates Nationstar's constitutional due process rights and is therefore invalid. **Lastly**, even if this
23 court were to ignore the myriad defects in this sale, the sale was commercially unreasonable and
24 must be set aside.

25 West Sunset cannot merely rest on the bare-bones recitals contained in the trustee's deed,
26 particularly where the recitals have been *proven to be false* and United Legal Services has testified
27 that they do *nothing* to determine the accuracy of the recitals they include in trustee's deeds.

28 //

II.

STATEMENT OF UNDISPUTED MATERIAL FACTS**A. Stephanie Tablante Obtained a Loan to Finance the Purchase of the Subject Property**

Stephanie Tablante purchased the property located at 7255 W. Sunset Road, Unit 2050, Las Vegas, Nevada on or about December 2, 2005. *See* MSJ, at 4:1. To finance the purchase of the property, Tablante obtained a loan from New Freedom Mortgage Corporation in the amount of \$176,760.00. *Id.* at 4:3-4:4. The loan was secured by a senior deed of trust recorded against the property. *Id.* at 4:5-4:6.

B. Tablante Unilaterally Records a False "Deed in Lieu of Foreclosure"

Tablante contacted Bank of America in 2011 in hopes of obtaining a deed in lieu of foreclosure on her property. *See* John Peter Lee Subpoena Response, **Exhibit A**. Tablante never obtained approval to move forward with a deed in lieu of foreclosure. *Id.* (including no approval for a deed in lieu of foreclosure). Rather, she had her attorney unilaterally record a false deed in lieu to New Freedom Mortgage Corporation, which no longer existed after 2008, having merged into iFreedom Direct Corporation. *See* MSJ, 4:9-11; *see also* Utah Secretary of State record for iFreedom Direct Corporation, **Exhibit B**¹. The deed in lieu is facially invalid as it is not signed by New Freedom Mortgage Corporation, or Bank of America, NA, which was the actual beneficiary at the time of its recording. *See* MSJ, Ex. 4, 5 (including no signature of acceptance from New Freedom or Bank of America). Further, contrary to West Sunset's motion, the cover page clearly indicated that the "deed in lieu" was to be returned to the offices of John Peter Lee, Esq. upon recording, *not* New Freedom Mortgage Corporation. *Id.*

A assignment of the senior deed of trust was recorded on July 29, 2011. *See* MSJ, Ex. 11.

C. Red Rock Financial Services Improperly Relies Upon the Invalid Deed in Lieu

Red Rock Financial Services (RRFS) recorded a notice of delinquent assessment lien on April 4, 2012. *See* MSJ, at 4:17-4:18. The notice incorrectly lists the owner as "New Freedom Mortgage Corporation". *See* MSJ at Ex. 6. Later, RRFS recorded a Notice of Default on May 29,

¹ Nationstar and Bank of America request judicial notice of the Utah Secretary of State's Records pursuant to NRS 47,130(2)

1 2013. *Id.* at Ex. 7. The Notice of Default was not signed by the president of the HOA or other
2 person designated in the Covenants Codes and Restrictions. *Id.* Rather, it was signed by an
3 employee of RRFS. *Id.* RRFS did not provide any foreclosure notices to Bank of America, despite
4 the fact that Bank of America was the beneficiary of record of the senior deed of trust. *See*
5 Deposition Transcript of Julia Thompson, at 18:11 – 19:5, **Exhibit C**.

6 **D. First 100, LLC Purchased the Association's Payment Rights**

7 Following the recordation of the Notice of Default by RRFS, the association sold its right to
8 payment on a number of liens to First 100, LLC (**First 100**). *See* Exhibit E to Deposition Transcript
9 of Robert Atkinson, Purchase and sale agreement, **Exhibit D**. First 100 paid the association \$1,476
10 for the payment rights on the lien on the subject property – equal to nine months' common
11 assessments at \$164 per month. *Id.*, at p. 24; *see also* Red Rock Financial Services Records and
12 Custodian Certificate, **Exhibit E**. The lien, however, remained with the association and was not sold
13 to First 100. *See* Ex. D, purchase and sale agreement. The sale of the payment rights to First 100
14 required the association to retain United Legal Services (United Legal) as foreclosure trustee. *Id.*
15 First 100 covered all the collection costs charged by RRFS, as well as the fees charged by United
16 Legal. *See* Ex. D.

17 United Legal recorded a Notice of Foreclosure sale on May 29, 2013. *See* MSJ, at 4:22.
18 The sale was set for June 22, 2012. *Id.* The notice incorrectly lists New Freedom Mortgage
19 Corporation as the owner of record. *Id.* At the time of the recording of the notice of foreclosure
20 sale, the senior deed of trust had been assigned to Nationstar. *See* MSJ, Ex. 13.

21 Despite the fact that they payment rights had been improperly split from the HOA's lien, the
22 property purportedly went to auction on June 22, 2013. *See* MSJ, Ex. 9. The property was sold for
23 \$7,800. *See* MSJ, Ex. 10 at 30:21 – 30:22. The declaration of value recorded with the trustee's deed
24 acknowledges that the value of the property at the time of the sale was at least \$63,280.00. *See* MSJ,
25 Ex. 9.

26 Though the trustee's deed contains boilerplate recitals regarding the sale's purported
27 compliance with the requirements of the law, United Legal's witness testified that United Legal took
28

1 no measures to ensure the accuracy of the recitals and did not review the prior HOA Trustee's file for
2 compliance. Specifically, Robert Atkinson testified:

3
4 **Q.** So when the recitals say that all requirements of
5 law have been complied with -- for instance, the mailing
6 of copies of the Notice of Delinquent Assessment Lien --
7 even though United Legal Services is signing that, they
8 have no personal knowledge that those requirements were
9 complied with?

A. That is correct. . . .

10 *See* MSJ. Ex. 10 at 46:16 – 46:22. In this case, it is beyond dispute that the recitals are incorrect,
11 because, at a minimum, RRFS failed to provide the Notice of Default to the senior deed of trust
12 beneficiary. *See* Ex. C. at 18:11 – 19:5.

13 **III.**

14 **LEGAL STANDARD**

15 Under Rule 56, a motion for summary judgment should be granted “when the pleadings and
16 other evidence on file demonstrate that no ‘genuine issue as to any material fact [remains] and that
17 the moving party is entitled to judgment as a matter of law.’” *Wood v. Safeway*, (2005) 121 Nev.
18 724, 729; 121 P.3d 1026, 1029; NRCP 56(c). Materiality is dependent on the underlying substantive
19 law, and includes only those factual disputes that could change the ultimate outcome of a case. *Id.*
20 All evidence and inferences must be viewed in a light most favorable to the non-moving party on a
21 summary judgment motion. *Id.*

22 **IV.**

23 **ARGUMENT**

24 **A. The Sale Did Not Extinguish the Senior Deed of Trust Because Notice was Insufficient.**

25 It is undisputed that RRFS did not provide notice of the foreclosure action to Bank of
26 America, who was the record beneficiary of the senior deed of trust. Thus, Bank of America had no
27 opportunity to learn of the foreclosure action or take any action to preserve the validity of its lien.
28 Nevada’s Legislature cannot enact a statute that strips Bank of America of its constitutional due
process rights. *See, e.g., Consolidated Edison Co. v. Pub. Serv. Comm’n*, 447 U.S. 530, 100 S. Ct.
2326, 65 L.Ed. 2d 319 (1980); *First Nat’l Bank of Boston v. Bellotti*, 435 U.S. 765, 98 S. Ct. 1407,

1 55 L.Ed. 2d 707 (1978). For example, in *Consolidated*, the Supreme Court held that extensive
2 regulation—regardless of the benefit to the public—cannot deprive a utility of its status as a private
3 entity entitled to constitutional rights. *Consolidated*, 447 U.S. at 533-34, 100 S. Ct. at 2331. In
4 *Bellotti*, the Court repudiated the notion that a corporation's status as a "creature of the state"
5 permits the state to prohibit corporate speech in violation of the First Amendment. *Bellotti*, 435 U.S.
6 at 778, 98 S. Ct. at 1416. It follows *a fortiori* that Nevada's Legislature cannot pass a foreclosure
7 statute that significantly deprives a first deed of trust beneficiary of protections under the Fourteenth
8 Amendment of the U.S. Constitution and Article I of the Nevada Constitution.

9 Procedural due process means at a minimum notice and an opportunity to be heard prior to
10 the deprivation of the protected property interest. *Mullane v. Central Hanover Bank & Trust Co.*,
11 339 U.S. 306, 313, 70 S.Ct. 652, 94 L.Ed. 865 (1950). The definition of procedural due process is
12 flexible and necessarily depends on the nature of the case. *Id.* at 314-315.

13 In this case, Bank of America was not given an opportunity to be heard at a meaningful time
14 and in a meaningful manner. It was provided with no notice of the foreclosure action, due to RRFS's
15 improper reliance on a fraudulent deed in lieu.

16 "Parties whose rights are to be affected are entitled to be heard." *Fuentes v. Shevin*, 407 U.S.
17 67, 80 92 S.Ct. 1983, 32 L.Ed.2d 556 (1972). *See Lujan v. G & G Fire Sprinklers Inc.*, 532 U.S. 189,
18 196-197 121 S.Ct. 1446, 149 L.Ed.2d 391 (2001) ("We hold that if California makes ordinary
19 judicial process available to respondent for resolving its contractual dispute, that process is due
20 process."). No procedural safeguards of any kind were afforded to the senior deed of trust
21 beneficiary. This requires a denial of West Sunset's motion for summary judgment and a grant of
22 summary judgment to Nationstar.

23 West Sunset cannot claim reliance on the facially-invalid "deed in lieu." The statute of
24 frauds, codified at NEV. REV. STAT. §111.220, requires a written contract for any agreement
25 affecting an interest in real property. In order to be enforceable under the statute of frauds, the
26 writing must be signed by the party to be charged or by his agent. *Wiley v. Cook*, 583 P.2d 1076, 94
27 Nev. 558, 564 (Nev., 1978) The fraudulent deed in lieu is not signed by Bank of America or New
28 Freedom Mortgage Corporation. West Sunset cannot demonstrate that the deed was delivered to

1 New Freedom Mortgage Corporation, as it was clearly required to be returned to the offices of John
2 Peter Lee, Esq. upon recordation, the offices of John Peter Lee had no contact with any person from
3 New Freedom Mortgage Corporation, and New Freedom Mortgage Corporation had ceased to exist
4 as an entity prior to the date of the recording of the "deed in lieu." Notably, the 30(b)(6) witness for
5 the Law Offices of John Peter Lee, Esq. failed to appear twice at scheduled depositions in this
6 matter. West Sunset cannot claim to be a *bona fide* purchaser, because it was on record notice that
7 the "deed in lieu" was fraudulently recorded. NRS 111.180 On the date of the foreclosure sale, two
8 assignments of the senior deed of trust had been recorded, which is inconsistent with the validity of
9 the purported deed in lieu. Furthermore, the senior deed of trust had never been reconveyed.

10 **B. The Foreclosure was Invalid as the Payment Right had been Split from the Lien**

11 The Nevada Supreme court has held that, in order to pursue a nonjudicial foreclosure in the
12 State of Nevada, the foreclosing party must possess both the right to payment and the lien securing
13 the repayment. *Edelstein v. Bank of New York Mellon*, 128 Nev. __, __, 286 P.3d 249, 258 (Nev. 2012).
14 This is because the holder of the repayment right is only entitled to repayment, and does not have the
15 right under the deed to use the property as a means of satisfying repayment. Conversely, the holder
16 of the lien alone does not have a right to repayment and, thus, does not have an interest in
17 foreclosing on the property to satisfy repayment. *Id.* In this case, First 100 purchased the payment
18 rights under the association's lien prior to the foreclosure sale. However, the lien itself remained the
19 property of the association, was never assigned, and the foreclosure was completed in the
20 association's lien. The association lacked standing to foreclose because it no longer possessed the
21 payment rights under the lien at the time of the sale. *Edelstein* requires a unification of the payment
22 right and lien prior to foreclosure.

23 **C. The HOA's Foreclosure did not Extinguish the Senior deed of Trust because the Super**
24 **Priority Lien was Satisfied by First 100's Payment**

25 The purpose of the creation of the "super-priority" lien was to ensure that, when homeowners
26 default on their payment obligations, the association will receive at least some of the common
27 assessments owed by the homeowner – assessments that are the "lifeblood" of the association. A
28 super-priority lien is something unique to homeowners associations in Nevada. Indeed, only the

homeowners association may foreclose on its super-priority lien. Nev. Rev. Stat. 116.31162(1) (stating that "*the association* may foreclose its lien by sale after all of the following occur. . ." and not providing for foreclosure by the association's successors or assigns). In *SFR Investments Pool 1, LLC v. U.S. Bank, N.A.*, 334 P.3d 408, 130 Nev. Adv. Op. 75 (Nev. 2014), the Nevada Supreme Court held that a senior deed of trust may be protected from extinguishment following tender of an amount equal to 9 months' of common assessments. Tender of this "super-priority" amount before the sale avoids the extinguishment of the first mortgage, and the super-priority amount includes only up to nine months' of regular assessments and any costs of abatement and maintenance but not any collection costs. *See* Nev. Rev. Stat. § 116.3116; *7912 Limbwood Court Trust v. Wells Fargo Bank, N.A.*, 979 F. Supp. 2d 1142, 1150 (D. Nev. 2013) (Pro, J.) (citing State of Nevada, Department of Business and Industry, Real Estate Division Adv. Op. No. 13-01, Dec. 12, 2012).

There is no requirement that the payment representing nine months of common assessments be made only by the beneficiary of the senior deed of trust. Rather, the purpose of the statutory super-priority is to ensure prompt receipt of a limited amount of assessments by the HOA. UCIOA § 3-116 cmt. 2. In this case, the HOA received 9 months' of common assessments when First 100 purchased the payment rights, extinguishing the super-priority portion of the lien and satisfying the goal of the Nevada Legislature in creating the super-priority lien. First 100 also satisfied all collection costs associated with the HOA's lien. Thus, under *SFR*, the senior deed of trust was protected from extinguishment.

D. The Sale is Void as Violative of Nationstar and Bank of America's Due Process Rights

1. NRS 116's Assessment Lien and Foreclosure Scheme is Void for Vagueness

The Fifth Amendment to the United States Constitution provides that "No person shall . . . be deprived of life, liberty, or property, without due process of law." S. Const. amend. V. Similarly, the Fourteenth Amendment provides that "No state shall . . . deprive any person of life, liberty, or property, without due process of law." U.S. Const. amend XIV, § 1. Likewise, Nevada's Constitution also provides that "No person shall be deprived of life, liberty, or property, without due process of law." Nev. Const. art. 1, § 8, cl. 5. "[R]ooted in the Due Process Clauses of the Fifth and Fourteenth Amendments," as well as in the Due Process Clause of Nevada's Constitution, is the

1 “void-for-vagueness doctrine.” *Carrigan v. Comm’n on Ethics*, 129 Nev. Adv. Op. 95, 313 P.3d
2 880, 884 (2013) (citing *State v. Castaneda*, 126 Nev. Adv. Op. 45, 245 P.3d 550, 553 (2010)); *see*
3 *also Eaves v. Bd. of Clark County Comm’rs*, 96 Nev. 921, 924–925, 620 P.2d 1248, 1250 (1980)
4 (recognizing the void for vagueness doctrine under Article 1, Section 8 of the Nevada Constitution).

5 Although the void for vagueness doctrine originated with respect to criminal laws and
6 expanded to include laws that infringe upon the First Amendment, the void for vagueness doctrine
7 now indisputably covers civil laws that do not touch upon freedom of speech. *See Loscombe v. City*
8 *of Scranton*, 902 F. Supp. 2d 532, 545 (M.D. Penn. 2012) (“Though [the void for vagueness]
9 doctrine grew up within the criminal context, the vagueness principle has been extended to the civil
10 litigation context.”) (citing *San Filippo v. Bongiovanni*, 961 F.2d 1125, 1135 (3d Cir.1992)); *see also*
11 *F.C.C. v. Fox Television Stations, Inc.*, 132 S. Ct. 2307, 2317 (2012) (recognizing that the void for
12 vagueness doctrine applies “[e]ven when speech is not at issue.”); *Carrigan*, 129 Nev. Adv. Op. 95,
13 313 P.3d at 884 (recognizing that the void for vagueness doctrine applies to civil laws).

14 Due process requires, at a minimum, notice and an opportunity to be heard prior to the
15 deprivation of the protected property interest. *Mullane v. Central Hanover Bank & Trust Co.*, 339
16 U.S. 306, 313, 70 S.Ct. 652, 94 L.Ed. 865 (1950). The void for vagueness doctrine concerns the
17 “notice” element of due process. *See Fox Television Stations, Inc.*, 132 S. Ct. at 2317 (recognizing
18 that laws must give fair notice). The void for vagueness doctrine recognizes “that laws which
19 regulate persons or entities must give fair notice of conduct that is forbidden or required.” *Id.* at
20 2317; accord *Eaves*, 96 Nev. at 924–925, 620 P.2d at 1249. A law that does not give a person of
21 “ordinary intelligence fair notice” of what the law forbids or requires is unconstitutionally vague and
22 violates due process. *Carrigan*, 129 Nev. Adv. Op. 95, 313 P.3d at 884 (citing *State v. Castaneda*,
23 126 Nev. Adv. Op. 45, 245 P.3d 550, 553 (2010) (quoting *Holder v. Humanitarian Law Project*, 561
24 U.S. 1, 18, 130 S. Ct. 2705, 2718 (2010))). In other words, due process prohibits laws that require
25 one to “guess at its meaning.” *Eaves*, 96 Nev. at 923, 620 P.2d at 1249 (citing *Connally v. General*
26 *Constr. Co.*, 269 U.S. 385, 391, 46 S. Ct. 126, 127 (1926)); *Papchristou v. City of Jacksonville*, 405
27 U.S. 156, 162, 92 S. Ct. 839, 843 (1972)). Under the “void for vagueness doctrine,” if the
28 Legislature enacts a law that is “impermissibly vague,” the due process clause requires the courts to

1 invalidate the law. *See Fox Television Stations*, 132 S. Ct. at 2317.

2 In SFR, this Court, for the first time, concluded that an association's lien created by NRS
3 116.3116 "is a true priority lien" the nonjudicial foreclosure of which "extinguishes a first deed of
4 trust on the property." *SFR Investments Pool 1, LLC*, 130 Nev. Adv. Op. 75, 2, 334 P.3d 408, 409
5 (2014). However, SFR did not address the invalidity of the statute on void for vagueness grounds or
6 whether the holder of a first deed of trust on property encumbered by an association's lien had fair
7 notice (pre-SFR) that a nonjudicial foreclosure of an association's lien would extinguish a first deed
8 of trust.

9 *SFR* concluded that although the association has one lien that includes all "assessments," the
10 lien has two pieces: a super-priority piece, "consisting of the last nine months of HOA dues and
11 maintenance and nuisance-abatement charges" and a sub-priority piece consisting of all other
12 "assessments." *SFR*, 130 Nev. Adv. Op. 75, 5, 334 P.3d at 411. According to *SFR*, the "super-
13 priority" piece of the association's lien has true priority over a first deed of trust, but the "sub-
14 priority" piece is subordinate. *Id.* Further, the Court held that an association may enforce its lien by
15 nonjudicial foreclosure. *Id.* at 414–15. Before *SFR*, the holder of a first deed of trust would not
16 understand from the language in NRS 116 that an association's nonjudicial foreclosure would
17 extinguish its interest unless it paid the "super-priority" piece. Thus, the statute deprived security
18 holders of fair notice that their interests were in danger and that they needed to protect their interests.

19 *SFR* interpreted "institution of an action" to mean that an association need not file a judicial
20 "action". The Nevada Legislature has used the phrase "institution of an action" in two other statutes,
21 both of which clearly mean the commencement of a civil action. For example, the Nevada Unfair
22 Trade Practice Act provides that the Attorney General may commence a civil action for violations of
23 the act. *See* NRS § 598A.180. However, with respect to the confidentiality of the Attorney General's
24 investigation, the statute states:

25 Any procedure, testimony taken, document or other tangible evidence
26 produced, or answer made under NRS 598A.100 shall be kept
27 confidential by the Attorney General prior to the institution of an
action brought under this chapter for the alleged violation of the
provisions of this chapter under investigation . . .

28 NRS § 598A.110. Thus, in NRS 598A.110, "institution of an action" clearly refers to a civil action.

1 Likewise, the Nevada Legislature used the phrase “institution of action” to refer to a civil
2 action in the context of the leasing of vehicles. *See* §§ NRS 100.095, *et seq.* Specifically, NRS
3 100.115 provides for liability against lessors of a commercial vehicle lease for violations of the
4 statute, which liability includes actual damages, statutory damages, and the “costs of the action,
5 together with a reasonable attorney’s fee as determined by the court.” *See* NRS § 100.115(1)(a)–(c).
6 That same statute also states “A lessor has no liability under this section for any failure to comply
7 with any requirement imposed under NRS 100.105 if within 15 days after discovering an error, and
8 prior to the institution of an action under this section or the receipt of written notice of the error, the
9 lessor notifies the lessee of the error . . .” *See* NRS § 100.115(2)). Again, the language refers
10 exclusively to the institution of a civil action. *Id.* Here, the Nevada Supreme Court’s conclusion that
11 the Nevada Legislature intended “institution of an action” in NRS 116.3116 to mean something
12 different than “institution of an action” in NRS 598A.110 and NRS 100.115 constitutes an abrupt
13 change for which Nationstar and its predecessors in interest did not have fair notice. *See F.C.C. v.*
14 *Fox Television Stations*, 132 S. Ct. 2307, 2318 (2012)(recognizing that an “abrupt change” in the
15 meaning of a law fails to provide fair notice and violates due process). Indeed, NRS 116.3116 uses
16 the word “action” five times, and in four of those five instances the word “action” refers only to a
17 judicial action.

18 Further, NRS 116 does not clearly define the event that triggers NRS 116.3116’s nine month
19 look-back period or the event that must occur within 3 years for an association to enforce its lien for
20 unpaid assessments. Nationstar and its predecessors would be left to guess. Presumably, the “last
21 nine month” look-back period begins to run on the date the association institutes an action to enforce
22 the lien. However, neither NRS 116.3116 nor *SFR* define this date. Instead, the statute leaves the
23 determination to the arbitrary conclusion of the association. Likewise, the date on which the
24 association institutes an action to enforce the lien may dictate whether the association’s lien has
25 expired because 116.3116(5) creates a three-year statute of limitations for the enforcement of the
26 association’s lien. Specifically, NRS 116.3116(5) provides that “[a] lien for unpaid assessments is
27 extinguished unless proceedings to enforce the lien are instituted within 3 years after the full amount
28 of the assessments becomes due.” To add to the confusion, NRS 116.3116(5) uses the word

1 “proceedings” to enforce the lien instead of “institution of an action.” Again, the statute leaves the
2 owner and security interest holders to the arbitrary decision of the association and leaves them
3 guessing as to whether the association’s lien expired.

