

Case No. 82078

IN THE SUPREME COURT OF NEVADA

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

Appellant,

vs.

NATIONSTAR MORTGAGE, LLC, A
DELAWARE LIMITED LIABILITY
COMPANY,

Respondent.

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Elizabeth A. Brown
Clerk of Supreme Court

APPEAL

from the Eighth Judicial District Court, Clark County
The Honorable MARY KAY HOLTHUS, District Judge
District Court Case No. A-13-684715-C

JOINT APPENDIX VOLUME 2

Respectfully submitted by:

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Freddie Mac Single Family / Single-Family Seller/Servicer Guide / Single-Family Seller/Servicer Guide / Freddie Mac - Seller/Servicer Relationship / Series 1000: General Contract Terms / Topic 1200: General Freddie Mac Policies / Chapter 1201: General Freddie Mac Policies / 1201.9: The Mortgage file, Mortgage data and related records (03/02/16)

1201.9: The Mortgage file, Mortgage data and related records (03/02/16)

(a) Ownership

All documents in the Mortgage file, all data related to Mortgages owned or guaranteed by Freddie Mac to which the Servicer obtains access in connection with any agreement with Freddie Mac, including, without limitation, data in the documents in the Mortgage file (collectively, Mortgage data) and all other documents and records related to the Mortgage of whatever kind or description (whether prepared or originated by the Servicer or others, or whether prepared or maintained or held by the Servicer or others acting for and on behalf of the Servicer), including all current and historical computerized data files, will be, and will remain at all times, the property of Freddie Mac. All of these records and Mortgage data in the possession of the Servicer are retained by the Servicer in a custodial capacity only.

(b) Permitted use of Mortgage data

The Servicer may use these records and Mortgage data only for the following purposes:

- Servicing Mortgages (and, in compliance with the provisions of the Guide, retaining subservicers to service Mortgages) on behalf of, and in the interest of, Freddie Mac
- As background information for the Servicer's use related to marketing or cross-selling of the Servicer's own primary market products and services in compliance with applicable laws, provided that such marketing and cross-selling does not involve disclosure of these records or Mortgage data to any third parties, other than vendors assisting the Servicer in its marketing activities who are themselves bound by these requirements
- As necessary to enable a vendor to provide analytic services to the Servicer with respect to the Servicer's Servicing portfolio, for the Servicer's internal use only, provided the vendor is bound by these requirements, and
- As necessary to enable the Servicer to comply with its obligations under applicable law including, without limitation, any disclosures required in connection with audits by regulatory agencies with jurisdiction over the Servicer's operations

Except as expressly authorized by Freddie Mac in writing, Servicers may not use or disclose, or authorize or permit third parties to use or disclose, these records or Mortgage data for any other purpose, including, without limitation, resale or licensing of Mortgage data, either alone or with other data. See Section 8101.8, for additional requirements related to confidentiality.

Freddie Mac Single Family / Single-Family Seller/Servicer Guide / Single-Family Seller/Servicer Guide / Freddie Mac - Seller/Servicer Relationship / Series 1000: General Contract Terms / Topic 1300: General Responsibilities of the Seller/Servicer / Chapter 1301: General Responsibilities of the Seller/Servicer / 1301.10: Survival of warranties; remedies (03/02/16)

1301.10: Survival of warranties; remedies (03/02/16)

The warranties and representations in the Purchase Documents for any Mortgage purchased by Freddie Mac survive payment of the purchase price by Freddie Mac. The warranties and representations are not affected by any investigation made by, or on behalf of, Freddie Mac, except when expressly waived in writing by Freddie Mac.

When any party has purchased a Mortgage from Freddie Mac that Freddie Mac previously purchased from a Seller, Freddie Mac may exercise any rights or remedies at law or in equity on behalf of the party to the extent that the party does not affirmatively do so. Freddie Mac may also exercise its discretion to disqualify or suspend a Seller or a Servicer pursuant to Chapter 2301 or Section 9102.1.

For each Mortgage purchased by Freddie Mac, the Seller and the Servicer agree that Freddie Mac may, at any time and without limitation, require the Seller or the Servicer, at the Seller's or the Servicer's expense, to make such endorsements to and assignments and recordations of any of the Mortgage documents so as to reflect the interests of Freddie Mac and/or its successors and assigns.