4 Prior to the *SFR* decision - and even after the *SFR* decision - both State and Federal Courts
5 disagreed as to the application and effect of NRS 116's creation of a super-priority lien and the
6 mechanism by which the lien could be enforced. Due process requires that such impermissibly vague
7 and confusing laws be invalidated. *See Connally v. General Constr. Co.*, 269 U.S. 385, 391, 46 S.
8 Ct. 126, 127 (1926) (“[A] statute which either forbids or requires the doing of an act in terms so
9 vague that men of common intelligence must necessarily guess at its meaning and differ as to its
10 application, violates the first essential of due process of law.”)

11 2. The Statutory Foreclosure Scheme Created by NRS 116 Violates Due Process by 12 Failing to Require Notice

13 Nevada’s Legislature cannot enact a statute that strips Nationstar of its constitutional due
14 process rights. *See, e.g., Consolidated Edison Co. v. Pub. Serv. Comm’n*, 447 U.S. 530, 100 S. Ct.
15 2326, 65 L.Ed. 2d 319 (1980); *First Nat’l Bank of Boston v. Bellotti*, 435 U.S. 765, 98 S. Ct. 1407,
16 55 L.Ed. 2d 707 (1978). For example, in *Consolidated*, the Supreme Court held that extensive
17 regulation—regardless of the benefit to the public—cannot deprive a utility of its status as a private
18 entity entitled to constitutional rights. *Consolidated*, 447 U.S. at 533-34, 100 S. Ct. at 2331. In
19 *Bellotti*, the Court repudiated the notion that a corporation’s status as a “creature of the state”
20 permits the state to prohibit corporate speech in violation of the First Amendment. *Bellotti*, 435 U.S.
21 at 778, 98 S. Ct. at 1416. It follows *a fortiori* that Nevada’s Legislature cannot pass a foreclosure
22 statute that significantly deprives a first deed of trust beneficiary of protections under the Fourteenth
23 Amendment of the U.S. Constitution and Article I of the Nevada Constitution.

24 Procedural due process means at a minimum notice and an opportunity to be heard prior to
25 the deprivation of the protected property interest. *Mullane v. Central Hanover Bank & Trust Co.*,
26 339 U.S. 306, 313, 70 S.Ct. 652, 94 L.Ed. 865 (1950). The definition of procedural due process is
27 flexible and necessarily depends on the nature of the case. *Id.* at 314-315.

1 In this case, Nationstar and its predecessor in interest, Bank of America, were not provided
2 with notice that the HOA had instituted an action to foreclose on its lien. This prevented the
3 beneficiary from having a meaningful opportunity to contact the HOA regarding the lien, to
4 determine whether or not a super-priority lien was being foreclosed and to take steps to ensure that
5 the senior deed of trust was protected.

6 The state of Nevada has become sufficiently intertwined with HOA foreclosure such that
7 state and federal procedural due process protections for Nationstar's deed of trust apply, to wit:

- 8 • The super priority lien did not exist at common law, but rather is imposed
9 by legislative fiat.
- 10 • Nevada's legislature made super priority mandatory and it could not be
11 altered by private contract.
- 12 • The super priority lien has no nexus whatsoever to a private agreement
13 between the HOA and Nationstar, but, again, is imposed by legislative
14 enactment.

15 Since state of Nevada is responsible for the creation of the super priority lien and has made it
16 mandatory, then the state of Nevada's HOA super priority can fairly be said to be the result of state
17 action subject to procedural due process safeguards. On its face, Nevada's scheme of non-judicial
18 HOA super priority foreclosure lacks any pre or post deprivation methods of providing Nationstar
19 with notice and an opportunity to be heard. NRS 116.31162 and NRS 116.311635 do not require
20 that an HOA provide Nationstar with written notice of the sum that constitutes the super priority
21 portion of the assessment lien. Chapter 116 of NRS seeks to compel Nationstar to pay the entirety of
22 the HOA's lien, but does not provide Nationstar with any procedure for reimbursement to Nationstar,
23 nor does it require the Association to accept tender from a secured lender. Chapter 116 of NRS
24 seeks to insulate its scheme of super priority non-judicial foreclosure by providing a purchaser at an
25 HOA foreclosure sale with title that is not subject to equity or right of redemption. Chapter 116 of
26 NRS fails to provide Nationstar with a statutorily enforceable mechanism to compel an HOA to
27 inform Nationstar of the sum of the HOA super priority amount. Chapter 116 of NRS fails to provide
28 Nationstar with a private right of action before the foreclosure to contest the HOA's failure to
provide it with constitutionally mandated notice of the super priority sum and a right to challenge the
HOA's calculation of that sum. Finally, Chapter 116 of NRS fails to provide Nationstar with a

1 private right of action after the foreclosure to contest the HOA's failure to provide it with
2 constitutionally mandated notice of the super priority sum.

3
4 Nationstar requests that this Court set aside the HOA foreclosure sale because NRS 116's
5 scheme of HOA super priority foreclosure violates the procedural process clauses of The Fourteenth
6 Amendment of the United States Constitution and Article 1, Sec. 8, of the Nevada Constitution.

7 **E. The Sale at Issue was Commercially Unreasonable**

8 The Court in *SFR Investments* noted it “[did] not resolve U.S. Bank’s suggestion that we
9 could affirm by deeming SFR’s purchase ‘void as commercially unreasonable.’” *SFR Investments*,
10 334 P.3d at note 6. The Court stated that, in a motion to dismiss, it would “not delve into matters
11 asserted defensively that are not apparent from the face of the complaint.” *Id.* The Court did not
12 say—and nor should its language be construed as saying—that commercial unreasonable was not
13 applicable to HOA foreclosure sales.

14 Other cases have recognized the relevance of commercial unreasonableness in to HOA lien
15 foreclosure sales. United States District Court Judge Jones has expressed concerns about the
16 commercial reasonableness of HOA foreclosure sales where the purchase price is a fraction of the
17 secured debt on the property. *See Thunder Properties, Inc., v. James L. Wood et al.*, No. 3:14-cv-
18 00068-RCJ-WGC; 2014 WL 25736363 at 4:9-10 (D. Nev. June 9, 2014) (Jones, J.).

19 **1. UCIOA's Drafters Demanded that Every Act of the HOA be**
20 **Commercially Reasonably**

21 Judge Jones' statement was prescient. His reasoning finds solid footing both in Nevada’s
22 version of the UCIOA and case law in other states where the law has been adopted. UCIOA's drafters
23 expressly incorporated the doctrine of commercial reasonableness into their definition of good faith.
24 While NRS 116 does not contain the words “commercially reasonable,” it does impose an obligation
25 of good faith in the enforcement of its provisions. Specifically, NRS 116.1113 provides as follows:

26 **Every contract or duty governed by this chapter imposes an**
27 **obligation of good faith in its performance or enforcement.**
28

1 *Id.* (Emphasis added). UCIOA's drafters of this section defined good faith as follows in their
2 comment:

3 This section sets forth a basic principle running throughout this Act: in
4 transactions involving common interest communities, good faith is
5 required in the performance and enforcement of all agreements and
6 duties. Good faith, as used in this Act, means observance of two
7 standards: "honesty in fact," and **observance of reasonable standards
of fair dealing**. While the term is not defined, the term is derived from
and used in the same manner as in section 1-201 of the Uniform
Simplification of Land Transfers Act, and Sections 2-103(i)(b) and 7-
404 of the Uniform Commercial Code.

8 UCIOA §1-113 cmt. (1982) (Emphasis Added).

9
10 **2. Scholarly Authority Supports the Commercial Reasonableness Defense.**

11 A collection of cases addressing the issue of price inadequacy at foreclosure sales was
12 collected in a case study/law review article. Washburn, *The Judicial and Legislative Response to*
13 *Price Inadequacy in Mortgage Foreclosure Sales* 53 S. Cal. L. Rev. 843 (1980). Professor
14 Washburn noted that courts recognize an exception to the general rule:

15 While inadequacy alone is generally insufficient to invalidate a
16 judicial sale, when inadequacy is so extreme as to shock the
17 conscience of the court, it may provide a basis for invalidation. This
exception to the general rule is based on the inherent equity power of
the court in administering the foreclosure process.

18 *Id.* at 862-863.

19 In addition, although the phrase "shock the conscience" is subject to the criticism of being
20 subjective, there is general agreement at the extreme ends of the scale:

21 There is general agreement at the extremes as to what constitutes gross
22 inadequacy. **Sale prices less than ten percent of value are generally
held grossly inadequate**, whereas those above forty percent are held
not grossly inadequate.

23 *Id.* at 866. Emphasis added.

24 Finally, Professor Washburn described the evidence that a court considers relevant to
25 determining whether a foreclosure sale price shocks the court's conscience:

26 Courts do rely, however, upon expert valuation testimony, provided it
27 concerns the particular property in issue rather than market conditions
28 in general. Courts also accept evidence of comparable sales if the
property is fully comparable, as well as evidence of capitalized
income.

1 *Id.* at 868. Accordingly, Wes Sunset’s averment that commercial reasonableness is not required
2 under Nevada law is incorrect and should not prevent the Court from granting Nationstar’s motion
3 for summary judgment on commercial unreasonableness grounds.

4 Nevada law requires an HOA foreclosure sale to be commercially reasonable. In this case,
5 West Sunset purchased the property at the foreclosure sale for only \$7,800, which was less than 4%
6 of the deed of trust and 12% of the declared value.

7 The Restatement (Third) of Property (Mortgages) expressly supports that this sale should be
8 set aside because the price is grossly inadequate. Section 8.3 provides:

9 (a) A foreclosure sale price obtained pursuant to a foreclosure
10 proceeding that is otherwise regularly conducted in compliance with
11 applicable law does not render the foreclosure defective **unless the
price is grossly inadequate.**

12 (b) Subsection (a) applies to both power of sale and judicial
foreclosure proceedings.

13 Emphasis added.

14 The Restatement authors went on to define what it means by "grossly inadequate:"

15 “Gross inadequacy” cannot be precisely defined in terms of a specific
16 percentage of fair market value. Generally, however, a court is
17 warranted in invalidating a sale where the price is less than 20 percent
18 of fair market value and, absent other foreclosure defects, is usually
19 not warranted in invalidating a sale that yields in excess of that
20 amount. See Illustrations 1-5. **While the trial court's judgment in
matters of price adequacy is entitled to considerable deference, in
extreme cases a price may be so low (typically well under 20% of
fair market value) that it would be an abuse of discretion for the
court to refuse to invalidate it.**

21 *Id.* at cmt. b. Emphasis added.

22 Finally, the Restatement authors set forth the manner by which a party may prove gross
23 inadequacy:

24 This section articulates the traditional and widely held view that a
25 foreclosure proceeding that otherwise complies with state law may not
26 be invalidated because of the sale price unless that price is grossly
27 inadequate. **The standard by which “gross inadequacy” is
measured is the fair market value of the real estate.** For this
28 purpose the latter means, not the fair “forced sale” value of the real
estate, but the price which would result from negotiation and mutual
agreement, after ample time to find a purchaser, between a vendor who

is willing, but not compelled to sell, and a purchaser who is willing to buy, but not compelled to take a particular piece of real estate.

Id. Emphasis added.

BFP v. Resolution Trust, 511 U.S. 531 (1994), supports Nationstar's commercial unreasonable argument and the irrefutable legal conclusion that since time immemorial a sale can be set aside where the price is so low as to shock the court's conscience. In *BFP*, the court was confronted with the issue of whether 11 U.S.C. §548(a)(2)'s use of the phrase "reasonably equivalent value" meant that a foreclosure sale analyzed by bankruptcy court must be for "fair market value." *Id.* at 544. The court said no based on the history of foreclosure law in this country and England.

The U.S. Supreme Court described bedrock principles of foreclosure law:

... it is "black letter" law that mere inadequacy of the foreclosure sale price is no basis for setting the sale aside, **though it may be set aside (under state foreclosure law, rather than fraudulent transfer law) if the price is so low as to "shock the conscience** or [114 S. Ct. 1764] raise a presumption of fraud or unfairness." *Osborne, Nelson, & Whitman*, supra, 511 U.S. at 469; *see also Gelfert v. National City Bank of N. Y.*, 313 U.S. 221, 232, 85 L. Ed. 1299, 61 S. Ct. 898 (1941); *Ballentyne v. Smith*, 205 U.S. 285, 290, 51 L. Ed. 803, 27 S. Ct. 527 (1907).

Id. at 541-542. (Emphasis added)

Cases supporting Nationstar's commercial unreasonableness defense are easy to find. In *Baskurt v. Beal*, 101 P.3d 1041, 1046, the Alaska Supreme Court affirmed a decision to set aside a non-judicial foreclosure where the price of \$26,781.81 was far below the fair market value of \$225,000. "The fact that the foreclosure price...was less than fifteen percent of the [fair market value] indicates that the gross inadequacy standard was met." *Id.* Similarly, in *Armstrong v. Csurilla*, 817 P.2d 1221, 1234-1235 (N.M., 1991) the New Mexico Supreme Court indicated that foreclosure sales generally should be set aside where the foreclosure sale price is less than 10-40% of the property's fair market value. Likewise in *In re Krohn*, the Arizona Supreme Court considered this issue *en banc* and held that an inadequate price that shocked the conscience, alone, can be a basis for setting aside a foreclosure sale.

Nevada law is no different. A secured party must, after default, proceed in a commercially reasonable manner to dispose of collateral. NRS 104.9610(1); *Jones v. Bank of Nevada*, 91 Nev.

368, 535 P.2d 1279 (1975). Every aspect of the disposition, including the method, manner, time, place, and terms, must be commercially reasonable. NRS 104.9610(2). A wide discrepancy between the sale price and the value of the collateral compels close scrutiny into the commercial reasonableness of the sale. *In Re Zsa Zsa Limited*, 352 F.Supp. 665 (S.D.N.Y.1972); *Mercantile Financial Corp. v. Miller*, 292 F.Supp. 797 (E.D.Pa.1968); *Levers v. Rio King Land and Investment Co.*, 93 Nev. 95, 98-99, 560 P.2d 917, 919-20 (1977); *see also Dennison v. Allen Group Leasing Corp.*, 110 Nev. 181, 185-86, 871 P.2d 288, 291 (1994). Such close scrutiny is compelled—and relevant—here, where the property was secured by a \$176,760.00 deed of trust when the HOA sold it for a mere \$7,800.00.

The UCIOA's doctrine of good faith in selling a property has been analyzed and applied in *Will v. Mill Condominium Owner's Ass'n*, 848 A.2d 336 (Vt. 2004). In *Will*, the property was sold pursuant to a homeowners' association lien of \$3,510.10. *Id.* at 338. The fair market value of the property was \$70,000. *Id.* The Vermont Supreme Court interpreted the same uniform act that Nevada adopted. *Id.* at 340-41. The Vermont Supreme Court was also considered that there the low price was produced at a public sale with only one bidder. *Id.* at 342-43. The auctioneer informed the sole bidder that the minimum acceptable bid was the amount due the association. *Id.* "Although there is no suggestion that this was done in bad faith giving this information to the only bidder was certainly not a way to maximize the value of the collateral; rather, it was an assurance that the condominium would be sold for exactly that low amount." *Id.* at 343. The court voided the trustee's sale because the sale was not made in a commercially reasonable manner.

Here, the HOA made no effort to obtain the best price and made no effort to protect either the borrower or the beneficiary of the senior deed of trust. The sale price of \$7,800.00 for a property secured by a deed of trust of over fifteen times that amount—and a market value of over eight times that amount—in fact demonstrates that it was not made in good faith as a matter of law, was grossly inadequate, and was so low that it shocks the conscious. Price alone is not the only factor at issue in this case. Indeed, Nationstar has demonstrated that RRFS never provided Bank of America with a copy of the Notice of Delinquent Assessment Lien or the Notice of Default. Further, the notices do list the incorrect property owner. The payment rights and the lien had been impermissibly split,

divesting the association of standing to foreclose, but the association proceeded anyways. No notice was given to any party that the super-priority portion had been satisfied by First 100. Finally, the recitals included in the trustee's deed were "robo-signed" without any care as to their accuracy. Accordingly, Nationstar's motion for summary judgment should be granted because of the commercial unreasonableness of the foreclosure sale.

F. West Sunset cannot argue that it is a bona fide purchaser for value.

The good faith purchaser standard has no application to an HOA foreclosure sale. Nevada's legislature abandoned the good faith purchaser standard as applied to HOA foreclosure sales when it adopted the 1982 version of the UCIOA. The 1982 version of UCIOA provided as follows:

(4) A good faith purchaser for value acquires the unit free of the association's debt that gave rise to the lien under which the foreclosure sale occurred and any subordinate interest, even though the association or other person conducting the sale failed to comply with the requirements of this section.

UCIOA §3-116(k)(4).

In contrast, NRS 116.31164 provides:

3. After the sale, the person conducting the sale shall:

(a) Make, execute and, after payment is made, deliver to the purchaser, or his or her successor or assign, **a deed without warranty which conveys to the grantee all title of the unit's owner to the unit.**

NRS 116.31164(3)(a) (Emphasis Added). Nevada's legislature did not adopt the good faith purchaser defense and did not state that the purchaser acquired the property free and clear of any subordinate interest. A purchaser at an HOA foreclosure sale only receives the unit owner's title and accepts that title without warranty. Assuming, *arguendo*, that the foreclosure sale was not void for the numerous reasons set forth in the countermotion, West Sunset purchased the property subject to Nationstar's deed of trust.

G. The Recitals Contained in the Deed of Trust are Not Irrebuttable

Nevada Revised Statute 116.31166(1) is modeled after the Uniform Common Interest Ownership Act. The Act makes clear that "a recital of the *facts* of nonpayment of the assessment

1 and of the giving of the notices required by this subsection are *sufficient proof of the facts recited*. . .
2 .” UCIOA § 3-116(1)(4) (emphasis added). Nothing in the Act or NRS 116.31166(1) allows a
3 purchaser to rely on unsupported legal conclusions regarding compliance with the statute.

4 The Alaska² supreme court considered a similar issue in *Rosenberg v. Smidt*, 727 P.2d 778
5 (Alaska 1986). There, the appellants alleged that under Alaska's applicable statute, the recitals in the
6 foreclosure sale deed were conclusive evidence of compliance in favor of bona fide purchasers. *Id.*
7 at 783. The deed in that case stated:

8 All other requirements of law regarding the mailing, publication and personal
9 delivery of copies of the Notice of Default and all other notices have been complied
10 with, and said Notice of Sale was publicly posted as required by law and published in
the Anchorage Times on August 26 and September 2, 9, and 16, 1980.

11 *Id.* The parties disputed whether the deed barred the respondents from overturning the sale based on
12 lack of notice. *Id.* While the appellants alleged that the court should accept the recitals as
13 “conclusive proof,” the respondents alleged that only recitals of fact, not conclusions of law, were
14 subject to this standard.³ The court held as follows:

15 The fact that .080(c) explicitly calls for factual details in the deed recital
16 concerning recording, price, publication, and sale suggests that facts are also
17 called for concerning mailing or delivery. *Further, requiring a factual recital*
18 *tends to assure that the requirements of law concerning mailing or delivery are*
19 *complied with.* A conclusory statement can be a matter placed in a form, or a
20 programmed deed, and will not require the trustee to review what was actually
21 done. A factual recital does require review in each case. While a factual recital
requirement does not protect against fraud in all cases, it does tend to prevent the
more common failings of oversight and neglect. A conclusory recital, on the
other hand, accomplishes little or nothing.

25 ² Like Nevada, Alaska has adopted and currently uses the 1982 version of UCIOA. *See e.g.*,
26 [http://www.uniformlaws.org/LegislativeFactSheet.aspx?title=Common%20Interest%20Ownership%20Act%20\(1982\)](http://www.uniformlaws.org/LegislativeFactSheet.aspx?title=Common%20Interest%20Ownership%20Act%20(1982)).

27 ³ AS 3.20.080(c) provides: The deed shall recite the date and the book and page of the recording of default,
28 and the mailing or delivery of the copies of the notice of default, the true consideration for the conveyance,
the time and place of the publication of notice of sale, and the time, place and manner of sale, and refer to the
deed of trust by reference to the page, volume and place of record.

1 *Id.* at 786 (emphasis added). The court also reasoned that one of UCIOA's primary purposes was to
2 “require that effective notice of default and sale be given parties in interest, and to provide a self-
3 effecting method of assuring that such notice is given.”⁴ *Id.*

4 The foreclosure deed in this case presents *no facts* entitled to the conclusive presumption that
5 HOA complied with the provisions of Chapter 116. It does not provide, for example, what notice
6 was given, what dates notices were given, the facts concerning the default which led to the
7 foreclosure, or any detail regarding the conduct of the sale. They, instead, contain legal conclusions
8 such as “All requirements of law have been complied with” only. **Exhibit G.** West Sunset is not
9 entitled to the conclusive presumption outlined in NRS 116.31166, nor is West Sunset entitled to
10 summary judgment on the basis that the HOA sale was conducted properly.

11 Further, any conclusion that a factually unadorned recital claiming compliance with the law
12 can substitute for actual compliance would violate Nationstar's due process rights as outlined in the
13 Irrebuttable Presumption Doctrine. Originally, the doctrine stated:

14 It is forbidden by the Due Process Clause to [deprive an individual of
15 life, liberty, or property] on the basis of a permanent and irrebuttable
16 presumption . . . when that presumption is not necessarily or
17 universally true in fact, and when the State has reasonable alternative
18 means of making the crucial determination.”

19 *Vlandis v. Kline*, 412 U.S. 441, 452 (1973). In *Vlandis*, the U.S. Supreme Court held that The
20 Supreme Court of the United States has held that “a permanent and irrebuttable presumption” is
21 forbidden by the Due Process Clause of the Fourteenth Amendment “when that presumption is not
22 necessarily or universally true in fact, and when the State has reasonable alternative means of

23 ⁴ The line of cases that disallow an expert witness to give an opinion as to legal conclusions provide a helpful
24 illustration. *See, e.g., Mukhtar v. Cal. State Univ.*, 299 F.3d 1053, 1066 (9th Cir. 2002); *McHugh v. United*
25 *Serv. Auto. Ass'n*, 164 F.3d 451, 454 (9th Cir. 1999); *United States v. Duncan*, 42 F.3d 97, 101 (2d Cir. 1994).
26 An expert may not state legal conclusions by applying the law to the facts. *Oakland Oil Co. v. Conoco, Inc.*,
27 144 F.3d 1308, 1328 (10th Cir. 1991). “In no instance can a witness be permitted to define the law of the
28 case.” *Specht v. Jensen*, 853 F.2d 805, 810 (10th Cir. 1988). The law is for a court to determine. *Marx &*
Co., Inc. v. Diner's Club, Inc., 550 F.2d 505, 509-10 (2d Cir. 1977). Just as an expert witness is not allowed
to apply the law to facts or to determine the law of the case, a trustee is similarly barred from attempting to
accomplish the same result through the mechanism of the trustee's deed upon sale. A legislature may not
legislate away a court's power to apply facts to law without also violating the separation of powers
contemplated under the Nevada and United States Constitutions.

1 making the crucial determination.” This doctrine, divided into its constitutive elements, asks three
2 separate questions: (1) Is the legislative presumption permanent and irrebuttable; (2) Does the
3 presumption necessarily imply the conclusion reached; and (3) Does the legislative authority
4 imposing the presumption have a reasonable alternative means to reach the conclusion?

5 Later the doctrine was limited, when the U.S. Supreme Court held that a "rational basis" test
6 should apply. The rational basis test states, “if a law neither burdens a fundamental right nor targets
7 a suspect class, [courts] will uphold the legislative classification so long as it bears a rational relation
8 to some legitimate end.” *Romer v. Evans*, 517 U.S. 620, 631 (1996). However, the law at issue here
9 burdens a senior deed of trust's right to property – a fundamental right. Therefore, strict scrutiny of
10 the presumption should apply. Even if this court was to apply a mere rational basis standard, it
11 cannot be said that a trustee's boilerplate claim that it complied with the law bears any rational
12 relation to its actual compliance. This is extremely apparent in this case, where the recitals have
13 been demonstrated to be incorrect and the foreclosing trustee, United Legal, admitted to robo-
14 signing recitals without making any effort to determine whether the recitals were true.

15 V.

16 CONCLUSION

17 This Court should deny West Sunset's motion for summary judgment, and enter judgment in
18 favor of Nationstar.

19 DATED this 8th day of June, 2015.

20 **AKERMAN LLP**

21 /s/ Allison R. Schmidt, Esq.

22 ARIEL E. STERN, ESQ.

23 Nevada Bar No. 8276

24 ALLISON R. SCHMIDT, ESQ.

Nevada Bar No. 10743

1160 Town Center Drive, Suite 330

Las Vegas, Nevada 89144

25 *Attorneys for Defendant Nationstar Mortgage,*
26 *LLC and Bank of America, N.A.*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 10th day of June, 2015 and pursuant to NRCP 5(b), I served through this Court's electronic service notification system ("Wiznet") a true and correct copy of the foregoing **OPPOSITION TO MOTION FOR SUMMARY JUDGMENT AND COUNTERMOTION FOR SUMMARY JUDGMENT**, addressed to:

Luis A. Ayon, Esq.
Margaret E. Schmidt, Esq.
MAIER GUTIERREZ AYON
2500 W. Sahara Ave., Ste. 106
Las Vegas, NV 89102
Attorneys for Plaintiff

/s/ Julia Diaz

An employee of AKERMAN LLP

EXHIBIT A

AKERMAN LLP

1160 TOWN CENTER DRIVE, SUITE 330
LAS VEGAS, NEVADA 89144
TEL.: (702) 634-5000 - FAX: (702) 380-8572

1 **SUBP**

2 ARIEL E. STERN, ESQ.

3 Nevada Bar No. 8276

4 ALLISON R. SCHMIDT, ESQ.

5 Nevada Bar No. 10743

6 AKERMAN LLP

7 1160 Town Center Drive, Suite 330

8 Las Vegas, NV 89144

9 Telephone: (702) 634-5000

10 Facsimile: (702) 380-8572

11 Email: ariel.stern@akerman.com

12 Email: allison.schmidt@akerman.com

13 *Attorneys for Defendant Nationstar*
14 *Mortgage, LLC*

15 **EIGHTH JUDICIAL DISTRICT COURT**

16 **CLARK COUNTY, NEVADA**

17 WEST SUNSET 2050 TRUST, a Nevada Trust,

18 Plaintiff,

19 v.

20 NEW FREEDOM MORTGAGE
21 CORPORATION, a Foreign Corporation;
22 BANK OF AMERICA, N.A., a National
23 Association; NATIONSTAR MORTGAGE,
24 LLC, a Foreign Limited Liability Company;
25 COOPER CASTLE LAW FIRM, LLP, a Nevada
26 Limited Liability Partnership; STEPHANIE
27 TABLANTE, an individual; DOES I through X;
28 and ROE CORPORATIONS I through X,
inclusive,

Defendants.

NATIONSTAR MORTGAGE, LLC,

Counterclaimant,

v.

WEST SUNSET 2050 TRUST, a Nevada Trust,

Counter-Defendant.

Case No.: A-13-691323-C

Dept.: XXI

SUBPOENA - CIVIL

☐ REGULAR ☒ DUCES TECUM

RECEIVED

DEC 23 2014

JOHN PETER LEE

(30081510;1)

AKERMAN LLP

1160 TOWN CENTER DRIVE, SUITE 330
LAS VEGAS, NEVADA 89144
TEL: (702) 694-3000 - FAX: (702) 380-8572

1 NATIONSTAR MORTGAGE, LLC,
2 Cross-Claimant,
3 v,
4 STEPHANIE TABLANTE,
5 Cross-Defendant,
6

7
8 THE STATE OF NEVADA SENDS GREETINGS TO:

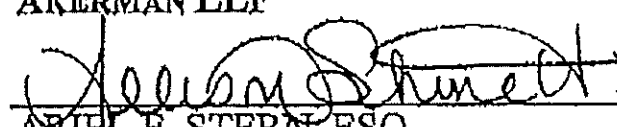
9 Custodian of Records
10 JOHN PETER LEE, LTD,
830 LAS VEGAS BLVD. SOUTH
LAS VEGAS, NV 89101

11 YOU ARE HEREBY COMMANDED, that all and singular, business and excuses set
12 aside, to produce any and all documents in your possession, custody or control, including your work
13 file relating to the dealings detailed in Exhibit "A", enclosed herewith. Please mail these
14 documents to Ariel E. Stern, Esq. and Allison R. Schmidt, of Akerman, LLP located at 1160 N.
15 Town Center Drive, Suite 330, Las Vegas, Nevada 89144 by January 9, 2015.
16

17 If you fail to produce these documents you will be deemed guilty of contempt of Court and
18 liable to pay all losses and damages caused by your failure to appear.

19 DATED this 19th day of December, 2014.

20 AKERMAN LLP

21 
22 ARIEL E. STERN, ESQ.
Nevada Bar No. 8276
23 ALLISON R. SCHMIDT, ESQ.
Nevada Bar No. 10743
24 1160 Town Center Drive, Suite 330
Las Vegas, Nevada 89144

25 Attorneys for Nationstar Mortgage, LLC
26
27
28

EXHIBIT "A"

ITEMS TO BE PRODUCED

YOU ARE COMMANDED to produce at the time, date, and place set forth in the Subpoena *Duces Tecum* copies of any and all information, not privileged, in your possession, custody or control, or that of your attorneys, employees, agents, adjusters, investigators or other representative(s), or is otherwise available to you, in the form of documents and electronically stored information, or permit for inspection, testing, or sampling of the material that cannot be copied relating to:

Stephanie Tablante
7255 W. Sunset Road, unit 2050
Las Vegas Nevada 89113
APN: 176-03-510-102

The above documentation should include but is not limited to:

- 1) All correspondence between John Peter Lee, LTD, its employees, attorneys and agents and New Freedom Mortgage Corporation and proof of mailing/transmission;
- 2) All correspondence between John Peter Lee, LTD, its employees, attorneys and agents and Nationstar Mortgage, LLC and proof of mailing/transmission;
- 3) All correspondence between John Peter Lee, LTD, its employees, attorneys and agents and Bank of America, NA and proof of mailing/transmission;
- 4) All documentation and information (including electronic) related to the deed in lieu of foreclosure which was recorded first as instrument no. 201103030003444, and was later re-recorded as instrument no. 201106210002567 in the official records of Clark County Nevada;
- 5) Any documentation relating to or demonstrating approval from any lender or servicer to record the deed in lieu of foreclosure which was recorded first as instrument no. 201103030003444, and was later re-recorded as instrument no. 201106210002567 in the official records of Clark County Nevada

All items produced in response to this request shall be accompanied by a completed Affidavit of Custodian of Records (attached as Exhibit B).

AKERMAN LLP

1160 TOWN CENTER DRIVE, SUITE 330
LAS VEGAS, NEVADA 89144
TEL: (702) 634-5000 - FAX: (702) 380-8572

EXHIBIT "B"

AFFIDAVIT OF CUSTODIAN OF RECORDS

STATE OF NEVADA }
COUNTY OF CLARK } ss.

Affiant being first duly sworn, deposes and says:

1. That the Affiant is the Custodian of Records for John Peter Lee, LTD, and in such capacity, is the Custodian of Records of the documents produced.
2. That Affiant received a Subpoena *Duces Tecum* in the matter *West Sunset 2050 Trust v. New Freedom Mortgage Corporation, et al.*, case no. A-13-691323-C calling for the production of records regarding Stephanie Tablante and the property located at 7255 W. Sunset Road, unit 2050, Las Vegas Nevada 89113, as listed in Exhibit A.
3. That the Custodian of Records has examined the originals of those records and has made or caused to be made a true and exact copy of them and that the reproduction of them attached hereto is true and complete.
4. That the original of these records supplied are and were maintained and duly relied upon in the normal course and scope of the business.
5. Affiant declares under penalty of perjury that the foregoing is true and correct.

IF NO RECORDS, INITIAL NO. 1 BELOW AND SIGN:

1. _____ I hereby declare under penalty of perjury that a thorough search of our records has been conducted and to the best of my knowledge there are no records for the above referenced person.

SUBSCRIBED AND SWORN to before me

this 7 day of January, 2015

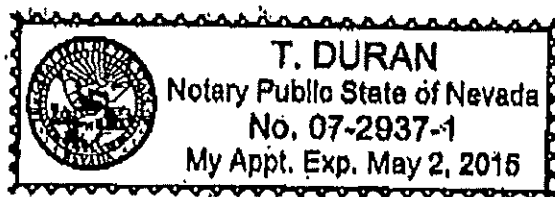
Notary Public of and for said County and State

Mark Tibbet

Custodian of Records [Print Name]

ME Sett

Custodian of Records [Signature]



NRCP 45(c) and (d)

(c) Protection of Persons Subject to Subpoena.

(1) A party or an attorney responsible for the issuance and service of a subpoena shall take reasonable steps to avoid imposing undue burden or expense on a person subject to that subpoena. The court on behalf of which the subpoena was issued shall enforce this duty and impose upon the party or attorney in breach of this duty an appropriate sanction, which may include, but is not limited to, lost earnings and a reasonable attorney's fee.

(2) (A) A person commanded to produce and permit inspection and copying of designated books, papers, documents or tangible things, or inspection of premises need not appear in person at the place of production or inspection unless commanded to appear for deposition, hearing or trial.

(B) Subject to paragraph (d)(2) of this rule, a person commanded to produce and permit inspection and copying may, within 14 days after service of the subpoena or before the time specified for compliance if such time is less than 14 days after service, serve upon the party or attorney designated in the subpoena written objection to inspection or copying of any or all of the designated materials or of the premises. If objection is made, the party serving the subpoena shall not be entitled to inspect and copy the materials or inspect the premises except pursuant to an order of the court by which the subpoena was issued. If objection has been made, the party serving the subpoena may, upon notice to the person commanded to produce, move at any time for an order to compel the production. Such an order to compel production shall protect any person who is not a party or an officer of a party from significant expense resulting from the inspection and copying commanded.

(3) (A) On timely motion, the court by which a subpoena was issued shall quash or modify the subpoena if it;

- (i) fails to allow reasonable time for compliance;
- (ii) requires a person who is not a party or an officer of a party to travel to a place more than 100 miles from the place where that person resides, is employed or regularly transacts business in person, except that such a person may in order to attend trial be commanded to travel from any such place within the state in which the trial is held, or
- (iii) requires disclosure of privileged or other protected matter and no exception or waiver applies, or
- (iv) subjects a person to undue burden.

(B) If a subpoena

- (i) requires disclosure of a trade secret or other confidential research, development, or commercial information, or
- (ii) requires disclosure of an unretained expert's opinion or information not describing specific events or occurrences in dispute and resulting from the expert's study made not at the request of any party,

the court may, to protect a person subject to or affected by the subpoena, quash or modify the subpoena or, if the party in whose behalf the subpoena is issued shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship and assures that the person to whom the subpoena is addressed will be reasonably compensated, the court may order appearance or production only upon specified conditions.

(d) Duties in Responding to Subpoena.

(1) A person responding to a subpoena to produce documents shall produce them as they are kept in the usual course of business or shall organize and label them to correspond with the categories in the demand.

(2) When information subject to a subpoena is withheld on a claim that it is privileged or subject to protection as trial preparation materials, the claim shall be made expressly and shall be supported by a description of the nature of the documents, communications, or things not produced that is sufficient to enable the demanding party to contest the claim.

[As amended; effective January 1, 2005.]



MICHELE W. SHAFE
Clark County Assessor

(702) 455-3882 • Fax: (702) 455-5553
www.ClarkCountyNV.gov/assessor



MEMBER
International Association
of Assessing Officers

Rocky A. Steele, Assistant Director of Assessment Services

March 18, 2011

NEW FREEDOM MORTGAGE CORP
2363 S FOOTHILL DR
SALT LAKE CITY UT 84109

RE: APN: 176-03-510-102
DOCUMENT: 20110303:03444

This is to inform you the Assessor's Office has encountered difficulty in processing the above referenced document as the legal description is either incorrect, incomplete or missing from the above referenced document (see attached copy for further information).

You may wish to contact your title company, attorney or surveyor for assistance in resolving this matter.

Corrective documents should be forwarded to the Clark County Recorder's Office at 500 S. Grand Central Parkway, Las Vegas, NV 89155 along with sufficient recording fees. Please do not forward any corrective documents to the Assessor's Office. Also, please be aware that the Recorder's Office will only accept corrections made on either the original or a certified copy issued by the Recorder for recordation. They will not accept corrections made on the enclosed copies.

If you have any questions or need further information, please do not hesitate to contact me at 455-3881.

Linda J. Abeyta
Appraisal Technician

ENC.



Clark County Government Center • 500 S. Grand Central Parkway • Box 551401 • Las Vegas NV 89155-1401

Inet #: 201103030003444

Fees: \$17.00 N/C Fee: \$26.00

RPTT: \$499.80 Ex: #

03/03/2011 01:40:52 PM

Receipt #: 694986

Requestor:

JOHN PETER LEE LTD

Recorded By: JRV Pgs: 6

DEBBIE CONWAY

CLARK COUNTY RECORDER

APN # 176-03-510-102

Deed in Lieu of Foreclosure

Recording requested by:

JOHN PETER LEE, LTD.

Return to:

John Peter Lee, Ltd.
830 Las Vegas Boulevard South
Las Vegas, NV 89101

This page added to provide additional information required by NRS 111.312
Sections 1-2. (Additional recording fee applies.)

This cover page must be typed or printed clearly in black ink only.

COPY

APN 176-03-510-102

The undersigned hereby affirms that
there is no Social Security number
contained in this document.

WHEN RECORDED, RETURN TO:

New Freedom Mortgage Corporation
2363 South Foothill Drive
Salt Lake City, UT 84109

GRANTEE/MAIL TAX STATEMENTS TO:

New Freedom Mortgage Corporation
2363 South Foothill Drive
Salt Lake City, UT 84109

DEED IN LIEU OF FORECLOSURE

THIS INDENTURE, made and entered into this 1st day of March, 2011, by and between
Stephanie Tablante, party of the first part, and New Freedom Mortgage Corporation, its successors
and assigns, party of the second part.

WITNESSETH

That the said party of the first part for valuable consideration conveys to the party of the
second part, all that certain real property situate in Clark County, State of Nevada, described as
follows: ?

APN: 176-03-510-102
7255 W. Sunset Road, # 2050
Las Vegas, Nevada 89113

Missing Legal Description?

See Reference

COPY

Reference

20051207-0002366

A.P.N.: 176-03-510-102
File No: 101-2237055 (SC)
R.P.T.T.: \$1,002.16

Fee: \$17.00 RPTT: \$1,002.15
N/C Fee: \$0.00
12/07/2005 09:54:01
T20050220961
Requestor:
FIRST AMERICAN TITLE COMPANY OF NEVADA
Frances Deane PUR
Clark County Recorder Pgs: 4

When Recorded Mail To: Mail Tax Statements To:
Stephanie Tablante
7255 West Sunset Road Unit 2050
Las Vegas, NV 89113

GRANT, BARGAIN and SALE DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Tuscano Condominiums LLC., a Nevada limited liability company

do(es) hereby GRANT, BARGAIN and SELL to

Stephanie Tablante, a single woman

the real property situate in the County of Clark, State of Nevada, described as follows:

PARCEL ONE (1) - UNITS:

UNIT 2050 IN BUILDING 7 AS SHOWN ON THE FINAL PLAT OF TUSCANO CONDOMINIUMS, A CONDOMINIUM COMMUNITY, RECORDED JANUARY 31, 2005, IN BOOK 122, PAGE 11 OF PLATS, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA (THE "PLAT"), AND

PARCEL TWO (2) - COMMON ELEMENTS:

1/352 INTEREST AS A TENANT-IN-COMMON IN THE COMMON ELEMENTS IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR TUSCANO TOWNHOMES RECORDED APRIL 5, 2005 IN BOOK 20050405 AS DOCUMENT NO. 0002422 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA (THE "DECLARATION").

EXCEPTING THEREFROM, ALL UNITS SHOWN ON THE PLAT.

RESERVING THEREFROM, THE RIGHT TO USE ANY OF THOSE AREAS DESIGNATED AS LIMITED COMMON ELEMENTS IN THE PLAT AND/OR THE DECLARATION.

COPY

FURTHER RESERVING THEREFROM, FOR THE BENEFIT OF THE OWNERS OF ALL UNITS SHOWN ON THE PLAT (EXCEPT THE UNIT REFERRED TO IN PARCEL 1 ABOVE) NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE, ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS, AS DEFINED IN AND SUBJECT TO THE DECLARATION.

PARCEL THREE (3) - APPURTENANT EASEMENTS:

NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE, ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS AS DEFINED IN AND SUBJECT TO THE DECLARATION, WHICH EASEMENTS ARE APPURTENANT TO PARCELS 1, 2 ABOVE.

Subject to

1. All general and special taxes for the current fiscal year.
2. Covenants, Conditions, Restrictions, Reservations, Rights, Rights of Way and Easements now of record.

TOGETHER with all tenements, hereditaments and appurtenances, including easements and water rights, if any, thereto belonging or appertaining, and any reversions, remainders, rents, issues or profits thereof.

Date: 12/02/2005

UNIFORM BORROWER ASSISTANCE FORM

If you are experiencing a temporary or long-term hardship and need help, you must complete and submit this form along with other required documentation to be considered for available solutions. On this page, you must disclose information about (1) you and your intentions to either keep or transition out of your home; (2) the property's status; (3) real estate taxes; (4) homeowner's insurance premiums; (5) bankruptcy; (6) your credit counseling agency, and (7) other liens, if any, on your property.

On Page 2, you must disclose information about all of your income, expenses and assets. Page 2 also lists the required income documentation that you must submit in support of your request for assistance. Then on Page 3, you must complete the Hardship Affidavit in which you disclose the nature of your hardship. The Hardship Affidavit informs you of the required documentation that you must submit in support of your hardship claim.

NOTICE: In addition, when you sign and date this form, you will make important certifications, representations and agreements, including certifying that all of the information in this Borrower Assistance Form is accurate and truthful and any identified hardship has contributed to your submission of this request for mortgage relief.

REMINDER: The Borrower Response Package you need to return consists of: (1) this completed, signed and dated Borrower Assistance Form; (2) completed and signed IRS Form 4506T-EZ; (3) required income documentation, and (4) required hardship documentation.

Loan I.D. Number _____ (usually found on your monthly mortgage statement)

I want to: ☐ Keep the Property ☐ Sell the Property

The property is currently: ☐ My Primary Residence ☐ A Second Home ☐ An Investment Property

The property is currently: ☐ Owner Occupied ☐ Renter occupied ☐ Vacant

BORROWER		CO-BORROWER	
BORROWER'S NAME		CO-BORROWER'S NAME	
SOCIAL SECURITY NUMBER	DATE OF BIRTH	SOCIAL SECURITY NUMBER	DATE OF BIRTH
HOME PHONE NUMBER WITH AREA CODE		HOME PHONE NUMBER WITH AREA CODE	
CELL OR WORK NUMBER WITH AREA CODE		CELL OR WORK NUMBER WITH AREA CODE	
MAILING ADDRESS			
PROPERTY ADDRESS (IF SAME AS MAILING ADDRESS, JUST WRITE SAME)		EMAIL ADDRESS	
<p>Is the property listed for sale? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, what was the listing date? _____ If property has been listed for sale, have you received an offer on the property? <input type="checkbox"/> Yes <input type="checkbox"/> No Date of offer: _____ Amount of Offer: \$ _____ Agent's Name: _____ Agent's Phone Number: _____ For Sale by Owner? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		<p>Have you contacted a credit-counseling agency for help? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please complete the counselor contact information below: Counselor's Name: _____ Agency's Name: _____ Counselor's Phone Number: _____ Counselor's Email Address: _____</p>	
<p>Do you have condominium or homeowner association (HOA) fees? <input type="checkbox"/> Yes <input type="checkbox"/> No Total monthly amount: \$ _____ Name and address that fees are paid to: _____</p>			
<p>Have you filed for bankruptcy? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes: <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 13 Has your bankruptcy been discharged? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>		<p>Filing Date: _____ Bankruptcy case number: _____</p>	

UNIFORM BORROWER ASSISTANCE FORM

Monthly Household Income		Monthly Household Expenses/Debt		Household Assets (associated with the property and/or borrower(s))	
Monthly Gross wages	\$	First Mortgage Payment	\$	Checking Account(s)	\$
Overtime	\$	Second Mortgage Payment	\$	Checking Account(s)	\$
Child Support / Alimony*	\$	Homeowner's Insurance	\$	Savings / Money Market	\$
Non-taxable social security/SSDI	\$	Property Taxes	\$	CDs	\$
Taxable SS benefits or other monthly income from annuities or retirement plans	\$	Credit Cards / Installment Loan(s) (total minimum payment per month)	\$	Stocks / Bonds	\$
Tips, commissions, bonus and self-employed income	\$	Alimony, child support payments	\$	Other Cash on Hand	\$
Rents Received	\$	Car Lease Payments	\$	Other Real Estate (estimated value)	\$
Unemployment Income	\$	HOA/Condo Fees/Property Maintenance	\$	Other _____	\$
Food Stamps/Welfare	\$	Mortgage Payments on other properties	\$		\$
Other _____	\$	Other _____	\$		\$
Total (Gross Income)	\$	Total Debt/Expenses	\$	Total Assets	\$

*Notice: Alimony, child support, or separate maintenance income need not be revealed if you do not choose to have it considered for repaying this loan.