Freddie Mac Single Family / Single-Family Seller/Servicer Guide / Single-Family Seller/Servicer Guide / Freddie Mac - Seller/Servicer Relationship / Series 3000: Risk Management and Remedies / Topic 3300: Mortgage File Contents and Retention / Chapter 3302: Mortgage File Retention / 3302.5: Transfer of file custody; security of file information (03/02/16)

3302.5: Transfer of file custody; security of file information (03/02/16)

Freddie Mac may at any time require the Servicer to deliver the following documents to a Document Custodian approved by Freddie Mac or a transferee designated by Freddie Mac:

- Any original Note, Security Instrument, assignment and modifying instrument still in the Servicer's custody
- Any Mortgage file, document within a Mortgage file or other related documents and records in the Servicer's or its Document Custodian's custody, whether maintained as originals or as copies in accordance with Section 3302.2

The Servicer may, without Freddie Mac's prior approval, entrust custody of all or part of the Mortgage file to the Document Custodian holding Notes and assignments under Section 2202.2. When requested, the Servicer must be able to identify to Freddie Mac those file items held by the Document Custodian and document to Freddie Mac the Document Custodian's acknowledgment that such file items:

- Are Freddie Mac's property
- Will be maintained by the Document Custodian according to standards at least equal to those set in this chapter
- Will be maintained in such a way as to ensure the security and confidentiality of the information; protect against anticipated threats or hazards to the security or integrity of the information; and protect against unauthorized access to or use of such information
- Will be surrendered to Freddie Mac at any time Freddie Mac may request them

The Servicer agrees to indemnify Freddie Mac and hold Freddie Mac harmless for any loss, damage or expense (including court costs and reasonable attorney fees) that Freddie Mac may incur as a result of the Document Custodian's holding all or part of the Mortgage file.

The Servicer must maintain a copy (in a form allowable under Section 3302.2) of any original document that has been entrusted to the Document Custodian for safekeeping. If all or part of the Mortgage file is held by the Servicer's Document Custodian, the Servicer agrees to recover from the Document Custodian (at the Servicer's expense) and provide to Freddie Mac (at the place and within the time frame specified by Freddie Mac) any Document Custodian-held original document requested by Freddie Mac for the postfunding quality control detailed in Chapter 3301 or in conjunction with a Freddie Mac desktop or on-site review of the Servicer's Servicing operations.

Freddie Mac Single Family / Single-Family Seller/Servicer Guide / Single-Family Seller/Servicer Guide / Selling / Series 6000: Selling and Delivery / Topic 6300: Delivery of All Mortgages / Chapter 6301: Documentation Delivery / 6301.6: Assignment of Security Instrument (03/02/16)

6301.6: Assignment of Security Instrument (03/02/16)

The Seller/Servicer is not required to prepare an assignment of the Security Instrument to Freddie Mac. However, Freddie Mac may, at its sole discretion and at any time, require a Seller/Servicer, at the Seller/Servicer's expense, to prepare, execute and/or record assignments of the Security Instrument to Freddie Mac.

If an assignment of the Security Instrument to Freddie Mac has been prepared, the Seller/Servicer must not record it unless directed to do so by Freddie Mac. Any statement in the assignment to the effect that the assignment is made without recourse will in no way affect the Seller/Servicer's repurchase obligations under the Purchase Documents.

For transfer or assignment of Freddie Mac's interest in the Mortgage, the Seller/Servicer shall prepare at its own expense any assignment necessary to transfer the Security Instrument to Freddie Mac's assignee, designee or transferee.

Intervening Assignments must be prepared in accordance with the requirements of this section.

NOTE: Special provisions for preparing assignments for Mortgages secured by Manufactured Homes located in certificate of title States where there is no provision for surrender and cancellation of the certificate of title are set forth in Section 5703.7(c), paragraph 3. Mortgages secured by Manufactured Homes located in certificate of title States where there is no provision for surrender and cancellation of the certificate of title may not be registered with MERS®.