Lien Holder's Name	Balance / Interest Rate	Loan Number

Required Income Documentation

<input checked="" type="checkbox"/> Do you earn a wage? For each borrower who is a salaried employee or hourly wage earner, include the most recent pay stub that reflects at least 30 days of year-to-date earnings for each borrower.	<input checked="" type="checkbox"/> Are you self-employed? For each borrower who receives self-employed income, include a complete, signed individual federal income tax return and, as applicable, the business tax return; AND either the most recent signed and dated quarterly or year-to-date profit/loss statement that reflects activity for the most recent three months; OR copies of bank statements for the business account for the last two months evidencing continuation of business activity.
<input checked="" type="checkbox"/> Do you have any additional sources of income? Provide for each borrower as applicable: "Other Earned Income" such as bonuses, commissions, housing allowance, tips, or overtime: <input type="checkbox"/> Reliable third-party documentation describing the amount and nature of the income (e.g., employment contract or printouts documenting tip income). Social Security, disability or death benefits, pension, public assistance, or adoption assistance: <input type="checkbox"/> Documentation showing the amount and frequency of the benefits, such as letters, exhibits, disability policy or benefits statement from the provider, and <input type="checkbox"/> Documentation showing the receipt of payment, such as copies of the two most recent bank statements showing deposit amounts. Rental income: <input type="checkbox"/> Copy of the most recent filed federal tax return with all schedules, including Schedule E—Supplement Income and Loss. Rental income for qualifying purposes will be 75% of the gross rent reduced by the monthly debt service on the property, if applicable; or <input type="checkbox"/> If rental income is not reported on Schedule E—Supplemental Income and Loss, provide a copy of the current lease agreement with either bank statements or cancelled rent checks demonstrating receipt of rent. Investment income: <input type="checkbox"/> Copies of the two most recent investment statements or bank statements supporting receipt of this income. Alimony, child support, or separation maintenance payments as qualifying income:* <input type="checkbox"/> Copy of divorce decree, separation agreement, or other written legal agreement filed with a court, or court decree that states the amount of the alimony, child support, or separation maintenance payments and the period of time over which the payments will be received, and <input type="checkbox"/> Copies of your two most recent bank statements or other third-party documents showing receipt of payment. *Notice: Alimony, child support, or separate maintenance income need not be revealed if you do not choose to have it considered for repaying this loan.	

UNIFORM BORROWER ASSISTANCE FORM

HARDSHIP AFFIDAVIT

(provide a written explanation with this request describing the specific nature of your hardship)

I am requesting review of my current financial situation to determine whether I qualify for temporary or permanent mortgage relief options.

Date Hardship Began is: _____

I believe that my situation is:

- ☐ Short-term (under 6 months)
☐ Medium-term (6 – 12 months)
☐ Long-term or Permanent Hardship (greater than 12 months)

I am having difficulty making my monthly payment because of reasons set forth below

(Please check all that apply, and submit required documentation demonstrating your hardship.)

In Your Hardship Is:	Then the Required Hardship Documentation Is:
<input checked="" type="checkbox"/> Unemployment	<input type="checkbox"/> No hardship documentation required
<input checked="" type="checkbox"/> Underemployment	<input type="checkbox"/> No hardship documentation required, as long as you have submitted the income documentation that supports the income described in the Required Income Documentation section above
<input checked="" type="checkbox"/> Income reduction (e.g., elimination of overtime, reduction in regular working hours, or a reduction in base pay)	<input type="checkbox"/> No hardship documentation required, as long as you have submitted the income documentation that supports the income described in the Required Income Documentation section above
<input checked="" type="checkbox"/> Divorce or legal separation; Separation of Borrowers unrelated by marriage, civil union or similar domestic partnership under applicable law	<input type="checkbox"/> Divorce decree signed by the court; OR <input type="checkbox"/> Separation agreement signed by the court; OR <input type="checkbox"/> Current credit report evidencing divorce, separation, or non-occupying borrower has a different address; OR <input type="checkbox"/> Recorded quitclaim deed evidencing that the non-occupying Borrower or co-Borrower has relinquished all rights to the property
<input checked="" type="checkbox"/> Death of a borrower or death of either the primary or secondary wage earner in the household	<input type="checkbox"/> Death certificate; OR <input type="checkbox"/> Obituary or newspaper article reporting the death
<input checked="" type="checkbox"/> Long-term or permanent disability; Serious illness of a borrower/co-borrower or dependent family member	<input type="checkbox"/> Doctor's certificate of illness or disability; OR <input type="checkbox"/> Medical bills; OR <input type="checkbox"/> Proof of monthly insurance benefits or government assistance (if applicable)
<input checked="" type="checkbox"/> Disaster (natural or man-made) adversely impacting the property or Borrower's place of employment	<input type="checkbox"/> Insurance claim; OR <input type="checkbox"/> Federal Emergency Management Agency grant or Small Business Administration loan; OR <input type="checkbox"/> Borrower or Employer property located in a federally declared disaster area
<input checked="" type="checkbox"/> Distant employment transfer	<input type="checkbox"/> No hardship documentation required
<input checked="" type="checkbox"/> Business Failure	<input type="checkbox"/> Tax return from the previous year (including all schedules) AND <input type="checkbox"/> Proof of business failure supported by one of the following: <ul style="list-style-type: none"> • Bankruptcy filing for the business; or • Two months recent bank statements for the business account evidencing cessation of business activity; or • Most recent signed and dated quarterly or year-to-date profit and loss statement

UNIFORM BORROWER ASSISTANCE FORM

Borrower/Co-Borrower Acknowledgement and Agreement

1. I certify that all of the information in this Borrower Assistance Form is truthful and the hardship(s) identified above has contributed to submission of this request for mortgage relief.
2. I understand and acknowledge that the Servicer, owner or guarantor of my mortgage, or their agent(s) may investigate the accuracy of my statements, may require me to provide additional supporting documentation, and that knowingly submitting false information may violate Federal and other applicable law.
3. I understand the Servicer will obtain a current credit report on all borrowers obligated on the Note.
4. I understand that if I have intentionally defaulted on my existing mortgage, engaged in fraud or misrepresented any fact(s) in connection with this request for mortgage relief or if I do not provide all required documentation, the Servicer may cancel any mortgage relief granted and may pursue foreclosure on my home and/or pursue any available legal remedies.
5. I certify that my property has not received a condemnation notice.
6. I certify that I am willing to provide all requested documents and to respond to all Servicer communications in a timely manner. I understand that time is of the essence.
7. I understand that the Servicer will use this information to evaluate my eligibility for available relief options and foreclosure alternatives, but the Servicer is not obligated to offer me assistance based solely on the representations in this document or other documentation submitted in connection with my request.
8. If I am eligible for a trial period plan, repayment plan, or forbearance plan, and I accept and agree to all terms of such plan, I also agree that the terms of this Acknowledgment and Agreement are incorporated into such plan by reference as if set forth in such plan in full. My first timely payment following my Servicer's determination and notification of my eligibility or prequalification for a trial period plan, repayment plan, or forbearance plan (when applicable) will serve as acceptance of the terms set forth in the notice sent to me that sets forth the terms and conditions of the trial period plan, repayment plan, or forbearance plan.
9. I agree that when the Servicer accepts and posts a payment during the term of any repayment plan, trial period plan, or forbearance plan it will be without prejudice to, and will not be deemed a waiver of, the acceleration of my loan or foreclosure action and related activities and shall not constitute a cure of my default under my loan unless such payments are sufficient to completely cure my entire default under my loan.
10. I agree that any prior waiver as to my payment of escrow items to the Servicer in connection with my loan has been revoked.
11. If I qualify for and enter into a repayment plan, forbearance plan, and trial period plan, I agree to the establishment of an escrow account and the payment of escrow items if an escrow account never existed on my loan.
12. I understand that the Servicer will collect and record personal information that I submit in this Borrower Response Package and during the evaluation process, including, but not limited to, my name, address, telephone number, social security number, credit score, income, payment history, and information about my account balances and activity. I understand and consent to the Servicer's disclosure of my personal information and the terms of any relief or foreclosure alternative that I receive to any investor, insurer, guarantor, or servicer that owns, insures, guarantees, or services my first lien or subordinate lien (if applicable) mortgage loan(s) or to any HUD-certified housing counselor.
13. If I am eligible for foreclosure prevention relief under the federal Making Home Affordable Program, I understand and consent to the disclosure of my personal information and the terms of any Making Home Affordable Agreement by the Servicer to (a) the U.S. Department of the Treasury, (b) Fannie Mae and Freddie Mac in connection with their responsibilities under the Homeowner Affordability and Stability Plan, and (c) companies that perform support services in conjunction with Making Home Affordable.
14. I consent to being contacted concerning this request for mortgage assistance at any cellular or mobile telephone number I have provided to the Lender. This includes text messages and telephone calls to my cellular or mobile telephone.

Borrower Signature

Date

Co-Borrower Signature

Date

Subject: Deed in Lieu Welcome

From: Hoke, Keith (keith.hoke@bankofamerica.com)

To: tsupaluks@yahoo.com;

Date: Wednesday, July 11, 2012 2:03 PM

g

We need all documents no later than the next five (5) business days to ensure compliance with the investor's requirements.

Hardship Letter

One Month's Proof of Income (pay stubs) or unemployment award letter

2 Months Bank Statements (all accounts, all pages)

2010 and 2011 Tax Returns (complete with all schedules)

Form 710 (attached)

4506T Form (attached-please read instructions below. Your request will be delayed/ declined if completed incorrectly)

Listing Agreement

Listing Addendums (all signed price changes and listing extensions)

MLS Listing history sheet

Lien Releases (if applicable)

4506T Instructions

- **Line 1a**

- Name shown on tax return. Please be sure to cross reference each year's return to ensure that the names match exactly. If your name varies on your tax returns for each year, please complete a separate 4506T for each version of your name. Failure to do so may result in termination of your request.

- *Example: If the 2010 return details the name John Smith, and 2011 details the name John A. Smith, two 4506T forms would be required, due to the addition of a middle initial in 2010.*

- **Line 1b**

- Social security number, as found on your tax returns.

- **Line 2a and 2b**

- Please complete these lines using the instructions above, if applicable. If it does not apply, please leave blank.

- **Line 3**
 - Please list clearly the address where you are currently residing.
- **Line 4**
 - Please list clearly the address that was detailed on the tax return(s) in question. If the previous address varies on your tax returns for each year, please complete a separate 4506T for each address.
- **Line 5**
 - Enter "Bank of America" in line 5. No address/phone number is required at this time.
- **Line 6 (plus sub items a., b., and c.)**
 - Please enter 1040 in line 6, unless you are self employed, or if other tax forms apply. For sub-items a, b, and c, please check all boxes that apply to you. If you are unsure, please select all boxes to ensure that there are no delays.
- **Line 7 and 8**
 - Please check these boxes, if they apply. If unsure, please ensure that all boxes are checked to ensure that there are no delays.
- **Line 9**
 - Please write out the tax years, in full, as detailed in the instructions. The tax years **MUST** read as follows:
 - 12/31/2010 and 12/31/2011
- **Signature Sections**
 - Please sign, and date (in format MM/DD/YYYY), and provide a telephone number.

Please fax to: 212.548.8848 or email to keith.hoke@bankofamerica.com

Please include your loan number when emailing or faxing documents.

Keith Hoke

Deed In Lieu Specialist

Bank Of America

Wilmington, DE - Bracebridge IV

Direct Dial: 302.432.1573

Fax: 212.548.8848

Mall Code: DE5-004-05-08

keith.hoke@bankofamerica.com



"This is an attempt to collect a debt. Any information collected may be used for that purpose."

Visit <http://home.loanhelpp.bankofamerica.com/en/index.htm> for education and information on all home loan assistance programs available to

distressed homeowners.

For immediate questions regarding foreclosure, please call 800.669.6607. For immediate questions regarding Deed In Lieu, please call 877.430.3411. For immediate questions for all other issues, please call 800.669.6650

If you do not receive a response within 2 business days, please contact my manager, Brian Kevill at brian.kevill@bankofamerica.com

This message w/attachments (message) is intended solely for the use of the intended recipient(s) and may contain information that is privileged, confidential or proprietary. If you are not an intended recipient, please notify the sender, and then please delete and destroy all copies and attachments, and be advised that any review or dissemination of, or the taking of any action in reliance on, the information contained in or attached to this message is prohibited.

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Form **4506-T**

(Rev. January 2010)

Department of the Treasury
Internal Revenue Service

Request for Transcript of Tax Return

OMB No. 1545-1072

► Request may be rejected if the form is incomplete or illegible.

Tip. Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can also call 1-800-829-1040 to order a transcript. If you need a copy of your return, use Form 4506, Request for Copy of Tax Return. There is a fee to get a copy of your return.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return or employer identification number (see instructions)
2a If a joint return, enter spouse's name shown on tax return.	2b Second social security number if joint tax return
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code	
4 Previous address shown on the last return filed if different from line 3	

5 If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.

Bank of America Home Retention Services, 9700 Bissonnet Street, Suite 1500, Houston, TX 77036

Caution. If the transcript is being mailed to a third party, ensure that you have filled in line 5 and line 9 before signing. Sign and date the form once you have filled in these lines. Completing these steps helps to protect your privacy.

- 6 **Transcript requested.** Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ►
- a **Return Transcript**, which includes most of the line items of a tax return as filed with the IRS. A tax return transcript does not reflect changes made to the account after the return is processed. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days. ☐
- b **Account Transcript**, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days. ☐
- c **Record of Account**, which is a combination of line item information and later adjustments to the account. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days. ☐
- 7 **Verification of Nonfiling**, which is proof from the IRS that you did not file a return for the year. Current year requests are only available after June 15th. There are no availability restrictions on prior year requests. Most requests will be processed within 10 business days. ☐
- 8 **Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript.** The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2007, filed in 2008, will not be available from the IRS until 2009. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days. ☐

Caution. If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

- 9 **Year or period requested.** Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, either husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer. **Note.** For transcripts being sent to a third party, this form must be received within 120 days of signature date.

Telephone number of taxpayer on line 1a or 2a

Sign Here

Signature (see instructions)

Date

Title (if line 1a above is a corporation, partnership, estate, or trust)

Spouse's signature

Date

For Privacy Act and Paperwork Reduction Act Notice, see page 2.

Cat. No. 37687N

Form **4506-T** (Rev. 1-2010)

General Instructions

Purpose of form. Use Form 4506-T to request tax return information. You can also designate a third party to receive the information. See line 5.

Tip. Use Form 4506, Request for Copy of Tax Return, to request copies of tax returns.

Where to file. Mail or fax Form 4506-T to the address below for the state you lived in, or the state your business was in, when that return was filed. There are two address charts: one for individual transcripts (Form 1040 series and Form W-2) and one for all other transcripts.

If you are requesting more than one transcript or other product and the chart below shows two different RAIVS teams, send your request to the team based on the address of your most recent return.

Automated transcript request. You can call 1-800-829-1040 to order a transcript through the automated self-help system. Follow prompts for "questions about your tax account" to order a tax return transcript.

Chart for Individual transcripts (Form 1040 series and Form W-2)

If you filed an individual return and lived in:	Mail or fax to the "Internal Revenue Service" at:
Florida, Georgia, North Carolina, South Carolina	RAIVS Team P.O. Box 47-421 Stop 91 Doraville, GA 30362 770-455-2335
Alabama, Kentucky, Louisiana, Mississippi, Tennessee, Texas, a foreign country, or A.P.O. or F.P.O. address	RAIVS Team Stop 6716 AUSO Austin, TX 73301 512-460-2272
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming	RAIVS Team Stop 37106 Fresno, CA 93888 558-456-5876
Arkansas, Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, Missouri, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia	RAIVS Team Stop 6705 P-8 Kansas City, MO 64999 816-282-6102

Chart for all other transcripts

If you lived in or your business was in:	Mail or fax to the "Internal Revenue Service" at:
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming, a foreign country, or A.P.O. or F.P.O. address	RAIVS Team P.O. Box 9941 Mail Stop 6734 Ogden, UT 84409 801-620-6922
Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	RAIVS Team P.O. Box 145500 Stop 2800 F Cincinnati, OH 45260 859-669-3592

Line 1b. Enter your employer identification number (EIN) if your request relates to a business return. Otherwise, enter the first social security number (SSN) shown on the return. For example, if you are requesting Form 1040 that includes Schedule C (Form 1040), enter your SSN.

Line 6. Enter only one tax form number per request.

Signature and date. Form 4506-T must be signed and dated by the taxpayer listed on line 1a or 2a. If you completed line 5 requesting the information be sent to a third party, the IRS must receive Form 4506-T within 120 days of the date signed by the taxpayer or it will be rejected.

Individuals. Transcripts of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506-T exactly as your name appeared on the original return. If you changed your name, also sign your current name.

Corporations. Generally, Form 4506-T can be signed by: (1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer.

Partnerships. Generally, Form 4506-T can be signed by any person who was a member of the partnership during any part of the tax period requested on line 9.

All others. See Internal Revenue Code section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

Documentation. For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the Letters Testamentary authorizing an individual to act for an estate.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to establish your right to gain access to the requested tax information under the Internal Revenue Code. We need this information to properly identify the tax information and respond to your request. You are not required to request any transcript; if you do request a transcript, sections 6103 and 6109 and their regulations require you to provide this information, including your SSN or EIN. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506-T will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form, 10 min.; Preparing the form, 12 min.; and Copying, assembling, and sending the form to the IRS, 20 min.**

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506-T simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where to file* on this page.

CL-1

Inet #: 201106210002567

Fees: \$18.00 N/C Fee: \$26.00

RPTT: \$0.00 Ex: #003

06/21/2011 01:48:08 PM

Receipt #: 819251

Requestor:

JOHN PETER LEE LTD

Recorded By: JRV Pgs: 6

DEBBIE CONWAY

CLARK COUNTY RECORDER

APN # 176-03-510-102

Re-recorded to correct legal description
(Deed in Lieu of Foreclosure)

ASSessor's COPY

RE-RECORDED

Recording requested by:

JOHN PETER LEE, LTD.

Return to:

John Peter Lee, Ltd.
830 Las Vegas Boulevard South
Las Vegas, NV 89101

This page added to provide additional information required by NRS 111.312
Sections 1-2. (Additional recording fee applies.)

This cover page must be typed or printed clearly in black ink only.

Inst #: 201103030003444

Fees: \$17.00 N/C Fee: \$25.00

RPTT: \$499.80 Ex: #

03/03/2011 01:40:52 PM

Receipt #: 694986

Requestor:

JOHN PETER LEE LTD

Recorded By: JRV Pgs: 5

DEBBIE CONWAY

CLARK COUNTY RECORDER

C5-1

APN # 176-03-510-102

Deed in Lieu of Foreclosure

ASSessor's COPY

Recording requested by:

JOHN PETER LEE, LTD.

Return to:

John Peter Lee, Ltd.
830 Las Vegas Boulevard South
Las Vegas, NV 89101

This page added to provide additional information required by NRS 111.312
Sections 1-2. (Additional recording fee applies.)

This cover page must be typed or printed clearly in black ink only.

APN 176-03-510-102

The undersigned hereby affirms that
there is no Social Security number
contained in this document.

WHEN RECORDED, RETURN TO:

New Freedom Mortgage Corporation
2363 South Foothill Drive
Salt Lake City, UT 84109

GRANTEE/MAIL TAX STATEMENTS TO:

New Freedom Mortgage Corporation
2363 South Foothill Drive
Salt Lake City, UT 84109

DEED IN LIEU OF FORECLOSURE

THIS INDENTURE, made and entered into this ~~21st~~ day of June, 2011, by and between
Stephanie Tablante, party of the first part, and New Freedom Mortgage Corporation, its successors
and assigns, party of the second part.

WITNESSETH

That the said party of the first part for valuable consideration conveys to the party of the
second part, all that certain real property situate in Clark County, State of Nevada, described as
follows:

PARCEL ONE (1) - UNITS:

**UNIT 2050 IN BUILDING 7 AS SHOWN ON THE FINAL PLAT OF TUSCANO
CONDOMINIUMS, A CONDOMINIUM COMMUNITY, RECORDED JANUARY 31, 2005,
IN BOOK 122, PAGE 11 OF PLATS, IN THE OFFICE OF THE COUNTY RECORDER OF
CLARK COUNTY, NEVADA (THE "PLATE"); AND**

PARCEL TWO (2) - COMMON ELEMENTS:

1/352 INTEREST AS A TENANT - IN - COMMON IN THE COMMON ELEMENTS IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR TUSCANO TOWNHOMES RECORDED APRIL 5, 2005 IN BOOK 20050405 AS DOCUMENT NO. 0002422 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA (THE "DECLARATION").

EXCEPTING THEREFROM, ALL UNITS SHOWN ON THE PLAT.

RESERVING THEREFROM, THE RIGHT TO USE ANY OF THOSE AREAS DESIGNATED AS LIMITED COMMON ELEMENTS IN THE PLAT AND/OR THE DECLARATION.

FURTHER RESERVING THEREFROM, FOR THE BENEFIT OF THE OWNERS OF ALL UNITS SHOWN ON THE PLAT (EXCEPT THE UNIT REFERRED TO IN PARCEL 1 ABOVE) NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS, AS DEFINED IN AND SUBJECT TO THE DECLARATION.

PARCEL THREE (3) - APPURTENANT EASEMENTS:

NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE, ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS AS DEFINED IN AND SUBJECT TO THE DECLARATION, WHICH EASEMENTS ARE APPURTENANT TO PARCELS 1,2 ABOVE.

TOGETHER with the tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the said premises, together with the appurtenances, unto the said party of the second part, and to the assigns and transferees of the said party of the second part forever.

THIS DEED is an absolute conveyance, the party of the first part having sold said land to the party of the second part for a fair and adequate consideration, such consideration being full satisfaction of all obligations secured by the Deeds of Trust executed by the party of the first part to

New Freedom Mortgage Corporation, trustee for party of the second part, beneficiary, Mortgage Electronic Registration Systems, Inc. ("MERS"), P.O. Box 2026, Flint, MI 48501-2026 nominee for lender, New Freedom Mortgage Corporation and recorded on December 7, 2005, in the Official Records of the Clark County Recorder's Office, Las Vegas, Nevada as Document Number 200512070002367. Party of the first part declares that this conveyance is voluntarily and freely and fairly made and that there are no agreements, oral or written, other than this deed between the parties hereto with respect to the property hereby conveyed.

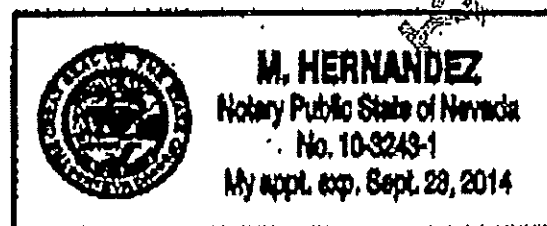
IN WITNESS WHEREOF the party of the first part has executed this Deed in Lieu of Foreclosure the day and year first hereinabove written.


Stephanie Tablante

STATE OF NEVADA)
) SS.:
COUNTY OF CLARK)

On June 21st, 2011, before me the undersigned, a Notary Public in and for said County and State, personally appeared Stephanie Tablante, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.


NOTARY PUBLIC



STATE OF NEVADA
DECLARATION OF VALUE FORM

1. Assessor Parcel Number(s)

a. 176-03-510-102
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 RECORDER'S OPTIONAL USE ONLY

Book: _____ Page: _____
Date of Recording: _____
Notes: _____

3. a. Total Value/Sales Price of Property

\$ 165,850.63

b. Deed in Lieu of Foreclosure Only (value of property)

(67,977.00)

c. Transfer Tax Value:

\$ 99,873.00

d. Real Property Transfer Tax Due

\$ 499.80 TB

4. If Exemption Claimed:

a. Transfer Tax Exemption per NRS 375.090, Section 3

b. Explain Reason for Exemption: Re-Recording to correct legal
description #201103030003444

5. Partial Interest: Percentage being transferred: _____ %

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 [Signature]

Capacity seller

Signature _____

Capacity _____

**SELLER (GRANTOR) INFORMATION
(REQUIRED)**

Print Name: Stephanie Tablante
Address: 9037 Loggers Mile Ave.
City: Las Vegas
State: NV Zip: 89143

**BUYER (GRANTEE) INFORMATION
(REQUIRED)**

Print Name: New Freedom Mortgage Corp
Address: 2363 South Foothill Dr.
City: Salt Lake City
State: UT Zip: 84109

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

Print Name: John Peter Lee, Ltd.
Address: 830 Las Vegas Blvd., South
City: Las Vegas

Escrow #: _____
State: NV Zip: 89101

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED



THE
COOPER CASTLE
LAW FIRM, LLP
A Multijurisdictional Law Firm

www.cclfm.com

5275 S. Durango Drive
Las Vegas, NV 89113
T: (702) 435-4175
F: (702) 877-7424

22601 N. 19th Avenue, Ste. 230
Phoenix, AZ 85027
T: (623) 582-1222
F: (623) 582-9482

682 E. Vine Street, Ste. 7
Murray, UT 84107
T: (702) 435-4175
F: (801) 263-7856

December 2, 2013

Via U.S. Mail and facsimile: (702) 383-9950

John Peter Lee, Esq.
830 Las Vegas Boulevard South
Las Vegas, Nevada 89101

RE: Stephanie Tablante / Deed In Lieu Of Foreclosure

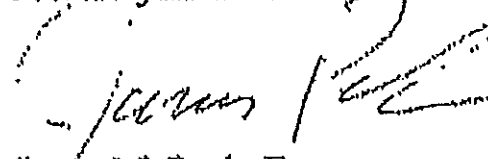
Dear Mr. Lee:

We represent Nationstar Mortgage, LLC, who is the present beneficiary of a deed of trust executed by Stephanie Tablante on or about November 29, 2005 pertaining to the property located at 7255 W. Sunset Road, Unit 2050, Las Vegas, Nevada 89113 (the "Property"). It has come to our attention that a document entitled "DEED IN LIEU OF FORECLOSURE" ("Deed in Lieu") was recorded by you on March 3, 2011, and re-recorded by you on June 21, 2011. See enclosed. The Deed in Lieu states that Ms. Tablante conveyed the Property to New Freedom Mortgage Corporation ("New Freedom") in full satisfaction of all obligations secured by the deed of trust. We are unaware of any agreement by New Freedom that a conveyance of the Property to New Freedom would satisfy the obligations of the deed of trust. Please provide any documentation you may have that evidences such an agreement.

If you have questions or comments, please feel free to call me at (702) 435-4175, ext. 134163.

Kind Regards,

The Cooper Castle Law Firm, LLP
A Multijurisdictional Law Firm


Jason M. Peck, Esq.

Encl.



Nevada • Arizona • California • Utah

TRANSMISSION VERIFICATION REPORT

TIME : 12/02/2013 02:23
NAME : CC FIRM
FAX : 7028777424
TEL : 7024354175
SER.# : U63274C3J369527

DATE, TIME	12/02 02:19
FAX NO./NAME	3839950
DURATION	00:03:16
PAGE(S)	07
RESULT	OK
MODE	STANDARD

CL-1

Inet #: 201106210002567

Fees: \$18.00 N/C Fee: \$25.00

RPTT: \$0.00 Ex: #003

06/21/2011 01:48:06 PM

Receipt #: 819261

Requestor:

JOHN PETER LEE LTD

Recorded By: JRV Pgs: 6

DEBBIE CONWAY

CLARK COUNTY RECORDER

APN # 176-03-510-102

Re-recorded to correct legal description
(Deed in Lieu of Foreclosure)

RE-RECORDED

Recording requested by:

JOHN PETER LEE, LTD.

Return to:

John Peter Lee, Ltd.
830 Las Vegas Boulevard South
Las Vegas, NV 89101

This page added to provide additional information required by NRS 111.312
Sections 1-2. (Additional recording fee applies.)

This cover page must be typed or printed clearly in black ink only.

APN # 176-03-510-102

Deed in Lieu of Foreclosure

Recording requested by:

JOHN PETER LEE, LTD.

Return to:

John Peter Lee, Ltd.
830 Las Vegas Boulevard South
Las Vegas, NV 89101

This page added to provide additional information required by NRS 111.312
Sections 1-2. (Additional recording fee applies.)

This cover page must be typed or printed clearly in black ink only.

Inst #: 201103030003444
Fees: \$17.00 N/C Fee: \$25.00
RPTT: \$499.80 Ex: #
03/03/2011 01:40:52 PM
Receipt #: 694986
Requestor:
JOHN PETER LEE LTD
Recorded By: JRV Pgs: 5
DEBBIE CONWAY
CLARK COUNTY RECORDER

APN 176-03-510-102

The undersigned hereby affirms that
there is no Social Security number
contained in this document.

WHEN RECORDED, RETURN TO:

New Freedom Mortgage Corporation
2363 South Foothill Drive
Salt Lake City, UT 84109

GRANTEE/MAIL TAX STATEMENTS TO:

New Freedom Mortgage Corporation
2363 South Foothill Drive
Salt Lake City, UT 84109

DEED IN LIEU OF FORECLOSURE

THIS INDENTURE, made and entered into this 21st day of June, 2011, by and between
Stephanie Tablante, party of the first part, and New Freedom Mortgage Corporation, its successors
and assigns, party of the second part.

WITNESSETH

That the said party of the first part for valuable consideration conveys to the party of the
second part, all that certain real property situate in Clark County, State of Nevada, described as
follows:

PARCEL ONE (1) - UNITS:

**UNIT 2050 IN BUILDING 7 AS SHOWN ON THE FINAL PLAT OF TUSCANO
CONDOMINIUMS, A CONDOMINIUM COMMUNITY, RECORDED JANUARY 31, 2005,
IN BOOK 122, PAGE 11 OF PLATS, IN THE OFFICE OF THE COUNTY RECORDER OF
CLARK COUNTY, NEVADA (THE "PLATE"), AND**

PARCEL TWO (2) - COMMON ELEMENTS:

1/352 INTEREST AS A TENANT - IN - COMMON IN THE COMMON ELEMENTS IN ACCORDANCE WITH AND SUBJECT TO THE TERMS OF THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR TUSCANO TOWNHOMES RECORDED APRIL 5, 2005 IN BOOK 20050405 AS DOCUMENT NO. 0002422 IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA (THE "DECLARATION").

EXCEPTING THEREFROM, ALL UNITS SHOWN ON THE PLAT.

RESERVING THEREFROM, THE RIGHT TO USE ANY OF THOSE AREAS DESIGNATED AS LIMITED COMMON ELEMENTS IN THE PLAT AND/OR THE DECLARATION.

FURTHER RESERVING THEREFROM, FOR THE BENEFIT OF THE OWNERS OF ALL UNITS SHOWN ON THE PLAT (EXCEPT THE UNIT REFERRED TO IN PARCEL 1 ABOVE) NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS, AS DEFINED IN AND SUBJECT TO THE DECLARATION.

PARCEL THREE (3) - APPURTENANT EASEMENTS:

NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS USE, ENJOYMENT AND OTHER PURPOSES ON, OVER AND ACROSS THE COMMON ELEMENTS AS DEFINED IN AND SUBJECT TO THE DECLARATION, WHICH EASEMENTS ARE APPURTENANT TO PARCELS 1,2 ABOVE.

TOGETHER with the tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the said premises, together with the appurtenances, unto the said party of the second part, and to the assigns and transferees of the said party of the second part forever.

THIS DEED is an absolute conveyance, the party of the first part having sold said land to the party of the second part for a fair and adequate consideration, such consideration being full satisfaction of all obligations secured by the Deeds of Trust executed by the party of the first part to

New Freedom Mortgage Corporation, trustee for party of the second part, beneficiary, Mortgage Electronic Registration Systems, Inc. ("MERS"), P.O. Box 2026, Flint, MI 48501-2026 nominee for lender, New Freedom Mortgage Corporation and recorded on December 7, 2005, in the Official Records of the Clark County Recorder's Office, Las Vegas, Nevada as Document Number 200512070002367. Party of the first part declares that this conveyance is voluntarily and freely and fairly made and that there are no agreements, oral or written, other than this deed between the parties hereto with respect to the property hereby conveyed.

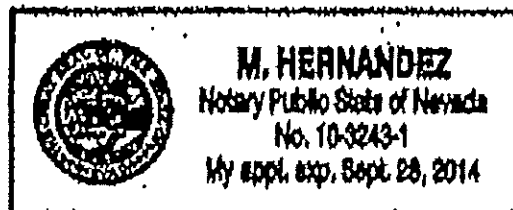
IN WITNESS WHEREOF the party of the first part has executed this Deed in Lieu of Foreclosure the day and year first hereinabove written.


Stephanie Tablante

STATE OF NEVADA)
) SS.:
COUNTY OF CLARK)

On June 21st, 2011, before me the undersigned, a Notary Public in and for said County and State, personally appeared Stephanie Tablante, known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same.


NOTARY PUBLIC



STATE OF NEVADA
DECLARATION OF VALUE FORM

1. Assessor Parcel Number(s)

a. 176-03-510-102
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 RECORDER'S OPTIONAL USE ONLY

Book: _____ Page: _____
Date of Recording: _____
Notes: _____

3. a. Total Value/Sales Price of Property \$ 165,850.63
b. Deed in Lieu of Foreclosure Only (value of property) (57,977.00)
c. Transfer Tax Value: \$ 99,873.00
d. Real Property Transfer Tax Due \$ 49,936.73

4. If Exemption Claimed:

a. Transfer Tax Exemption per NRS 375.090, Section 3
b. Explain Reason for Exemption: Re-Recording to add legal description #201103030003444

5. Partial Interest: Percentage being transferred: _____ %

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: [Signature] Capacity: seller

Signature: _____ Capacity: _____

**SELLER (GRANTOR) INFORMATION
(REQUIRED)**

Print Name: Stephanie Tablante
Address: 9037 Loggers Mile Ave
City: Las Vegas
State: NV Zip: 89143

**BUYER (GRANTEE) INFORMATION
(REQUIRED)**

Print Name: New Freedom Mortgage Corp
Address: 2363 South Foothill Dr.
City: Salt Lake City
State: UT Zip: 84109

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

Print Name: John Peter Lee, Ltd. Escrow #: _____
Address: 830 Las Vegas Blvd., South
City: Las Vegas State: NV Zip: 89101

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

EXHIBIT B

IFREEDOM DIRECT CORPORATION

Entity Number: 1290588-0142

Company Type: Corporation - Domestic - Profit

Address: 124 N CHARLES LINDBERGH DRIVE SALT LAKE CITY, UT 84116

State of Origin: UT

Registered Agent: C T CORPORATION SYSTEM

Registered Agent Address:

1108 E SOUTH UNION AVE

Midvale, UT 84047

[View Management Team](#)

Status: Active

[Purchase Certificate of Existence](#)

Status: Active  as of 08/20/1998

Renew By: 12/31/2015

Status Description: Good Standing

The "Good Standing" status represents that a renewal has been filed, within the most recent renewal period, with the Division of Corporations and Commercial Code.

Employment Verification: Not Registered with Verify Utah

History

[View Filed Documents](#)

Registration Date: 12/28/1995

Last Renewed: 11/03/2014

Additional Information

NAICS Code: 9999 **NAICS Title:** 9999-Nonclassifiable Establishment

Doing Business As

FREEDOM DIRECT

LIBERTY HOME MORTGAGE

NFM CORP

RED HOT FUNDING

VETERANS FIRST

NFM CORP CONSUMER ADVOCACY SERVICES

LOANGATE

VETERANS FIRST MORTGAGE

IFREEDOM

FREEDOM MORTGAGE

Former Business Names

NEW FREEDOM MORTGAGE CORPORATION

LIBERTY HOME MORTGAGE, INC.

LIBERTY MORTGAGE SERVICES, INC.

COLDWELL MORTGAGE COMPANY

[<< Back to Search Results](#)

Search by:

Business Name

Number

Executive Name

Search Hints

Business Name:

EXHIBIT C



**CERTIFIED
COPY**

1 EIGHTH JUDICIAL DISTRICT COURT
2 CLARK COUNTY, NEVADA
3
4 WEST SUNSET 2050 TRUST, a)
Nevada Trust,)
5)
Plaintiff,)
6)
v.) CASE NO. A-13-691323-C
7) DEPT. NO. XXI
NEW FREEDOM MORTGAGE)
8 CORPORATION, a Foreign)
Corporation; BANK OF AMERICA,)
9 N.A., a National Association;)
NATIONSTAR MORTGAGE, LLC, a)
10 Foreign Limited Liability)
Company; COOPER CASTLE LAW)
11 FIRM, LLP, a Nevada Limited)
Liability Partnership;)
12 STEPHANIE TABLANTE, an)
individual; DOES I through X;)
13 and ROE CORPORATIONS I)
through X, inclusive,)
14)
Defendants.)
15)
NATIONSTAR MORTGAGE, LLC,)
16)
Counterclaimant,)
17)
v.)
18)
WEST SUNSET 2050 TRUST, a)
19 Nevada Trust,)
Counter-Defendant.)
20)
21

DEPOSITION OF
30(B)(6) DESIGNEE
RED ROCK FINANCIAL
SERVICES
JULIA THOMPSON
MONDAY, MAY 11, 2015
LAS VEGAS, NEVADA

22 Reported By Kele R. Smith, NV CCR No. 672, CA CSR No.
13405
23 JOB NO.: 245765-B
24
25

1 DEPOSITION OF JULIA THOMPSON,
2 taken at 1160 Town Center, Suite 330, Las Vegas, Nevada,
3 on Monday, May 11, 2015, at 1:33 p.m., before Kele R.
4 Smith, Certified Court Reporter, in and for the State of
5 Nevada.

6

7 APPEARANCES:

8 For the Witness and Red Rock Financial Services:

9 KOCH SCOW
10 BY: STEVEN R. SCOW, ESQ.
11 11500 South Eastern Avenue
12 Suite 210
Henderson, Nevada 89052
(702) 269-5629

13 For the Plaintiff:

14 MAIER GUTIERREZ AYON
15 BY: KATHRYN BUTLER, ESQ.
2500 West Sahara Avenue
Suite 106
Las Vegas, Nevada 89102
(702) 629-7900

17 For the Defendants NationStar Mortgage:

18 AKERMAN
19 BY: ALLISON SCHMIDT, ESQ.
1160 Town Center Drive
Suite 330
Las Vegas, Nevada 89144
(702) 634-5000
allison.schmidt@akerman.com

22

23

24

25

1	I	N	D	E	X	
2						
3	WITNESS:	JULIA THOMPSON				
4						
5	EXAMINATION				PAGE	
6	By Ms. Schmidt				4	
7						
8						
9						
10						
11						
12		EXHIBITS				
13	MARKED				PAGE	
14						
15		None				
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						

1 LAS VEGAS, NEVADA; MONDAY, MAY 11, 2015

2 1:33 P.M.

3 -oOo-

4 (The Reporter was relieved of her duties
5 under NRCP 30(b)(4).)

6 Whereupon,

7 JULIA THOMPSON,
8 having first been called as a witness, was duly sworn
9 and testified as follows:

10

11 BY MS. SCHMIDT:

12 Q. Good afternoon. Can you state your name and
13 spell your last name for the record?

14 A. It's Julia Thompson, T-H-O-M-P-S-O-N.

15 Q. And I am Allison Schmidt. I am counsel for both
16 Bank of America and NationStar Mortgage in the action
17 designated as Case No. A-13-691323.

18 So before we get started today, have you been
19 deposed before?

20 A. Yes.

21 Q. Approximately how many times?

22 A. Two.

23 Q. And when was that?

24 A. The last one, about a month ago.

25 Q. And were you testifying in the same role in that

1 case as a person most knowledgeable for Red Rock
2 Financial Services?

3 A. Yes.

4 Q. Okay. And what was the nature of the litigation
5 in those cases, if you know?

6 A. I don't recall.

7 Q. Did they deal with HOA foreclosures?

8 A. Yes. One did.

9 Q. And did you have the same counsel with you on
10 those depositions as you have with you today?

11 A. Yes.

12 Q. Okay. So you've been identified as someone with
13 knowledge about this case which we are litigating. As a
14 witness you may be required to give testimony at trial
15 when the case gets tried. Do you understand that?

16 A. Yes.

17 Q. What we're doing is essentially out from you what
18 you will say if the case gets tried. Do you understand
19 that?

20 A. Yes.

21 Q. Do you understand that the oath you just took is
22 the same oath you would take in a court of law and
23 carries with it the same obligations to tell the truth
24 and the same penalties of perjury?

25 A. Yes.

1 Q. There are two reasons why we are taking your
2 deposition today. First, we want to know what you're
3 going to say at the trial. Second, if you're not
4 available at the time of trial, we can use the
5 transcript as substitute for your testimony. Third, if
6 you were to be at trial and gave a statement that is
7 inconsistent with the you say today, we can question you
8 about the inconsistency. Do you understand that?

9 A. Yes.

10 Q. And since you've been deposed recently, I'll give
11 you some abridged deposition ground rules. But you
12 understand that it's important for me to finish my
13 questions and for me to let you finish your answers
14 since we're making a record today, and they can only
15 take down what one person is saying at a time?

16 A. Yes.

17 Q. And your attorney might make some objections to
18 my questions. Unless he instructs you not to answer,
19 we'll let him make his objection and then you'll give
20 your answer. Do you understand that?

21 A. Yes.

22 Q. If you don't understand a question I'm asking or
23 you're confused about words I'm using, you can let me
24 know. Is that okay?

25 A. Yes.

1 Q. Is there any reason you're unable to testify
2 truthfully today?

3 A. No.

4 Q. Are you taking any medication that might affect
5 your testimony today?

6 A. No.

7 Q. Are you under the influence of alcohol or drugs?

8 A. No.

9 Q. And --

10 MR. SCOW: That can be an important
11 question.

12 BY MS. SCHMIDT:

13 Q. Did you prepare for this deposition today?

14 A. Yes.

15 Q. Can you describe for me how you prepared?

16 A. I went through the file briefly.

17 Q. Okay. And when you say "the file,"
18 is it the file related to 7255 West Sunset Road, Unit
19 2050 in Las Vegas, Nevada, 89113?

20 A. Yes.

21 Q. Do you have any questions for me before we start?

22 A. No.

23 Q. Where do you work?

24 A. Red Rock Financial Services.

25 Q. Whether's your job title there?

1 A. Account Coordinator.

2 Q. And what are your duties as account coordinator?

3 A. I prepare correspondence, letters to homeowners,
4 take phone calls, prepare files for subpoenas.

5 Q. Okay. Do you recall if you prepared the response
6 to the subpoena that Red Rock gave in this case?

7 A. No.

8 Q. No, you don't recall? I'm sorry. I should have
9 asked that question better. No, you don't recall or you
10 didn't participate in the response?

11 A. I don't recall.

12 Q. Okay. Are you familiar with the property located
13 at 7255 West Sunset Road, Unit 2050?

14 A. Somewhat.

15 Q. In what way are you familiar with the property?

16 A. I've seen it in collections with our office and
17 preparing the file this morning.

18 Q. Okay. And what was the relationship between Red
19 Rock Financial Services and the Tuscano homeowners
20 association?

21 A. We are a collection agent for the association.

22 Q. And in that role is there a contract that governs
23 that relationship?

24 A. Yes. There's a collection agreement.

25 Q. Have you reviewed that contract in preparation

1 for today's deposition?

2 A. I did not.

3 Q. Are you familiar with the contents of the
4 contract?

5 A. Somewhat.

6 Q. What duties does Red Rock Financial Services
7 undertake on behalf of the HOA?

8 A. We record documents on their behalf, attempt to
9 collect the debt.

10 Q. When you are attempting to collect a debt, what
11 does that entail?

12 A. Collecting the balance owed from the homeowner to
13 the association.

14 Q. Is Red Rock Financial Services responsible for
15 providing notice to the unit owner?

16 A. Yes.

17 Q. And are they responsible for providing notice to
18 any persons or entities with interests in the
19 properties?

20 A. At a certain point, yes.

21 Q. Can you describe for me what that certain point
22 is?

23 A. When we get to the Notice of Default and the
24 Notice of Sale, we're provided reports by our title
25 company that list interested parties, and at that time

1 we'll provide notice to them.

2 Q. So prior to -- actually, let me ask you: At what
3 point in the collections does Red Rock Financial
4 Services obtain a title report?