(a) Mortgages not registered with MERS

For a Mortgage not registered with MERS, the Seller/Servicer must ensure that the chain of assignments is complete and recorded from the original mortgagee on the Security Instrument to the Seller. If the Seller concurrently or subsequently transfers the Servicing, an assignment to the new Servicer must be completed and recorded where required, thus keeping the chain complete.

If a State does not accept assignments for recordation, the Seller must so state in an affidavit maintained with the unrecorded assignment.

(b) Mortgages registered with MERS

For a Mortgage registered with MERS, if MERS is not the original mortgagee of record, the Seller/Servicer must ensure that:

- An assignment of the Security Instrument to MERS has been prepared, duly executed and recorded in all places necessary to perfect a First Lien security interest in the Mortgaged Premises in favor of MERS, solely as nominee for the lender named in the Security Instrument and the Note, and the lender's successors and assigns. Mortgages subsequently assigned to MERS in the States of Montana, Oregon and Washington are not eligible for sale to Freddie Mac.
- The chain of assignments is complete and recorded from the original mortgagee to MERS

If the Seller/Servicer concurrently or subsequently transfers the Servicing of a Mortgage registered with MERS, no further assignments are required if the Transferee Servicer is a MERS Member. If the Transferee Servicer is not a MERS Member, or if the Mortgage has not been, or is no longer, registered with MERS, the Seller/Servicer must complete the assignments in accordance with the requirements in Section 6301.6(a).

(c) Mortgages registered with MERS naming MERS as original mortgagee of record

No assignments are required for a Mortgage registered with MERS if:

- The Mortgage is originated naming MERS as the original mortgagee of record, solely as nominee for the lender named in the Security Instrument and the Note, and the lender's successors and assigns, and
- The Seller/Servicer has ensured that the Security Instrument is properly executed, acknowledged, delivered and recorded in all places necessary to perfect a First Lien security interest in the Mortgaged Premises in favor of MERS, solely as nominee for the lender named in the Security Instrument and the Note, and the lender's successors and assigns

(d) Concurrent Transfers of Servicing

If the Mortgage is registered with MERS, and the Transferee Seller/Servicer is not a MERS Member, then the requirements for Mortgages not registered with MERS must be followed.

For a Concurrent Transfer of Servicing when a Mortgage is registered with MERS:

- The Transferor Servicer must notify MERS of the Transfer of Servicing and reflect such Transfer of Servicing on the MERS System
- The Transferee Seller/Servicer must follow the document custodial procedures in Section 7101.9, and deliver the assignments to the Transferee Document Custodian to be verified and certified in accordance with the requirements of Section 6304.2, unless the Transferee Seller/Servicer has elected to retain all assignments for MERS-registered Mortgages in the Mortgage files. The Transferee Seller/Servicer must also supply its Document Custodian with any documentation necessary for the Document Custodian to determine whether the Seller/Servicer has elected to hold all assignments in the Mortgage files.

For a Concurrent Transfer of Servicing when a Mortgage is not registered with MERS:

- The Transferor Seller must record any Intervening Assignments to complete the chain of assignments from the original mortgagee to the Transferor Seller, in accordance with Section 6301.6(a)
- The Transferor Servicer must then assign the Security Instruments to the Transferee Servicer and record the assignments
- The Transferee Servicer must follow the document custodial procedures set forth in Section 7101.9, and deliver the assignments to the Transferee Document Custodian, to be verified and certified in accordance with the requirements of Section 6304.2

Special provisions for Concurrent Transfers of Servicing of Mortgages secured by Manufactured Homes located in certificate of title States where there is no provision for surrender and cancellation of the certificate of title are set forth in Section 5703.7(c), paragraph 3.