5 A. At the Notice of Default stage.

6 Q. Okay. So there would be a Notice of Lien, and
7 prior to the Notice of Default, a title report would be
8 obtained?

9 A. Yes.

10 Q. And where do you obtain a title report from?

11 A. From a title company.

12 Q. Do you use different title companies or is there
13 one?

14 A. We use different ones.

15 Q. How does the HOA notify Red Rock Financial
16 Services about the amount that is owed?

17 A. They provide an accounting ledger.

18 Q. Does Red Rock Financial Services add any amounts
19 to that ledger?

20 A. Yes.

21 Q. Or excuse me. Add any amounts to the amount
22 that's owed?

23 A. Yes.

24 Q. What are things that Red Rock Financial Services
25 would add to the amount owed?

1 A. The cost of collecting and the fees associated
2 with that.

3 Q. And to your knowledge are those governed by
4 Nevada law?

5 A. Yes, they are.

6 Q. Would Red Rock add any amounts to the amount due
7 and owing from a homeowner other than those described in
8 the NAC, Nevada Administrative Code, governing the fees?

9 A. Not that I'm aware of.

10 Q. Does Red Rock Financial Services take any steps
11 to verify the information that's provided by the HOA is
12 true and complete?

13 A. Yes.

14 Q. What are those steps?

15 A. Well, we verify public record to ensure the owner
16 is the current owner.

17 Q. Does Red Rock Financial Services contact or
18 attempt to contact the unit owners prior to recording a
19 Notice of Delinquent Assessment Lien?

20 A. Yes.

21 Q. What kind of contact is that?

22 A. We send an Intent to Lien letter. It's certified
23 and first class mail.

24 Q. And assuming there's no response to your Intent
25 to Lien letter, does Red Rock Financial Services take

1 any other steps prior to recording the Notice of
2 Delinquent Assessment Lien?

3 A. No.

4 Q. So some of our deposition topics include the word
5 "superpriority." Have you heard that phrase before?

6 A. Yes.

7 Q. Can you explain what your understanding of a
8 superpriority lien is?

9 A. The superpriority would be the amount owed by the
10 first deed of trust in the event of a foreclosure.

11 Q. And does Red Rock Financial Services have a
12 position as to what that is?

13 A. What do you mean?

14 Q. What the amount is or what it includes?

15 A. Yes. It includes nine months -- usually nine
16 months of assessments, late fees, interest, and all the
17 collection fees and costs.

18 Q. In this specific file it appears that the
19 association's lien was sold to a company called First
20 100, LLC. Are you familiar with that company?

21 A. Somewhat.

22 Q. Have you seen other files in which the liens were
23 sold to First 100, LLC?

24 A. Yes.

25 Q. When a lien is sold by the HOA to First 100, LLC,

1 what usually happens at Red Rock Financial Services when
2 that occurs?

3 A. Our fees are paid and the files are pulled from
4 our office.

5 Q. And do you know where the files go to?

6 A. To the person we're directed to. Usually the
7 association. --

8 Q. Okay.

9 A. -- or their agent as authorized.

10 Q. And does First 100 pay the fees that are owed to
11 Red Rock?

12 A. I don't remember. I'm not sure.

13 Q. Okay. Have you had direct contact with anyone
14 from First 100, LLC?

15 A. I don't recall.

16 Q. Okay. I'm going to hand you a document. It's
17 Bates numbered NSM 00039. It's entitled Lien For
18 Delinquent Assessments. Are you familiar with this type
19 of document?

20 A. Yes.

21 Q. And do the documents usually only have one page?

22 A. Yes.

23 Q. And do you recognize this specific Lien For
24 Delinquent Assessments?

25 A. Yes.

1 Q. And were you involved, to your recollection, in
2 the preparation of this document?

3 A. No.

4 Q. And how can you tell that you were not involved?

5 A. Well, my name's not on it, and at the time, I was
6 not working in a position that would have been dealing
7 with this document.

8 Q. So usually is it the person who executes it is
9 the person who prepared it at Red Rock Financial
10 Services?

11 A. Yes. The prepared by.

12 Q. And so this was prepared by Rebecca Tom it
13 appears?

14 A. Yes.

15 Q. Is she still employed by Red Rock Financial
16 Services?

17 A. No, she's not.

18 Q. Do you know approximately when she left the
19 company?

20 A. No.

21 Q. Can you describe for me the purpose of this
22 document?

23 A. It's to put on notice that there is a debt owed
24 against this property.

25 Q. And does the document state the amount of the

1 debt owed?

2 A. Yes.

3 Q. In this case it looks like it says the amount
4 owing as of the date of preparation of this lien is
5 \$2,695.10. Is that correct?

6 A. Yes.

7 Q. Do you know how that amount is calculated?

8 A. That would have been the full balance that was
9 owed as of that date.

10 Q. Would that include some of the fees of Red Rock
11 for preparing the document --

12 A. Yes. That includes Red Rock fees to date and the
13 association balance to date.

14 Q. And does the HOA provide a ledger of any sort
15 immediately preceding the recording of these documents
16 to allow them to calculate the amount due and owing?

17 A. Yes.

18 Q. Does the person that signs the documents from Red
19 Rock Financial Services verify independently that the
20 information in the document they prepare is true and
21 correct?

22 A. Yes.

23 Q. Can you sort of describe for me what steps they
24 go through to ensure that the documents are correct?

25 A. They'll check public records, make sure the owner

1 is the correct owner, spelling is correct, legal
2 description is correct, spelled correctly. They'll
3 verify that the association balance is correct per the
4 association's records.

5 Q. Did Red Rock Financial Services request this
6 document be recorded?

7 A. Yes.

8 Q. Does Red Rock Financial Services provide copies
9 of the Lien For Delinquent Assessments to anybody?

10 A. The homeowner.

11 Q. Just the homeowner?

12 A. Yes.

13 MS. SCHMIDT: I'll take this back.

14 BY MS. SCHMIDT:

15 Q. I'm going to hand you a document Bates numbered
16 NSM 00040. Can you tell me what this document is?

17 A. It's a Notice of Default.

18 Q. And can you verify that the document is one-page
19 long?

20 A. Yes.

21 Q. Do you recognize this type of document?

22 A. Yes.

23 Q. Do you recognize this specific document?

24 A. Yeah.

25 Q. What do you recognize it -- or, strike that. Can

1 you tell from this document who prepared it?

2 A. Yes.

3 Q. Who prepared it?

4 A. Rebecca Tom.

5 Q. Can you tell me the purpose of the document?

6 A. My understanding is it's the first step in the
7 foreclosure process.

8 Q. Does the document state an amount due and owing
9 under the association's lien?

10 A. Yes.

11 Q. And what amount was due and owing?

12 A. \$4,018.40.

13 Q. Do you know how that amount is calculated?

14 A. It's the association balance in full plus all the
15 collection fees that have been incurred as of the date
16 of preparation.

17 Q. And did Red Rock Financial Services request that
18 document be recorded?

19 A. Yes.

20 Q. And once the document is -- let me ask you this:
21 Are copies of this document provided to anybody?

22 A. To the homeowner and any parties who appear on
23 our report.

24 Q. Okay. And is that done before the recording or
25 after?

1 A. After.

2 Q. Okay. And can you tell me with respect to this
3 specific file who was provided with a copy of this
4 Notice of Default?

5 A. I don't remember. I'm not sure.

6 MS. SCHMIDT: Can we go off the record for a
7 second?

8 MR. SCOW: Uh-huh.

9 (Discussion off the record.)

10 BY MS. SCHMIDT:

11 Q. Looking at the document Bates numbered NSM 00075,
12 can you tell me what this document is?

13 A. It's our title report.

14 Q. Okay. And what do you use a title report for?

15 A. To obtain contact information for interested
16 parties.

17 Q. And so is this the document that you would have
18 used to determine what parties to send the Notice of
19 Default to?

20 A. Yes.

21 Q. Okay. And can you tell me, based on your review
22 of this document, which parties received the Notice of
23 Default?

24 A. It was New Freedom Mortgage Corporation.

25 Q. Based on your review of this document, was notice

1 provided to Bank of America?

2 A. No.

3 Q. And based on your review of this document, was
4 notice provided to NationStar Mortgage?

5 A. No.

6 Q. Okay. Do you recall approximately when this file
7 was transferred to United Legal Services?

8 A. Not exactly.

9 Q. Let me show you what we've marked as Bates No.
10 NSM 00043. I'll represent to you this is a Notice of
11 Foreclosure Sale which appears to be recorded by United
12 Legal Services. Based on your review of that document,
13 would you say the file was transferred prior to the date
14 on which that was recorded?

15 A. Yes.

16 Q. And when the files were transferred, based on a
17 First 100 agreement, would Red Rock just immediately
18 cease work on that file?

19 A. Yes.

20 Q. Okay. If Red Rock Financial Services received
21 return mail, would there been any further effort to
22 locate a good address for that person or entity?

23 A. Not that I'm aware of.

24 Q. On this file did United Legal Services ever
25 contact Red Rock Financial Services to find out what had

1 been done to the file transfer?

2 A. I'm not sure.

3 Q. Did Red Rock Financial Services often have
4 contact with United Legal Services?

5 A. I'm not really sure.

6 Q. Does Red Rock Financial Services maintain in its
7 file a copy of all correspondence related to a certain
8 property?

9 A. Yes.

10 Q. So if there were correspondence, it would be
11 saved in the file?

12 A. It should be, yes.

13 Q. And does Red Rock Financial Services maintain a
14 call log with each file?

15 A. Yes.

16 Q. So if there was a call that had come in related
17 to a property, there would be some sort of written log
18 about that call?

19 A. There should be, yes.

20 Q. On this file do you know if Red Rock Financial
21 Services received any correspondence or a phone call
22 from any agent of Bank of America?

23 A. I'm not -- I don't know.

24 Q. In cases where a beneficiary of a first deed of
25 trust contacted Red Rock Financial Services and

1 requested payoff figures, what was the procedure that
2 Red Rock Financial Services would follow?

3 A. They would have to submit their request in
4 writing, and we would provide the requested information
5 within 10 business days.

6 Q. If a sale is eminent, is there any way they could
7 get the information faster?

8 A. Yes.

9 Q. What information would then be provided?

10 A. If they requested payoff?

11 Q. Yes.

12 A. It depends on the reason for the request.

13 Q. Let's say it's preforeclosure HOA sale and that
14 there's no foreclosure by the beneficiary. So in this
15 hypothetical, we'll say they want to protect their
16 interest in the property prior to the HOA foreclosure
17 sale. They request a payoff for that purpose. What
18 would be the procedure that Red Rock Financial Services
19 followed?

20 A. At the time of the file or currently?

21 Q. We'll say at the time of the Notice of Default in
22 this case which is recorded on --

23 MR. SCOW: Did we give that back? It's 39.

24 BY MS. SCHMIDT:

25 Q. Which was recorded on May 29th, 2012?

1 A. We would have provided them the full balance
2 owing. So a cover letter that outlines the payoff
3 demand, payoff amount, and then the account ledger.

4 Q. What would the accounting ledger contain?

5 A. All charges that are currently outstanding to
6 include the association balance, assessments, late fees,
7 interest, and collection charges.

8 Q. At the time of this Notice of Default, which we
9 decided was May of 2012, if a beneficiary of a deed of
10 trust submitted an amount equal to nine months of common
11 assessments but nothing more, what was Red Rock's
12 procedure for accepting or declining those payments?

13 A. If the payment was submitted under the terms that
14 it was to satisfy a superpriority amount, it would have
15 been rejected.

16 Q. In what situations would it be accepted?

17 A. If it was submitted as a partial payment. Not to
18 satisfy any lien's superpriority portions.

19 Q. If a partial payment was made -- when I say
20 "partial payment," I should say if any payment from a
21 beneficiary of a deed of trust was made, was that
22 disclosed either by recorded notice or disclosed at
23 sales?

24 A. At this time?

25 Q. Yes. In 2012.

1 A. No, it would not have.

2 MR. SCOW: Can you clarify that though? I
3 know she answered, but what do you mean?

4 MS. SCHMIDT: Sure.

5 BY MS. SCHMIDT:

6 Q. Well, I wanted to know if a payment from a
7 beneficiary was received -- perhaps I should ask this
8 more than one question. Was there any document that
9 would be recorded against the property saying that some
10 payment had been received at this time, mid-2012?

11 MR. SCOW: Do you mean received or accepted?

12 MS. SCHMIDT: Well, start with received.

13 A. No.

14 BY MS. SCHMIDT:

15 Q. If a payment was accepted by Red Rock Financial
16 Services during this time in mid-2012, would they record
17 anything against the property saying that some payment
18 had been accepted for the beneficiary of the deed of
19 trust?

20 A. No.

21 Q. And at this time, if the payment had been
22 accepted by Red Rock Financial Services, would that be
23 information that would be announced prior to the sale?

24 A. Currently or back then?

25 Q. In 2012.

1 A. No.

2 Q. And if payment had been received but not accepted
3 at this time, mid-2012, would Red Rock announce that
4 information at the sale?

5 A. No.

6 Q. Looking at what's marked in the subpoena response
7 as MSN 00054, it appears to be a check that comes from
8 the First 100, LLC operating account. Do you know what
9 this check was for?

10 A. I believe the collection charges incurred by Red
11 Rock.

12 Q. Do you know if this also included any
13 assessments?

14 A. It should not have, but I'm not sure.

15 MS. SCHMIDT: I think those are all my
16 questions.

17 If you have any --

18 MS. BUTLER: Nope.

19 MR. SCOW: I've got a few. Do you have
20 another hour or so?

21 I don't have any questions.

22 MS. SCHMIDT: I think we're all done.

23 (Proceedings concluded at 2:07 p.m.)

24

25

CERTIFICATE OF REPORTER

1
2 STATE OF NEVADA)
3 COUNTY OF CLARK) ss:

4 I, KELE R. SMITH, a duly commissioned
5 Notary Public, Clark County, State of Nevada, do hereby
6 certify: That I reported the taking of the deposition
7 of JULIA THOMPSON, commencing on Monday, May 11, 2015,
8 at 1:33 p.m.

9 That prior to being deposed, the witness was by
10 me duly sworn to testify to the truth. That I
11 thereafter transcribed my said shorthand notes into
12 typewriting and that the typewritten transcript is a
13 complete, true, and accurate transcription of said
14 shorthand notes and that witness's attorney waived
15 review and correction of the transcript.

16 I further certify that I am not a relative or
17 employee of counsel of any of the parties, nor a
18 relative or employee of the parties involved in said
19 action, nor a person financially interested in the
20 action.

21 IN WITNESS WHEREOF, I have set my hand in my
22 office in the County of Clark, State of Nevada, this
23 12th day of May, 2015.

24 

25 KELE R. SMITH, NV CCR #672, CA CSR #13405

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EXHIBIT D

Section 4

Contracts with HOA and First 100

DATE 5-11-13 EXHIBIT E
WITNESS: Atkinson PAGE(S)
Kele R. Smith, CCR No. 672

FIRST 100

HELPING YOUR COMMUNITY BUILD A BETTER TOMORROW!



**OFFER
FOR PURCHASE OF PROCEEDS OF RECEIVABLES**

This offer for the purchase of proceeds of receivables (the "Offer") is made the day of March 26, 2013 by: First 100, LLC, a Nevada Limited Liability Company, with its registered head office at 11920 Southern Highlands Pkwy, Suite 200, Las Vegas, NV, (the "Buyer") to: TUSCANO HOMEOWNERS' ASSOCIATION, a Nevada Homeowners Association, (the "Seller").

This Offer is irrevocable and valid until April 26, 2013.

Acceptance of this Offer may be made by the Seller in its sole discretion by countersigning and returning the accompanying purchase Agreement.

OBJECT OF THE PURCHASE - Proceeds of Receivables

The object of the purchase shall be the following proceeds of Seller's receivables under the Contract (hereinafter "Receivables"):

No.	Property Address	Total Assessment Due	Purchase Price	Collection Fees
1	7255 W. Sunset Rd., #2046	\$ 3,138.98	\$ 1,476.00	\$ 1,471.52
2	7255 W. Sunset Rd., #2141	\$ 5,817.00	\$ 1,476.00	\$ 2,105.48
3	7255 W. Sunset Rd., #1008	\$ 6,002.00	\$ 1,476.00	\$ 1,538.00
4	7255 W. Sunset Rd., #2017	\$ 6,804.00	\$ 1,179.00	\$ 1,780.00
5	7255 W. Sunset Rd., #2024	\$ 6,269.00	\$ 1,179.00	\$ 1,789.00
	Total	\$ 28,030.98	\$ 6,786.00	\$ 8,684.00

We look forward to this transaction being the beginning of our building a mutually beneficial relationship with your Association.

Very Truly Yours,

(J. Chris Morgando)

MAILING ADDRESS

10620 SOUTHERN HIGHLANDS PKWY, SUITE 110-489
D 702.823.3600 WWW.FIRST100LLC.COM F 702.724.9781

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement"), executed on _____, 2013 ("Effective Date") is made by and between buyer FIRST 100, LLC, a Nevada limited liability company ("Buyer"), seller TUSCANO HOMEOWNERS' ASSOCIATION, a Nevada non-profit corporation ("Seller"), and authorized agent UNITED LEGAL SERVICES INC., a Nevada corporation and law firm ("Agent"). Buyer, Seller, and Agent may be referred to hereafter individually as a "Party" or collectively as the "Parties".

RECITALS

WHEREAS, Seller possesses delinquent homeowner's association assessments related to and arising from the monthly HOA fees for parcels of real property as described in Exhibit I attached hereto, including interest and late charges thereon (the "Current Delinquent Assessments"); and

WHEREAS, Seller reasonably anticipates that in the future other parcels of real property in its association will also become delinquent on monthly HOA assessments, including interest and late charges thereon (the "Future Delinquent Assessments") (collectively with the Current Delinquent Assessments hereinafter referred to as the "Delinquent Assessments"); and

WHEREAS, the Current Delinquent Assessments have previously been recognized as income by Seller, and the parties agree and understand that the Assets sold herein (as defined below) constitute proceeds and receivables relating to past income, and in no way constitute future income or assessments; and

WHEREAS, Seller anticipates that payments on and proceeds relating to the Delinquent Assessments will be received by, or otherwise are payable to, the Seller (as assessment claimant and lienholder) in the future (i) whether paid in cash, check, money order, credit card, debit card, escrow, or otherwise, and (ii) whether paid pre-foreclosure, via a foreclosure sale conducted pursuant to NRS §116:3116 et. seq., through post-lender-foreclosure lien satisfaction, or otherwise, and (iii) whether paid by the homeowner, unit owner, interested party, third party, or otherwise (the "Proceeds on Past Income" or "PPI"); and

WHEREAS, Seller desires to reduce its costs of carrying and collection of the Delinquent Assessments; and

WHEREAS, for the duration of the term of the Agreement, Seller desires to sell to Buyer select PPI arising from the Delinquent Assessments for an amount to be proposed by Buyer (and subject to acceptance by Seller) on the terms and conditions contained in this Agreement, and Buyer desires to purchase the same; and

WHEREAS, in facilitation of this Agreement, and in recognition that Buyer is bearing the costs and risks associated with an unknown future PPI stream, Seller agrees to cease using its existing collections agency on the Select Delinquent Assessments (as defined below), and further agrees to not send to any of the Select Delinquent Assessments to any other collections agency; and

WHEREAS, to protect Buyer from third-party lawsuits against the Seller that may arise in the future, Seller hereby grants a security interest in the PPI sold pursuant to this Agreement and authorizes that Buyer and/or its designees may file a UCC-1 Financing Statement, as may be amended or renewed from time to time, identifying the PPI (as accounts receivable) as collateral; and

¹ Similarly, any Future Delinquent Assessments at that time in the future would have (by then) previously been recognized as income by the Seller prior to their PPI being subject to sale under this Agreement.

WHEREAS, some of the Select Current Delinquent Assessments are in various stages of lien/default/foreclosure; and

WHEREAS, Seller agrees to henceforth use Agent as its designated agent and hereby irrevocably appoints and authorizes Agent to act on Seller's behalf, as its agent, attorney, collections agency, and person conducting the sale (to the maximum extent possible as those terms are used in NRS §116.3116 *et. seq.*) only for those select Delinquent Assessments for which the PPI are sold pursuant to this Agreement, as proposed by Seller and as mutually agreed upon by Buyer (the "Select Delinquent Assessments"), and to prepare the various notices and conduct foreclosure sales on behalf of Seller for any parcels of any Select Delinquent Assessments that currently are, or may at any time be, in default or subject to foreclosure, and: (i) Agent agrees to assume the rights, duties and obligations of that role; and (ii) Buyer agrees to assume all costs and pay for the services provided by the Agent to Seller under this Agreement;

NOW, THEREFORE, in consideration of the mutual representations, warranties, and covenants of the Parties as provided below, the Parties, intending to be legally bound, do hereby agree as follows:

ARTICLE I. INCORPORATION

Section 1.01: Incorporation of Recitals. The recitals of this Agreement above are true, and accurately reflect the intent of the Parties, and they are hereby incorporated into and made a part of this Agreement.

Section 1.02: Incorporation of Exhibits. The Exhibits attached to this Agreement, namely:

- EXHIBIT 1: Select Current Delinquent Assessments and Initial Payment Price
- EXHIBIT 2: Authorization to Release Information
- EXHIBIT 3: Template for Sale of PPI from Select Future Delinquent Assessments

are hereby incorporated into and made a part of this Agreement.

ARTICLE II. SALE AND PURCHASE

Section 2.01: Assets Sold. Subject to the terms and conditions herein set forth, for the consideration of the Payment Price (as defined below) and the other consideration contained herein, and on the basis of the representations, warranties and agreements herein contained, Seller hereby sells and transfers to Buyer the following property (hereinafter the "Assets"):

- All of Seller's interest in any and all PPI arising from or relating to the Select Delinquent Assessments.

Section 2.02: Payment Price. The price paid by Buyer for the PPI arising from the Select Current Delinquent Assessments shall be the total price as proposed by the Buyer and as agreed to by the Seller (the "Initial Payment Price"). Similarly, the prices subsequently paid by Buyer for the occasional sale to Buyer of PPI arising from the Select Future Delinquent Assessments will be the price as then proposed by the Buyer and as agreed to by the Seller (the "Subsequent Payment Price").

ARTICLE III. DUTIES AND OBLIGATIONS OF BUYER, SELLER, AND AGENT

Section 3.01: Seller's Duties and Obligations (Pre-Sale). Prior to sale to Buyer of any PPI, Seller agrees (if it

has not already done so) to, and hereby does:

- (a) Authorize Agent to compose and mail a Notice of Delinquent Assessment ("Notice of Delinquent Assessment") to each parcel ("Parcel") associated with each Select Delinquent Assessment;
- (b) Authorize Agent to execute in its behalf, for each Parcel, a Notice of Lien, Notice of Default and Election to Sell, and Notice of Foreclosure Sale; each naming the Seller as lienholder;
- (c) Authorize Agent to interact with the Seller's current collections agency to obtain the current amount of collections costs accrued for each Select Delinquent Assessment;
- (d) Authorizes Agent and Buyer to interact with the Seller's community manager and collections agency (and hereby instructs the community manager and collections agency to engage in such interaction) to subsequently identify the Select Future Delinquent Assessments, including Parcel identification and then-current outstanding collections costs; and
- (e) Shall provide Buyer a copy of the applicable CC&Rs for the community, along with any amendments thereto.

Section 3.02

Seller's Duties and Obligations (Post-Sale to Buyer). After sale of any PPI to Buyer, Seller hereby:

- (a) Authorizes and instructs the Seller's community manager and current collection agency that, for each Select Delinquent Assessment: (i) that the account is to be transferred to Agent, and (ii) the collections agency is no longer responsible for collections efforts on those Select Delinquent Assessments. Seller agrees to cease using any third party collections agent for any PPI sold to Buyer;
- (b) Instructs its community manager and collections agency to promptly remit to Buyer all PPI (whether received directly, by the community manager, or remitted to the prior collections agency, or otherwise) that may be paid to or received by Seller (wherein such proceeds are used to satisfy past due assessments first, followed by current assessments, followed by past due late fees and interest, unless otherwise directed by the remitter of such payment), with such remittance to Buyer to occur within one week;
- (c) Instructs its community manager and collections agency to promptly (within two business days) notify the Agent of any Parcel for which the homeowner has paid a Select Delinquent Assessment claim in full;
- (d) Instructs its community manager and prior collections agency to permit Agent at any time to confirm with community manager and prior collections agency that the relevant Select Delinquent Assessment has not been paid in full;
- (e) Agrees that Agent may collect payments and remit directly to Buyer and funds received in satisfaction of PPI, and hereby pre-authorizes Agent to endorse checks payable to Seller in order to facilitate this remittance;
- (f) Agrees that Buyer, at Buyer's sole option, may place back any Delinquent Assessment with Seller for any Parcel in which a bankruptcy has been filed prior to any foreclosure sale that identifies the Parcel as property of the bankruptcy estate, and if such place back occurs then Seller shall credit Buyer's account for the original purchase price paid by

Buyer to Seller (inclusive of any collections costs advanced by Buyer on behalf of Seller) for the PPI on that Parcel's delinquent assessment, with such credit to be applied towards the next Subsequent Payment Price and in no instance shall Seller be required to remit cash back to Buyer;

- (g) Agrees that Agent, as authorized agent for Seller, may interact directly with the community manager and former collections agency to obtain information on the Select Delinquent Assessments, the amounts due, and whether any payments were remitted prior to sale by the homeowner, and hereby authorizes and instructs the community manager and former collections agency to interact with Agent on these matters, and as further shown in Exhibit 2;
- (h) Irrevocably authorizes and instructs Agent to expeditiously move forward on behalf of the Seller with the foreclosure sale on each Parcel, pursuant to NRS §116;
- (i) Agrees that Agent may use sub-agents for auctions;
- (j) Agrees to forward and refer to Agent all homeowner calls/emails that Seller may receive regarding the Notice of Default or Notice of Foreclosure Sale, and hereby instructs its community manager to do the same;
- (k) Grants an irrevocable proxy to Buyer and Agent to act on the behalf of Seller with respect to any short-sale (or any other) offers made to pay off, or enter into a payment plan, on any Select Delinquent Assessment;
- (l) Places with the Agent a pre-set opening credit bid for Seller of ninety-nine dollars (\$99.00) for each Parcel ("Opening Bid"), and authorizes the Agent to open the auction for any Parcel with the Opening Bid, and not to bid any higher;
- (m) Authorizes the Agent to prepare foreclosure deeds for all sales, reflecting the value as the higher of: (i) the total amount of the lien, or (ii) the sales price at auction;
- (n) That any deficiency between the total lien amount due at sale and the final winning bid amount at auction shall survive as an unsecured debt of the homeowner, and: (i) that all right, title, and interest in any such deficiency shall, upon sale at auction, be transferred to Buyer or its assigns; and (ii) that Buyer can, at its own cost, initiate collections actions on that unsecured debt, with any net proceeds thereof from such post-foreclosure collections actions to be property of Buyer; and (iii) Agent is hereby authorized to prepare and execute bills of sale to Buyer or its assigns for title to any such deficiency remaining after the application of proceeds of the sale pursuant to NRS §116.31164(3)(c); and
- (o) To provide reasonable audit rights to Buyer to ensure that remittances made to Seller which are due to Buyer (as referred to in subsection (b) above) are being paid promptly and accurately;
- (p) Hereby provides Board authorization that Buyer may rent the property to tenants, and, if the CC&Rs for the community prohibit renting to non-owner-occupants, this authorization shall act as a waiver to Buyer of that restriction;

Section 3.03 Buyer's Duties and Obligations. Buyer agrees:

- (a) To promptly pay the Initial Purchase Price to the Seller upon execution of this document by all Parties;

- (b) To promptly pay the Subsequent Purchase Price(s) upon each sale of the PPI for the Future Delinquent Assessments;
- (c) To cover all of Seller's obligations to its collections agency for collections work performed relating to the Assets sold hereunder, up to the statutory maximum, provided, however, that the collections agency agrees to extend to Buyer any indemnification as provided to Seller regarding: (i) the accuracy of the amounts owed for each Parcel, and (ii) the legal compliance of any recorded documents prepared by it;
- (d) To pay for all of the costs of Agent for services provided by Agent to Seller hereunder; and Agent agrees not to seek any payment whatsoever from Seller for fees or expenses of all services provided by Agent relating to this Agreement; and
- (e) To promptly pay for all of the costs of Agent in support of the Agent's obligation to promptly and diligently move forward with foreclosure sales.

Section 3.04 Agent's Duties and Obligations. Agent agrees:

- (a) To be paid solely by Buyer (under separate payment arrangement with Buyer) for all for fees or expenses incurred for all services provided by Agent to Seller relating to this Agreement, and not to seek any payment whatsoever from Seller;
- (b) To prepare and record any appropriate documents required by statute on any particular Parcel not heretofore recorded, including Notice of Lien, Notice of Default and Election to Sell, and Notice of Foreclosure Sale, and to mail/notice/serve all documents as may be required by statute, with such recordation costs to be borne by Buyer, and Seller hereby authorizes the Agent to do the same;
- (c) To handle inbound queries and process payments from homeowners relating to the PPI, including entering into payment plans with homeowners or authorizing sale postponements, in Agent's discretion, and Seller hereby authorizes the Agent to do the same;
- (d) To not perform any outbound-calling collections efforts on the PPI, other than (i) the implied and inherent collections efforts in the recordations, notices, and mailings of the documents identified in subsection (b) above, or (ii) returning inbound calls from homeowners;
- (e) To report to the Seller and Buyer of any Parcel for which the homeowner or other person in interest has, prior to foreclosure, entered into a payment plan or made full payment on a Select Delinquent Assessment;
- (f) In Agent's sole discretion, to appear on behalf of Seller in any bankruptcy proceeding of any homeowner to seek relief from the automatic stay or any other appropriate relief, at Buyer's cost, and Seller hereby authorizes the Agent to do the same;
- (g) To appropriately and responsibly act (as agent and attorney) on behalf of Seller (as principal and client) in carrying out its duties hereunder, including conducting foreclosure sales, the execution thereof which may be carried out by sub-agents as designated by Agent, which Seller hereby authorizes;

- (h) To promptly and diligently move forward with foreclosure sales;
- (i) To apply foreclosure sale proceeds in accordance with NRS §116.31164(3)(c); however, because Seller's portion of said proceeds are PPI, Agent shall remit the Seller's portion directly to Buyer.

ARTICLE IV. REPRESENTATIONS and WARRANTIES

Section 4.01. Prior to the sale of any PPI to Buyer. Seller warrants and represents that:

- (a) The dollar amount of delinquent assessment for each Select Delinquent Assessment (as communicated to Agent by Seller's community manager or collections agency) is accurate as of the date of sale to Buyer, except for sums which may be owed to the Association as current assessments; and
- (b) The PPI sold to Buyer originate only from Select Delinquent Assessments arising from overdue monthly HOA assessments (together with late charges and interest), and not compliance account fines or penalties arising from a homeowner's violation of the governing documents.

Section 4.02. After the sale of any Receivable to Buyer. Seller warrants and represents that:

- (a) Seller will promptly remit to Buyer all payments that may be paid directly to or received by Seller on the Select Delinquent Assessments;
- (b) Seller will not take any action to reduce or discourage incoming payments on the Select Delinquent Assessments, or to inhibit the process of receiving PPI;
- (c) Seller will not agree to (and hereby instructs Agent to similarly not agree to) any homeowner payment plan proposal regarding any Select Delinquent Assessment that: (i) pays less than the full lien amount due as of the proposed date of sale, or (ii) requires more than 12 months to complete;
- (d) Seller will not take any action or inaction that would reduce the Select Delinquent Assessment obligations on any Parcel, other than through: (i) an actual payment received; or (ii) the foreclosure sale contemplated herein;
- (e) Seller will not permit any event to occur or otherwise fail to take any action which could have an adverse effect on the ability to accept PPI owed;
- (f) Seller will not pledge, hypothecate, encumber, collateralize, or otherwise suffer claims against any of the PPI relating to the Select Delinquent Assessments;
- (g) It will not discuss the confidential terms of this Agreement with any homeowner, tenant, or occupant of any Select Delinquent Assessment, and will refer any inquiring person or entity to Agent (not Buyer);
- (h) Seller will cease outside collections efforts on the Select Delinquent Assessments (but may continue to use outside third-party collections agents for compliance account fines and penalties); and
- (i) That for all foreclosure sales, Seller shall not send any person or agent to credit bid for or on behalf of the Seller on any Parcel in any amount in excess of the Opening Bid.

Section 4.03 Ownership. Seller represents and warrants that it is the sole legal owner of the Assets.

Section 4.04 No Third-Party Encumbrances or Rights to Acquire. Seller represents and warrants that there are no judgments, court order, contracts, liens, notes, hypothecations, options, or any other agreements or instruments whatsoever that either: (i) encumbers, collateralizes, pledges, liens, or otherwise grants the Assets as security; or (ii) allows any person or entity (including Seller) to acquire the Assets.

Section 4.05 Authorization. Seller, Buyer, and Agent represent that each is authorized to engage in the transaction described herein. The signatories to this Agreement personally represent that they are authorized signatories of the Parties. Seller has approved this Agreement by Board vote.

ARTICLE V. TERM, TERMINATION, AND DEFAULT

Section 5.01 Term. The Term of this Agreement ("Initial Term") shall be three (3) years from the Effective Date. At the end of the Initial Term, this Agreement shall automatically renew on a year-to-year basis (with each successive year a "Successive Term") unless either Buyer or Seller provides a written notice of non-renewal no earlier than 90 but no later than 45 days prior to the expiration of the Initial Term or any Successive Term (a "Non-Renewal Notice Period").

Section 5.02 Termination. This Agreement shall terminate upon one of the following conditions:

- (a) Delivery of a written notice of non-renewal by either Buyer or Seller during a Non-Renewal Notice Period; or
- (b) Upon an failure by either Buyer or Seller to timely cure an Event of Default, as described below, unless expressly waived by the Parties; or
- (c) By mutual agreement.

Section 5.03 Effect of Termination. In recognition of the subsequent and occasional sale of the PPI portfolio sold to Buyer, and of the potentially substantial sums paid up front to Seller by Buyer for each portfolio of PPI, termination of this Agreement shall be orderly. Upon termination:

- (a) Seller shall remain responsible for all remittances received by Seller relating to any and all PPI that were (i) sold to Buyer and also (ii) paid in full by Buyer prior to the termination date ("Sold and Paid for PPI").
- (b) Agent shall remain responsible for foreclosing on all Select Delinquent Assessments relating to the Sold and Paid for PPI prior to the termination date, at Buyer's expense.
- (c) Seller shall have no further obligation to make subsequent PPI sales to Buyer.

Any PPI whose purchase price were not paid in full by Buyer prior to the termination date ("Sold But Not Paid For PPI") shall upon termination of this Agreement be automatically reversed back to Seller at no cost, with all rights to and interest in the Sold But Not Paid For PPI immediately vesting back in Seller.

Section 5.04 Default. The following events shall constitute a material breach of this contract and be considered an event of default hereunder ("Event of Default"):

- (a) Failure of Buyer to pay the Initial Purchase Price to Seller within ten (10) business days of complete execution of this Agreement and identification of the Select Current Delinquent Assessments.
- (b) Failure of Buyer to pay any Subsequent Payment Price to Seller within ten (10) business days of the subsequent placement of PPI on the Select Future Delinquent Assessments.
- (c) Failure of any Party to perform their duties and obligations under Article III of this Agreement, without cure after five (5) days' written notice of default by another Party.
- (d) Material breach of any other term of this Agreement, without cure after fifteen (15) days' written notice of default by another Party.

ARTICLE VI. INDEMNIFICATION

Section 6.01 Indemnification by Buyer. With respect to any Assets sold to Buyer, Buyer will indemnify, defend (including provide counsel for), and hold harmless Seller and Agent in the event of any lawsuit, class action, regulatory proceeding, or administrative proceeding relating to: (i) pre-foreclosure challenges by homeowner; (ii) any post-foreclosure "wrongful foreclosure" suits; or (iii) the business model of Buyer, with three exceptions. Neither Buyer nor Agent shall be responsible for, nor indemnify Seller in any way whatsoever in, any lawsuits, class actions, regulatory proceedings, or administrative proceedings:

- (a) In the event that any of the documents, recordings, or mailings for which Seller or its community manager or any of its collections agents or other agents (other than Agent) prepared are alleged to be materially flawed or defective in any way (including lien amounts);
- (b) For any so-called "improper collections" actions heretofore filed against Seller prior to the execution of this Agreement, or filed or brought against Seller, Buyer, or the Agent after the execution of this Agreement, that relate in any way to collections activities of Seller's previous collections agent(s); or
- (c) Arising from any violation of any warranties of Seller made Article IV.

Buyer's indemnification of Seller and Agent is subordinated to any indemnification provided to Seller by its prior or current collections agencies or community manager(s). It is the intent of the parties that if any lawsuit or proceeding either (i) names the Seller's community manager or collections agency, or (ii) alleges flaws in the documents produced, recorded, and/or served by Seller's community manager or collections agency (including flawed calculations of lien amounts owed), then Seller's community manager or collections agency should be indemnifying Seller in such action.

ARTICLE VII. GENERAL PROVISIONS

Section 7.01 Confidentiality. Seller, Buyer and Agent agree to keep the terms of this Agreement confidential, with the exception of communications that may occur between the parties and Seller's community manager, collections agency, and their attorneys. In no event should the Agreement terms contained herein be communicated to any third party, including homeowners, tenants, or occupants of community properties relating to the Select Delinquent Assessments, provided.

however, that Seller is permitted to discuss and vote on this Agreement and any amendments thereto in public board meetings, as may be required.

Section 7.02 Notices. All notices must be in writing. A notice must be delivered to a Party at the following addresses:

If to Buyer: FIRST 100, LLC
11920 Southern Highlands Pkwy, Suite 200
Las Vegas, NV 89141
Phone: (702) 823-3600

If to Seller: TUSCANO HOMEOWNERS' ASSOCIATION
Attn: KIPP GREENSTADT
9255 W. Sunset Rd
L.V. NV 89113
Phone: 702-220-9742

If to Agent: UNITED LEGAL SERVICES INC.
8965 South Eastern Ave Suite 350
Las Vegas, NV 89123
Phone: (702) 614-0655
Fax: (702) 614-0647

or to a new address that a Party subsequently designates in writing. To be effective, a notice must be delivered in person, by U.S. mail, or by overnight courier.

Section 7.03 Assignment and Succession. Buyer is permitted to freely assign or pledge its ownership interest in the Assets. This Agreement is binding on and enforceable by each Party's successors and assignees.

Section 7.04 Governing Law. This agreement will be governed by and construed in accordance with the laws of the state of Nevada. Venue shall be in Clark County, Nevada.

Section 7.05 Limitation of Liability. Subject to the indemnification provisions of Article VI, neither party will be liable to the other for losses or damages (including special or consequential damages such as lost profits or loss of use) arising from any cause of action related to this Agreement, whether in contract, tort, or otherwise.

Section 7.06 Severability. If any court determines that any provision of this agreement is invalid or unenforceable, any invalidity or unenforceability will affect only that provision and will not make any other provision of this agreement invalid or unenforceable.

Section 7.07 Integration. The Parties actively negotiated the terms of this Agreement. This Agreement sets forth the entire agreement of the Parties. It replaces and supercedes any and all oral agreements or statements made between the Parties, as well as any prior writings. As of the date of execution of this Agreement, there are no side agreements or other agreements or contracts, oral or otherwise, between the parties relating to the subject matters discussed herein.

Section 7.08 Limited Scope of Attorney-Client Representation. By this contract, an attorney-client relationship is established between Agent and Seller; however, Agent is not the general counsel

for Seller and is the attorney-at-law of Seller only for the limited scope of services described herein and contemplated to be performed by Agent under this Agreement. Communications between Agent and Seller shall be privileged attorney-client communications.

Section 7.09 Waiver of Conflict of Interest. Seller and Buyer hereby waive any conflict of interest, actual or potential, that arises from either: (i) the Agent's position and payment arrangement described in this Agreement (e.g., Agent is an agent-attorney to Seller's principal-client, but Agent's costs and fees are paid for by Buyer); or (ii) that Agent and Buyer's outside counsel have shared staff, which Seller hereby acknowledges.

Section 7.10 Dispute Resolution. In the event of a failure to reasonably resolve any issues among any of the Parties (or their owners, assigns, or successors), the disputes of those parties will be referred to binding arbitration for resolution thereof, and each party waives any right to litigation in favor of such resolution through binding arbitration.

(a) Arbitration shall be conducted under the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Judgment on the arbitrator's award may be entered in any court having jurisdiction thereof. The arbitration shall be held in the City of Las Vegas and State of Nevada, and shall be conducted before a single arbitrator agreeable to the parties or, if no agreement can be reached, then as selected by the AAA. The arbitrator shall make findings of fact and law in writing in support of his decision, and shall award reimbursement of attorney's fees and other costs of arbitration to the prevailing party as the arbitrator deems appropriate. The provisions hereof shall not preclude any party from seeking preliminary injunctive relief to protect or enforce its rights hereunder, or prohibit any court from making preliminary findings of fact in connection with granting or denying such preliminary injunctive relief after and in accordance with the decision of the arbitrator. No decision of the arbitrator shall be subject to judicial review or appeal; the parties waive any and all rights of judicial appeal or review of any decision of the arbitrator.

(b) Should any party initiate a civil proceeding against any other, notwithstanding the binding arbitration provision above, such party initiating civil litigation shall recognize that it has caused material damage and harm to the other by way of their breach of this agreement, and hereby agrees to an award, to each named defendant party, liquidated damages in the amount of any costs of defense incurred by the aggrieved party plus ten thousand dollars (\$10,000.00).

Section 7.11 Modification. This Agreement may be amended only by a writing signed by all Parties.

Section 7.12 Counterparts. This Agreement may be executed in a number of counterparts, each of which shall be deemed an original and all of which together shall constitute the same document.

Section 7.13 Delivery by Facsimile. Delivery by facsimile of an executed counterpart by any Party to any Party shall have the same force and effect as a delivery in person of that document.

~ * ~ * ~

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

BUYER: FIRST 100, LLC

By: _____ Date _____
Bart Rendel, COO

SELLER: TUSCANO HOMEOWNERS ASSOCIATION

By: *Jan Akeson* Date 03/27/13
Board Member

Printed Name: IAN AKESON

AGENT: UNITED LEGAL SERVICES INC.

By: _____ Date _____
Robert Atkinson, President

EXHIBIT 1:
Select Current Delinquent Assessments and Initial Payment Price

CONFIDENTIAL

Page 12 of 12

EXHIBIT 1 to PURCHASE and SALE AGREEMENT

No.	Property Address	Assessments Due	Purchase Price
1	7255 W. Sunset Rd., #2046	\$3,138.98	\$1,476.00
2	7255 W. Sunset Rd., #2141	\$5,817.00	\$1,476.00
3	7255 W. Sunset Rd., #1008	\$6,002.00	\$1,476.00
4	7255 W. Sunset Rd., #2017	\$6,804.00	\$1,179.00
5	7255 W. Sunset Rd., #2024	\$6,269.00	\$1,179.00
Total		\$28,030.98	\$6,786.00

INITIAL PAYMENT PRICE \$6,786.00

plus collections costs.

ACCEPTED BY SELLER:

By: *[Signature]*
Board Member

03/27/13
Date

EXHIBIT 2:
Authorization to Release Information

CONFIDENTIAL

Page 14 of 17

EXHIBIT 1 to PURCHASE and SALE AGREEMENT

AUTHORIZATION TO RELEASE INFORMATION

HOA: TUSCANO HOMEOWNERS' ASSOCIATION

Collections Agency: Red Rock Financial Services

Community Manager: _____

Pursuant to the Purchase and Sale Agreement between the parties (the "Agreement"):

United Legal Service, Inc. ("Agent") and First 100, LLC ("Buyer") hereby authorized to interact with the above-referenced Collections Agency and Community Manager to: (i) obtain the current amount of collections costs accrued, and (ii) to determine whether any payments are remitted by the homeowner prior to auction.

The above-referenced HOA hereby gives permission to the above-referenced Collections Agency and Community Manager to Buyer and Agent on all properties shown on Exhibits 1 or 3 to the Agreement.

Upon receipt of the payment of the collections costs accrued, the Collections Agency is hereby authorized and instructed to transfer the collections account to Agent.

SIGNED:

By: 
Board Member

03/27/13
Date

EXHIBIT 3:
Template for Sale of PPI from Select Future Delinquent Assessments

CONFIDENTIAL

Page 16 of 17

EXHIBIT 3.1a PURCHASE and SALE AGREEMENT

HOA: TUSCANO HOMEOWNERS' ASSOCIATION

Pursuant to the Purchase and Sale of Select Current and Future Delinquent Assessment Receivables Agreement between the parties, the following property is added as a Select Delinquent Assessment:

APN: _____

Street Address: _____

The proceeds of the Receivables for the above Select Delinquent Assessment are hereby sold to First 100, LLC.