Freddie Mac Single Family / Single-Family Seller/Servicer Guide / Single-Family Seller/Servicer Guide / Servicing / Series 7000: Transfers of Servicing / Topic 7100: Transfers of Servicing / Chapter 7101: Transfers of Servicing / 7101.6: Endorsement of Notes and assignment of Security Instruments related to Transfers of Servicing (03/02/16)

7101.6: Endorsement of Notes and assignment of Security Instruments related to Transfers of Servicing (03/02/16)

When a Mortgage is sold to Freddie Mac, the Seller must endorse the Note in blank in accordance with Section 6301.3. When a Transfer of Servicing occurs, the Transferor Servicer may not complete the blank endorsement or further endorse the Note, but must prepare and complete assignments according to the following requirements:

(a) Concurrent Transfer of Servicing for a Mortgage not registered with MERS®

To prepare and complete assignment of the Security Instrument for a Concurrent Transfer of Servicing for a Mortgage not registered with MERS, the Transferor Servicer must:

- Record any Intervening Assignments to complete the chain of assignments to it from the original mortgagee, in accordance with Section 6301.6(a)
- Assign the Security Instruments to the Transferee Servicer, and record the assignment
- Follow the document custodial procedures set forth in Section 7101.9 and deliver the assignment to the Transferee Document Custodian to be verified in accordance with the requirements of Section 6304.2

See Section 6301.6(a) for additional information.

(b) Concurrent Transfer of Servicing for a Mortgage registered with MERS

To prepare and complete an assignment of the Security Instrument for a Concurrent Transfer of Servicing of a Mortgage that is registered with MERS:

- If the **Transferee Servicer is a MERS Member**, no further assignment is needed. The Transferor Servicer must notify MERS of the Transfer of Servicing.
- If the **Transferee Servicer is not a MERS Member**, then for a Concurrent Transfer of Servicing:
 - The Transferor Servicer must prepare and record an assignment of the Security Instrument (on behalf of MERS) from MERS to the Transferee Servicer
 - The Transferor Servicer must follow the document custodial procedures set forth in Section 7101.9, and deliver the assignment to the Transferee Document Custodian to be verified and certified in accordance with the requirements of Section 6304.2

See Section 6301.6(b) for additional information.

(c) Subsequent Transfer of Servicing for a Mortgage not registered with MERS

To prepare and complete an assignment of a Security Instrument for a Subsequent Transfer of Servicing for a Mortgage not registered with MERS, the Transferor Servicer must:

- Recover and destroy any original unrecorded assignments to Freddie Mac that may have been prepared
- Assign the Security Instrument to the Transferee Servicer and record the assignment
- Follow the document custody procedures set forth in Section 7101.9, and deliver assignment(s) to the Transferee Document Custodian to be verified and certified in accordance with the requirements of Section 6304.2

If an original assignment to Freddie Mac was recorded, no additional assignment need be made.

Freddie Mac Single Family / Single-Family Seller/Servicer Guide / Single-Family Seller/Servicer Guide / Servicing / Series 7000: Transfers of Servicing / Topic 7100: Transfers of Servicing / Chapter 7101: Transfers of Servicing / 7101.15: Liabilities of the Transferor Servicer and Transferee Servicer (03/02/16)

7101.15: Liabilities of the Transferor Servicer and Transferee Servicer (03/02/16)

(a) Warranties

Except as stated in the following paragraph, for Transfer of Servicing requests received by Freddie Mac, the Transferee Servicer is liable to Freddie Mac for all sale and Servicing responsibilities, representations, covenants and warranties in the Purchase Documents with respect to the Mortgages and REO for which Servicing is transferred, whether or not the Transferor Servicer had such liability. The Transferee Servicer's assumption of responsibilities, representations, covenants and warranties upon transfer does not release the Transferor Servicer, any prior Servicer, or the original Seller of their responsibilities, representations, covenants and warranties with respect to the transferred Mortgages, their liability being joint and several with the Transferee Servicer. However, a Transferor Servicer does not assume such liability for Servicing violations occurring in all respects after the effective date of its transfer and based in all respects upon the actions or omissions of later Transferee Servicers.

For Mortgages sold through Gold Cash Xtra[®] and the Servicing Released Sales Process, the Seller remains solely liable to Freddie Mac for all sale representations, covenants and warranties in the Purchase Documents (sale representations and warranties) with respect to the Mortgages for which Servicing is transferred. The Transferee Servicer is liable to Freddie Mac for all servicing responsibilities, representations, covenants and warranties in the Purchase Documents with respect to the Mortgages for which Servicing is transferred. For subsequent Transfers of Servicing of such Mortgages:

- The Seller Transferor remains solely liable to Freddie Mac for all sale representations and warranties with respect to the Mortgages for which Servicing is transferred; and
- The subsequent Transferee Servicer is liable to Freddie Mac for all Servicing responsibilities, representations, covenants and warranties in the Purchase Documents with respect to the Mortgages and REO for which Servicing is transferred, but the Transferee Servicer's assumption of responsibilities, representations, covenants and warranties upon transfer does not release the subsequent Transferor Servicer or any prior Servicer of their responsibilities, representations, covenants and warranties with respect to Servicing of the transferred Mortgages, their liability being joint and several with the Transferee Servicer. However, a Transferor Servicer does not assume such liability for Servicing violations occurring in all respects after the effective date of its transfer and based in all respects upon the actions or omissions of later Transferee Servicers.

Note: For provisions applicable to the concurrent transfer of servicing rights of Mortgages sold to Freddie Mac through Gold Cash Xtra, see Exhibit 28, Loan Servicing Purchase and Sale Agreement.

(b) Hold harmless

The Transferor Servicer and the Transferee Servicer, jointly and severally, fully indemnify and agree to hold Freddie Mac, its successors and assigns, harmless from and against any and all losses, claims, demands, actions, suits, damages, costs and expenses (including reasonable attorney fees) of every nature and character that may arise or be made against or be incurred by Freddie Mac as a result of the Transferor Servicer's or the Transferee Servicer's failure to comply with applicable law or failure to comply with Freddie Mac's Servicing requirements as set forth in the Purchase Documents, including, but not limited to failure to provide the notices required by Section 7101.14, failure to make any payment to the appropriate parties for which Escrow is collected and failure to credit properly any payments received from Borrowers.

(c) Servicing

The Transferee Servicer hereby agrees to service the Mortgages in accordance with the terms of the unitary, indivisible master Servicing contract comprising the Guide, applicable Bulletins, applicable users' guides and any other applicable Purchase Documents, all of which are fully incorporated herein by reference.

Freddie Mac Single Family / Single-Family Seller/Servicer Guide / Single-Family Seller/Servicer Guide / Servicing / Series 8000: Servicing All Mortgages / Topic 8100: General Freddie Mac Servicing Policies / Chapter 8105: Servicing Compensation / 8105.3: Servicing obligations to be performed for the Servicing compensation (03/02/16)

8105.3: Servicing obligations to be performed for the Servicing compensation (03/02/16)

In consideration for the Servicing Spread, a Servicer is responsible for the performance of all of its Servicing obligations described in the Guide and other Purchase Documents for each of the Mortgages purchased by Freddie Mac. The Servicer's Servicing obligations compensated by the Servicing Spread include, among other things, undertaking all activities required to protect Freddie Mac's interest in the Mortgage in the event of a foreclosure of the property or a bankruptcy of the Borrower, such as:

- Preparing and delivering foreclosure and bankruptcy referrals to attorneys
- Providing all documents and information necessary for the attorneys to prosecute foreclosure or bankruptcy cases (including, but not limited to, missing documents such as Notes, title insurance policies, and Intervening Assignments)
- When necessary, paying for the preparation and recordation of missing documents, such as Intervening Assignments, necessary for the prosecution of foreclosure or bankruptcy cases
- Resolving any title issues that are the result of the Seller's or Servicer's action or inaction
- Managing attorneys, including but not limited to:
 - Collecting, receiving, processing, reviewing and paying attorneys' invoices
 - Supervising and providing necessary assistance to attorneys in the foreclosure and bankruptcy proceedings
 - Making available any monitoring, management, reporting, information and document delivery processes or systems, and paying the fees and costs for such processes or systems (refer to Section 9501.9 for information on connectivity and invoice processing systems)
- Continuing to work with the Borrower to resolve the delinquency through loss mitigation activities
- Handling the bankruptcy management activities specified in Chapter 9401

Nothing in the Guide is intended to prohibit a foreclosure or bankruptcy attorney from assisting a Servicer by working with a Borrower to facilitate a reinstatement of the Mortgage or loss mitigation activity.