Sale Price: _____

SIGNED:

BY

Board Member

Date

CONFIDENTIAL

Page 17 of 17

FIRST 100 PURCHASE AND SALE AGREEMENT
ADDENDUM

This Addendum to the First 100 Purchase and Sale Agreement ("Agreement"), dated as of _____, 2013, is made and entered into between the Tuscano Homeowners Association, a Nevada non-profit corporation ("Association") and First 100, LLC ("First 100"), (collectively "the Parties") with regard to the following:

RECITALS

WHEREAS, the parties previously entered into an Agreement for the assignment and appointment of First 100 to act on the Association's behalf as its agent, attorney and person conducting the sale for delinquent assessment accounts and to prepare all the various notices and conduct foreclosure sales on behalf of the Association; and

WHEREAS, the parties agree to make certain modifications to the terms and conditions of the Agreement; and

NOW THEREFORE, in consideration of the promises and mutual covenants in said Agreement, the following terms and conditions are incorporated into and form a part of the Agreement between the Association and First 100:

1. Indemnity and Liability:

First 100 shall fully indemnify and hold harmless the Association, its directors, officers, agents and employees from and against all liability or loss, and against all claims or actions, suits, demands, liabilities, obligations, losses, settlements, judgments, costs and expenses (including without limitation reasonable attorney's fees and costs) whether or not involving a third party claim, which are based on upon or arising out of or resulting from First 100's performance of the services in connection with this Agreement, and that any such claim, damage, loss, liability, fine, penalty or expense: (1) is attributable to any breach of any obligations, representations or warranties under the Agreement; (2) any breach of any covenant, provision or other obligation or duty of First 100 under this Agreement or under applicable law; (3) any breach caused in whole or in part by negligent or deliberate acts or omissions from First 100, First 100's employees, agents, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless whether or not it is caused in part by a party indemnified hereunder. Such obligations shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to a party or person described in this Section. In addition to all rights and remedies available at law or in equity.

2. Rental Restriction.

First 100 agrees that it will not participate in the voluntary "section 8" voucher program under federal law and as such, First 100 shall not lease any units it acquires through foreclosure (the "Foreclosed Units") to any prospective tenants who receive

federal income assistance from such "Section 8" federal voucher program (the "Federal Income-Assisted Tenants"). First 100 shall indemnify, protect, defend and hold the Association harmless from and against any and all claims, damage or cause of action asserted against the Association arising out of or related to First 100's denial and/or refusal to lease the Foreclosed Units to any Federal Income-Assisted Tenants, including, without limitation, all costs, reasonable attorneys' fees, expenses and liabilities incurred by the Association in defending any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against the Association by reason of any such claim, First 100, at its sole cost and expense, shall defend the Association by providing counsel to the Association, which is reasonably satisfactory to the Association. First 100, as a material part of the consideration to the Association, hereby assumes all risks of denying and/or refusing to lease the Foreclosed Units to Federal Income-Assisted Tenants, and First 100 hereby waives all claims in respect thereof against the Association. The indemnification provisions in set forth herein are intended to survive the expiration and/or termination of this Agreement.

3. Future Assessment Obligations.

First 100 agrees to pay all HOA assessments, at all times, from the date of acquisition from the foreclosure sale until the term of First 100's ownership has concluded. Association retains all rights and remedies afforded by Nevada Law to collect any and all assessments from First 100-owned units. First 100 agrees that any unpaid assessments, accrued after the foreclosure sale purchase by First 100, would be subject to the Association's normal collection policy.

Compliance with Laws. Each party agrees to conduct all activities under this Agreement and this Agreement Addendum in a manner that complies with all applicable federal, state and local laws.

Venue; Governing Law. The Addendum shall be construed, interpreted, applied and enforced under the laws of the State of Nevada. Should a dispute arise under this Addendum, Clark County, Nevada, shall be the proper place of venue.

Addendum Controlling. In the event there is a conflict between the terms and conditions of the Agreement or any Attachments, Exhibits or Addendums thereto and this Agreement Addendum, this First 100 Purchase and Sale Agreement Addendum shall control.

Tuscano Homeowners
Association

By: 

Name: IAN AKESON

Title: PRESIDENT

Date: 03/27/13

First 100, LLC

By: _____

Name: _____

Title: _____

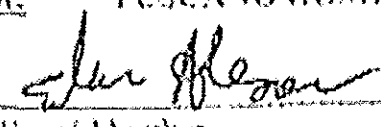
Date: _____

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

BUYER: FIRST 100, LLC

By _____ Date _____
Hart Rendel, CEO

SELLER: TUSCANO HOMEOWNERS' ASSOCIATION

By  03/27/13
Board Member Date

Printed Name: IAN AKESON

AGENT: UNITED LEGAL SERVICES INC.

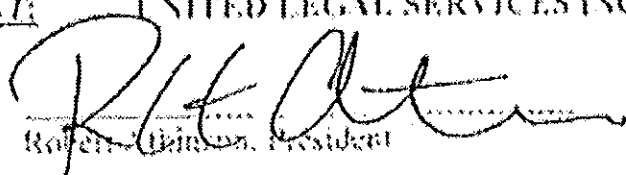
By  3/28/13
Robert Johnson, President Date

EXHIBIT 3 to PURCHASE and SALE AGREEMENT

HOA: TUSCANO HOMEOWNERS' ASSOCIATION

Pursuant to the Purchase and Sale of Select Current and Future Delinquent Assessment Receivables Agreement between the parties, the following property is added as a Select Delinquent Assessment:

APN: _____

Street Address: 7255 West Sunset # 2140
L.V., NV 89113

The proceeds of the Receivables for the above Select Delinquent Assessment are hereby sold to First 100, LLC.

Sale Price: _____

SIGNED:

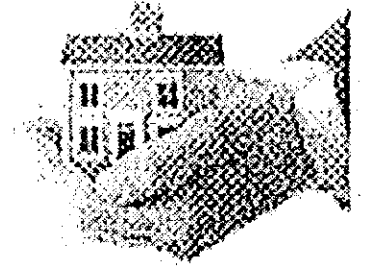
By: _____

Board Member

4/26/13
Date

FIRST 100

Helping your community build a better tomorrow!



**OFFER
FOR PURCHASE OF PROCEEDS OF RECEIVABLES**

This offer for the purchase of proceeds of receivables (the "Offer") is made the 16th day of May, 2013 by: First 100, LLC, a Nevada Limited Liability Company, with its registered head office at 11920 Southern Highlands Pkwy, Suite 200, Las Vegas, NV, (the "Buyer") to: TUSCANO HOMEOWNERS' ASSOCIATION, a Nevada Homeowners Association, (the "Seller").

This Offer is irrevocable and valid until June 16, 2013.

Acceptance of this Offer may be made by the Seller in its sole discretion by countersigning and returning the accompanying purchase Agreement.

OBJECT OF THE PURCHASE - Proceeds of Receivables

The object of the purchase shall be the following proceeds of Seller's receivables under the Contract (hereinafter "Receivables"):

No.	Property Address	Total Assessment Due	Purchase Price	Collection Fees
1	7255 W. Sunset Rd., #1173	\$ 4,829.84	\$ 1,179.00	\$ 1,664.61
2	7255 W. Sunset Rd., #2018	\$ 4,446.00	\$ 1,179.00	\$ 1,694.00
3	7255 W. Sunset Rd., #2050	\$ 4,279.86	\$ 1,476.00	\$ 1,641.82
	Total	\$ 13,555.70	\$ 3,834.00	\$ 5,000.43

We look forward to this transaction being the beginning of our building a mutually beneficial relationship with your Association.

Very Truly Yours,

Chris Wood
National Sales Director

MAILING ADDRESS

10920 Southern Highlands Pkwy, Suite 110 485
O 702.823.3600 www.first100llc.com F 702.724.9781

EXHIBIT 3 to PURCHASE and SALE AGREEMENT

HOA: TUSCANO HOMEOWNERS' ASSOCIATION

Pursuant to the Purchase and Sale of Select Current and Future Delinquent Assessment Receivables Agreement between the parties, the following property is added as a Select Delinquent Assessment:

APN: _____

Street Address: _____

The proceeds of the Receivables for the above Select Delinquent Assessment are hereby sold to First 100, LLC.

Sale Price: _____

SIGNED:

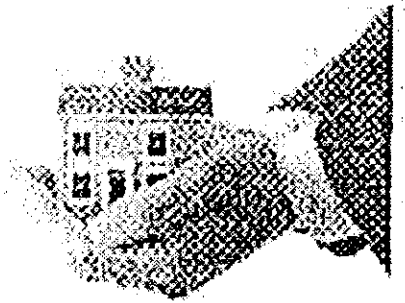
By: _____

Board Member

May 21/13
Date

FIRST 100

HELPING YOUR COMMUNITY BUILD A BETTER TOMORROW!



**OFFER
FOR PURCHASE OF PROCEEDS OF RECEIVABLES**

This offer for the purchase of proceeds of receivables (the "Offer") is made the 28th day of June, 2013 by: First 100, LLC, a Nevada Limited Liability Company, with its registered head office at 11920 Southern Highlands Pkwy, Suite 200, Las Vegas, NV, (the "Buyer") to: TUSCANO HOMEOWNERS' ASSOCIATION, a Nevada Homeowners Association, (the "Seller").

This Offer is irrevocable and valid until July 28, 2013.

Acceptance of this Offer may be made by the Seller in its sole discretion by countersigning and returning the accompanying purchase Agreement.

OBJECT OF THE PURCHASE - Proceeds of Receivables

The object of the purchase shall be the following proceeds of Seller's receivables under the Contract (hereinafter "Receivables"):

No.	Property Address	Total Assessment Due	Purchase Price	Collection Fees
1	7255 W. Sunset #1049	\$ 1,663.00	\$ 1,476.00	\$ 1,653.90
2	7255 W. Sunset #1082	\$ 2,751.00	\$ 1,179.00	\$ 1,634.40
3	7255 W. Sunset #1088	\$ 5,565.74	\$ 1,476.00	\$ 1,652.70
4	7255 W. Sunset #1151	\$ 1,387.00	\$ 1,476.00	\$ 1,534.01
5	7255 W. Sunset #1169	\$ 2,096.00	\$ 1,179.00	\$ 2,093.31
6	7255 W. Sunset #2039	\$ 2,132.00	\$ 1,476.00	\$ 2,014.48
	Total	\$15,594.74	\$ 8,262.00	\$ 10,582.80

We look forward to this transaction being the beginning of our building a mutually beneficial relationship with your Association.

Very Truly Yours,

Chris Wood
National Sales Director

MAILING ADDRESS

10620 SOUTHERN HIGHLANDS PKWY, SUITE 110-488
 ☎ 702.023.3600 WWW.FIRST100LLC.COM F 702.724.9781

EXHIBIT 3 to PURCHASE and SALE AGREEMENT

HOA: TUSCANO HOMEOWNERS' ASSOCIATION

Pursuant to the Purchase and Sale of Select Current and Future Delinquent Assessment Receivables Agreement between the parties, the following property is added as a Select Delinquent Assessment:

APN: _____

Street Address: _____

The proceeds of the Receivables for the above Select Delinquent Assessment are hereby sold to First 100, LLC.

Sale Price: _____

SIGNED:

By:

Garrett Kieon
Board Member
President HOA

7/1/13
Date

FIRST 100

HELPING YOUR COMMUNITY BUILD A BETTER TOMORROW!



**OFFER
FOR PURCHASE OF PROCEEDS OF RECEIVABLES**

This offer for the purchase of proceeds of receivables (the "Offer") is made the 2nd day of July, 2013 by: First 100, LLC, a Nevada Limited Liability Company, with its registered head office at 11920 Southern Highlands Pkwy, Suite 200, Las Vegas, NV, (the "Buyer") to: TUSCANO HOMEOWNERS' ASSOCIATION, a Nevada Homeowners Association, (the "Seller").

This Offer is irrevocable and valid until August 2, 2013.

Acceptance of this Offer may be made by the Seller in its sole discretion by countersigning and returning the accompanying purchase Agreement.

OBJECT OF THE PURCHASE - Proceeds of Receivables

The object of the purchase shall be the following proceeds of Seller's receivables under the Contract (hereinafter "Receivables"):

No.	Property Address	Total Assessment Due	Purchase Price	Collection Fees
1	7255 W. Sunset #1032	\$ 1,469.00	\$ 1,469.00	\$ 1,553.69
	Total	\$ 1,469.00	\$ 1,469.00	\$ 1,553.69

We look forward to this transaction being the beginning of our building a mutually beneficial relationship with your Association.

Very Truly Yours,

Chris Wood
National Sales Director

MAILING ADDRESS

10620 SOUTHERN HIGHLANDS PKWY, SUITE 110-405
O 702.823.3600 WWW.FIRST100.COM F 702.724.9711

EXHIBIT 3 to PURCHASE and SALE AGREEMENT

HOA: TUSCANO HOMEOWNERS' ASSOCIATION

Pursuant to the Purchase and Sale of Select Current and Future Delinquent Assessment Receivables Agreement between the parties, the following property is added as a Select Delinquent Assessment:

APN: _____

Street Address: _____

The proceeds of the Receivables for the above Select Delinquent Assessment are hereby sold to First 100, LLC.

Sale Price: _____

SIGNED:

By: _____

Board Member

Date

7/3/13

PAYMENT ARRANGEMENT AGREEMENT

This payment arrangement agreement ("Agreement"), executed on ~~November~~ ^{DECEMBER 5} ___, 2012 ("Effective Date"), is made by and between FIRST 100, LLC, a Nevada limited liability company ("First 100") and UNITED LEGAL SERVICES INC., a Nevada corporation and law firm ("ULS"). The parties may be referred to hereafter individually as a "Party" or collectively as the "Parties".

RECITALS

WHEREAS, First 100 and ULS are or will be parties to one or more agreements styled as "Purchase and Sale Agreement" or variations thereof ("Portfolio Agreements"), the three signatories of which are the Parties hereto and also various homeowner's associations; and

WHEREAS, the terms of the Portfolio Agreements specify that First 100, LLC agrees to assume all costs and pay for the services provided by ULS to the HOAs; and

WHEREAS, the execution of this Agreement, and the payment of the amounts specified herein by First 100, is a material inducement to ULS for entering into the Portfolio Agreements; and

WHEREAS, the performance by ULS under the terms of the Portfolio Agreements is material consideration to First 100 for entering into this Agreement; and

WHEREAS, the Parties, by and through this agreement, wish to specify the terms of that payment arrangement found in the Portfolio Agreements.

NOW, THEREFORE, in consideration of the mutual representations, warranties, and covenants of the Parties as provided below, the Parties, intending to be legally bound, do hereby agree as follows:

ARTICLE I. INCORPORATION

Section 1.01 Incorporation of Recitals. The recitals of this Agreement above are true, and accurately reflect the intent of the Parties, and they are hereby incorporated into and made a part of this Agreement.

Section 1.02 Incorporation of Schedule(s). The schedule(s) attached to this Agreement are hereby incorporated into and made a part of this Agreement.

Section 1.03 Incorporation of Portfolio Agreements terms. The obligations and the duties of the Parties hereto, as specified in the Portfolio Agreements, are hereby incorporated into and made a part of this Agreement.

ARTICLE II. PAYMENT TERMS

Section 2.01 Scope of Services. ULS shall provide the services to the HOA per the terms of each Portfolio Agreement. Such services shall include: (i) pre-auction noticing and collections; (ii) non-judicial foreclosure auctions; (iii) judicial foreclosure coordination; (iv) bankruptcy work (which ULS may be delegate to Kupperlin Law Group, LLC and bill to First 100, LLC by ULS on a pass-through basis); (v) Nevada litigation work, if any litigation is commenced by a homeowner or other interested party; and (vi) coordination of non-Nevada litigation work.

Section 2.02 Fees and Fee Structure. First 100 agrees to pay to ULS fees for services provided, as shown in Schedule A and tables attached hereto, at the corresponding fee amounts shown for each service. The fees

(exclusive of expenses) for work performed by ULS in the scope of work (i) and (ii) identified in Section 2.01 above shall be performed at the fixed rates shown in the tables accompanying Schedule A. All other work performed shall be on an hourly rate, at the rates shown in Schedule A.

Section 2.03 Expenses. First 100 agrees to reimburse Attorney for all out-of-pocket expenses incurred by Attorney relating to foreclosure, including but not limited to: (i) recordation fees; (ii) process servers; (iii) postage (including certified mailings); (iv) publication; (v) court costs, if any; and (vi) travel costs, if any. Such third-party expenses will be billed to First 100 on a pass-through basis. Such expenses are also designated on Schedule A and the tables therein.

Section 2.04 Initial Placement Payments. Each portfolio placed with ULS will consist of work relating to one or more parcels of land. The amount and price of work performed by ULS depends on the stage of delinquency of the receivable for each parcel, and the State in which the parcel is located. At the time of placement of each portfolio/parcel, First 100 will pay to ULS the placement payment shown in Exhibit 1 (each, a "Placement Payment"), as partial-to-full pre-payment for fees and expenses to be incurred by ULS. ULS shall have no obligation to perform work related to any parcel for which the Placement Payment has not been paid.

Section 2.05 Invoicing and Reconciliation.

- (a) *At placement*. Upon each portfolio placement, ULS shall timely send an invoice to First 100 specifying the Placement Payment for that particular portfolio. Invoices are due upon receipt; however, payment to ULS is due at the time of the placement, not the date of the invoice (invoices issued subsequent to placement shall show payments received to date and any amounts due).
- (b) *Monthly*. Once each calendar month, ULS shall invoice First 100 the fees earned and expenses paid by ULS for the scope of work (iii) through (vi) identified in Section 2.01 above.

First 100 is responsible for unpaid amounts due to ULS, and agrees to pay all attorney's fees and costs of collection incurred by ULS for any unpaid amounts.

ARTICLE III. TERM, TERMINATION, AND DEFAULT

Section 3.01 Term. The Term of this Agreement ("Initial Term") shall be two (2) years from the Effective Date. At the end of the Initial Term, this Agreement shall automatically renew on a year-to-year basis (with each successive year a "Successive Term") unless either First 100 or ULS provides a written notice of non-renewal no earlier than 90 but no later than 45 days prior to the expiration of the Initial Term or any Successive Term (a "Non-Renewal Notice Period").

Section 3.02 Termination. This Agreement shall terminate upon one of the following conditions:

- (a) Delivery of a written notice of non-renewal by either First 100 or ULS during a Non-Renewal Notice Period; or
- (b) Upon an failure by either First 100 or ULS to timely cure an Event of Default, as described below, unless expressly waived by the Parties; or
- (c) By mutual agreement.

Section 3.03 Effect of Termination. Upon termination, First 100 shall remain obligated to pay ULS for: (i) all unpaid ULS invoices; and (ii) all "tail work" performed on portfolios previously placed with ULS and for which ULS performs work after termination. This clause, and the obligation it describes, expressly survives

termination of this Agreement.

Section 3.04 Default. The following events shall constitute a material breach of this contract and be considered an event of default hereunder ("Event of Default"); provided, however, that each party has a 5-day right to cure upon written notice:

- (a) Failure of First 100 to pay the Placement Payment within fifteen (15) business days of placement of the work to ULS.
- (b) Failure of First 100 to pay an invoice from ULS within fifteen (15) business days of its receipt.
- (c) Failure of ULS to substantially perform the work specified in the Portfolio Agreements.

ARTICLE IV. GENERAL PROVISIONS

Section 4.01 Notices. All notices must be in writing. A notice must be delivered to a Party at the following addresses:

If to First 100: FIRST 100, LLC
11920 Southern Highlands Pkwy, Suite 200
Las Vegas, NV 89141

If to ULS: UNITED LEGAL SERVICES INC.
8965 South Eastern Ave Suite 350
Las Vegas, NV 89123

or to a new address that a Party subsequently designates in writing. To be effective, a notice must be delivered in person, by U.S. mail, or by overnight courier.

Section 4.02 No delegation. First 100 is not permitted to delegate its obligations hereunder; however, remittances hereunder may be directly provided to ULS by First 100's sources of funding. ULS is permitted to delegate its bankruptcy work (but not other work) to Kupperlin Law Group, LLC.

Section 4.03 Governing Law. This agreement will be governed by and construed in accordance with the laws of the state of Nevada. Venue shall be in Clark County, Nevada.

Section 4.04 Limitation of Liability. Neither party will be liable to the other for losses or damages (including special or consequential damages such as lost profits or loss of use) arising from any cause of action related to this Agreement, whether in contract, tort, or otherwise.

Section 4.05 Severability. If any court determines that any provision of this agreement is invalid or unenforceable, any invalidity or unenforceability will affect only that provision and will not make any other provision of this agreement invalid or unenforceable.

Section 4.06 Integration. The Parties actively negotiated the terms of this Agreement. This Agreement (along with the Portfolio Agreements) set forth the entire agreement of the Parties with respect to this subject. It replaces and supersedes any and all oral agreements or statements made between the Parties, as well as any prior writings and written agreements. Other than the Portfolio Agreements, there are no side agreements or other agreements or contracts, oral or otherwise, between the parties relating to the subject matters discussed herein.

Section 4.07 Waiver of Conflict of Interest. ULS is not the attorney for First 100, and no attorney-client relationship is intended to be created by this Agreement. First 100 hereby waives any conflict of interest, actual

or potential, that arises from ULS' or its attorneys' representation of the FHOAs as agent, as contemplated in the Portfolio Agreements.

Section 4.08 Attorney's Fees in the Event of Dispute. If any legal action, dispute, or other proceeding arises or is commenced to interpret, enforce or recover damages for the breach of any term of this Agreement, the prevailing Party shall be entitled to recover from the non-prevailing Party any and all reasonable attorney's fees and costs of suit.

Section 4.09 Modification. This Agreement may be modified or amended only by a writing signed by all Parties.

Section 4.10 Counterparts. This Agreement may be executed in a number of counterparts, each of which shall be deemed an original and all of which together shall constitute the same document.

Section 4.11 Delivery by Facsimile. Delivery by facsimile of an executed counterpart by any Party to any Party shall have the same force and effect as a delivery in person of that document.

* * * * *

IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives.

FIRST 100, LLC, a Nevada limited liability company

By: Bart Rendel
Bart Rendel, COO

12/5/12
Date

UNITED LEGAL SERVICES INC., a Nevada corporation

By: Robert Atkinson
Robert Atkinson, President

12/6/12
Date

SCHEDULE A

Placements Payments (includes allocation for fees and expenses)

Nevada Parcels

Stage at Placement	Placement Payment per parcel
Before Notice of Lien	TBD (see Table 1)
After Notice of Lien recorded, but before Notice of Default	TBD (see Table 2)
After Notice of Default recorded, up to auction	\$750 (see Table 3)
Auction and post-auction	N/A (see Table 4)

Non-Nevada Parcels

State	Placement Payment per parcel
Texas	TBD
Arizona	TBD
Florida	TBD
California	TBD
Washington	TBD
Other states	TBD

Note: Over time, additional services may be provided by ULS to the HOAs beyond those shown above. If so, then the Parties will agree on an equitable and fair amount for those services and will execute a written amendment adding those fee services to this Schedule A.

Hourly Rates

For scope of work (iii), (iv), and (v) in Section 2.01

Attorney: \$400/hour
Paraprofessional: \$260/hour
Paralegal: \$120/hour