Freddie Mac Single Family / Single-Family Seller/Servicer Guide / Single-Family Seller/Servicer Guide / Servicing / Series 8000: Servicing All Mortgages / Topic 8100: General Freddie Mac Servicing Policies / Chapter 8107: Document Custody / 8107.1: Servicer responsibilities related to document custody (03/02/16)

8107.1: Servicer responsibilities related to document custody (03/02/16)

(a) Delivery of modifications to a Document Custodian

If a Note is subsequently modified, pursuant to the requirements of the Guide, the original modifying instrument must be delivered to the Document Custodian holding the original Note.

(b) Obtaining physical or constructive possession of documents

Seller/Servicers may need to obtain physical or constructive possession of a Note or other documents from a Document Custodian to take appropriate action in conjunction with the payoff, foreclosure, repurchase, substitution, conversion, modification or assumption of a Mortgage:

- To obtain physical or constructive possession of a Note and/or other documents from the Designated Custodian, the Seller/Servicer may complete and send the Form 1036, Request for Physical or Constructive Possession of Documents, or make an electronic request ("Web Release Request") using the Designated Custodian's specified Internet web site. Contact the Designated Custodian for further information (**see Directory 4**). The Seller/Servicer must promptly: (i) if physical possession was obtained by Seller/Servicer, return the Note and any other documents to the Designated Custodian when the reason for having physical possession is no longer required for Servicing the Mortgage (do not return the Note and any other documents to the Designated Custodian if the related Mortgage was repurchased or paid in full), or (ii) if constructive possession was obtained, send notice (a copy of the original Form 1036 with a notice of termination of constructive possession or otherwise as instructed by the Designated Custodian's specified Internet web site) to the Designated Custodian, when the reason for constructive possession is no longer required for Servicing the Mortgage. Seller/Servicers using the Designated Custodian's Internet web site Asset Repository and Collateral System (ARK) to request physical or constructive possession of Notes and other documents must include a copy of the 1036 Release Receipt Report when returning such items to the Designated Custodian. The Release Receipt Report can be electronically generated from the Designated Custodian's ARK web site.
- To obtain physical or constructive possession of a Note and/or other documents from a Document Custodian (excluding the Designated Custodian), the Seller/Servicer must complete Form 1036, and send the Form 1036 to the Document Custodian. The Seller/Servicer must promptly: (i) if physical possession was obtained by the Seller/Servicer, return the Note and any other documents to the Document Custodian when the reason for having physical possession is no longer required for Servicing the Mortgage (do not return the Note and any other documents to the Document Custodian if the related Mortgage was repurchased or paid in full), or (ii) if constructive possession was obtained by the Seller/Servicer, send notice (copy of the original Form 1036 with a request for termination of constructive possession) to the Document Custodian, when constructive possession is no longer required for Servicing the Mortgage.

Seller/Servicers must follow prudent business practices in protecting and safeguarding all Notes and documents physically transferred and delivered to them by the Document Custodian until these documents are returned to the Document Custodian. These practices include protection from external elements, such as fire, and identification as a Freddie Mac asset and segregation from other non-related documents.

See Section 8107.2(b) when Servicing a Mortgage with respect to which the Seller/Servicer is required to be in physical or constructive possession of the Note to take legal action, such as a Freddie Mac Default Legal Matter or other litigation (collectively, "Legal Action"), and the Document Custodian has physical custody of the Note.

Freddie Mac Single Family / Single-Family Seller/Servicer Guide / Single-Family Seller/Servicer Guide / Servicing / Series 8000: Servicing All Mortgages / Topic 8100: General Freddie Mac Servicing Policies / Chapter 8107: Document Custody / 8107.2: Document Custodian's custodial functions (03/02/16)

8107.2: Document Custodian's custodial functions (03/02/16)

(a) General duties

Each Document Custodian is responsible for maintaining custody of the original Notes and assignments, in trust, for the benefit of Freddie Mac by:

- Storing the original Notes and assignments in secure, fire-resistant facilities as required by Section 2202.2(b). If the Seller/Servicer delivers supplemental documents, such as original modifying instruments, the Document Custodian must place the supplemental documents with the related Note.
- Affixing the Freddie Mac loan number to the Note, if advised by the Seller/Servicer that Freddie Mac requires it. If the Note for a Mortgage contains the Freddie Mac loan number, changing the Freddie Mac loan number on a Note if advised in writing by the Seller/Servicer that Freddie Mac has changed the Freddie Mac loan number for the related Mortgage.

(b) Physical or constructive possession to take legal action

The Seller/Servicer may be required to be in physical or constructive possession of the Note to take legal action, such as a Freddie Mac Default Legal Matter or other litigation (collectively, "Legal Action"), in connection with Servicing a Mortgage. If the Seller/Servicer concludes that constructive possession is the appropriate type of possession for the Legal Action, the Seller/Servicer shall automatically, immediately and conclusively be deemed to be in constructive possession of the Note upon the earlier of: (i) that date such Legal Action commences, or (ii) the date the Document Custodian receives the Seller/Servicer's Form 1036 requesting constructive possession of the Note, until the Legal Action is concluded.

When the Document Custodian, during any such Legal Action, maintains physical custody of the Note, it does so in trust for the benefit of the Seller/Servicer. For the duration of the Legal Action, the Seller/Servicer shall be: (i) in constructive possession of the Note, (ii) the holder of the Note, (iii) entitled to enforce the Note, and (iv) duly authorized by Freddie Mac to take Legal Action in connection with Servicing the related Mortgage. When the Legal Action is concluded, the Document Custodian shall automatically and immediately cease maintaining physical custody of the Note, in trust, for the benefit of the Seller/Servicer and resume maintaining physical custody of the Note, in trust, for the benefit of Freddie Mac.

The Seller/Servicer must complete, sign and submit a Form 1036, or its equivalent, including the Designated Custodian's Web Release Request described in Section 8107.1(b) (Form 1036 and such the Designated Custodian's Web Release Request, collectively referred to herein as "Form 1036") requesting constructive possession from the Document Custodian or Designated Custodian, as applicable. The date that the constructive possession commences shall be the earlier of the date: (i) the Document Custodian receives the Form 1036 from the Seller/Servicer requesting constructive possession, or (ii) the Seller/Servicer commences the Legal Action. A single Form 1036 may be used to request multiple Notes, provided that each Note is separately listed and identified.

(c) Delivery of possession of documents to the Seller/Servicer

The Seller/Servicer may require physical possession of a Note and other documents in connection with Servicing a Mortgage, including, but not limited to, bringing or defending a Legal Action or conducting a foreclosure or in connection with the maturity, prepayment, repurchase, substitution, conversion, modification or assumption of a Mortgage. In such circumstances, Freddie Mac will deliver physical possession of the Note to the Seller/Servicer as set forth in this Section 8107.2(c)

When Servicing a Mortgage with respect to which the Seller/Servicer is required to be in physical possession of the Note, the Seller/Servicer shall deliver a Form 1036 to the Document Custodian.

To use an Electronic, as defined in Chapter 1401 or system-generated version of the Form 1036, the Seller/Servicer must enter into an electronic transaction agreement with the Document Custodian that:

- Defines Electronic Signature and the type(s) of electronic transmission(s) permitted
- States the Document Custodian's requirements for accepting an Electronic Signature
- States the Seller/Servicer's requirements for maintaining and controlling access to Electronic Signature information
- Clearly assigns liability when the terms of the agreement are violated

In addition, the Seller/Servicer must provide, and the Document Custodian must retain, a list of the individuals designated by the Seller/Servicer to request the release of documents electronically. The list must be signed by an authorized officer of the Seller/Servicer and contain the notarized signatures of the Seller/Servicer's designated individuals.

An Electronic or system-generated Form 1036 must contain all of the information required on the paper Form 1036. A single electronic form may be used to request multiple Notes, provided that the Note is separately listed and identified.

Upon receipt of a signed Form 1036 from the Seller/Servicer, the Document Custodian maintaining physical custody of the Note, in trust, for the benefit of Freddie Mac, shall transfer and deliver physical possession of the Note to the Seller/Servicer. Upon receipt of the Note, the Seller/Servicer shall automatically, immediately and conclusively be deemed to be: (i) in physical possession of the Note, (ii) the holder of the Note, (iii) entitled to enforce the Note, and (iv) duly authorized by Freddie Mac to take Legal Action in connection with Servicing the related Mortgage.

If a document is no longer needed for the reason originally cited on the request, or when the Legal Action is concluded, the Seller/Servicer must promptly return the Note and related documents and a copy of the Form 1036 to the Document Custodian, or return the Note and related other documents required by the Designated Custodian. Upon receipt of the returned Note, the Document Custodian and/or Designated Custodian, as applicable, shall immediately resume maintaining physical custody of the Note, in trust, for the benefit of Freddie Mac, as set forth in the Custodial Agreement, and update its note tracking system to reflect receipt of the Note and any other documents.

Notes and related documents may be transported only by a nationally recognized commercial or bonded carrier or courier service.

See Section 8107.1(b) for additional information on returning Notes to the Document Custodian.

(d) Form imaging and retention requirements

The Document Custodian must retain either the original or an imaged copy of the Form 1036 or its equivalent for at least three months after the date the Mortgage is paid off. The Document Custodian need not retain a Form 1034E, or Note Delivery Cover Sheet, after the related Mortgages have been certified.

Imaged copies of the forms are permitted, provided that:

- Such copies were made in the regular course of business pursuant to Document Custodian's written policy
- Each imaged copy accurately reproduces or forms a durable medium for reproducing the original document
- There is equipment to view or read and to reproduce the imaged copies into legible documents at the location where the imaged copies are maintained

The Document Custodian may destroy:

- Original Certification Schedules after making imaged copies that meet the above criteria
- Requests for Release after making imaged copies that meet the above criteria and updating Document Custodian's Note tracking system to indicate the date of and reason for release of the related documents
- All original or imaged copies of Certification Schedules and Requests for Release after expiration of the retention period

In disposing of such documents, the Document Custodian must have in place and follow procedures to ensure the confidentiality of Borrowers' private personal information and must use disposal methods that safeguard such confidentiality.

Freddie Mac Single Family / Single-Family Seller/Servicer Guide / Single-Family Seller/Servicer Guide / Servicing / Series 9000: Servicing Default Management / Topic 9300: Foreclosure / Chapter 9301: Foreclosure / 9301.1: Foreclosures on Freddie Mac Mortgages (03/02/16)

9301.1: Foreclosures on Freddie Mac Mortgages (03/02/16)

The Servicer must refer to, manage and complete foreclosure in accordance with this chapter when there is no available alternative to foreclosure. Additionally, Freddie Mac requires the Servicer to manage the foreclosure process to acquire clear and marketable title to the property in a cost-effective, expeditious and efficient manner.

Freddie Mac Single Family / Single-Family Seller/Servicer Guide / Single-Family Seller/Servicer Guide / Servicing / Series 9000: Servicing Default Management / Topic 9300: Foreclosure / Chapter 9301: Foreclosure / 9301.11: Obtaining the original Note (03/02/16)

9301.11: Obtaining the original Note (03/02/16)

If physical or constructive possession of the original Note is needed to perform the foreclosure, the Servicer must request the Note from the Document Custodian maintaining the Note by submitting to the Document Custodian a completed Form 1036, Request for Physical or Constructive Possession of Documents, or an electronic or system-generated version of the form (or, in the case of the Designated Custodian, a copy of the electronically generated 1036 Release Receipt Report) in accordance with the requirements of Section 8107.1(b).

If there is a full or partial reinstatement of the Mortgage, the Servicer must return the Note to the Document Custodian with either the original Form 1036 or a copy.

Freddie Mac Single Family / Single-Family Seller/Servicer Guide / Single-Family Seller/Servicer Guide / Servicing / Series 9000: Servicing Default Management / Topic 9300: Foreclosure / Chapter 9301: Foreclosure / 9301.12: Foreclosing in the Servicer's name (03/02/16)

9301.12: Foreclosing in the Servicer's name (03/02/16)

(a) Conducting the foreclosure

The Servicer must instruct the foreclosure counsel to process the foreclosure in the Servicer's name and in a manner that would avoid any obligation to pay a transfer tax. However, the Servicer may instruct foreclosure counsel to conduct the foreclosure in Freddie Mac's name if applicable law:

- Precludes the Servicer from conducting the foreclosure in its name because it owns or services a subordinate Mortgage on the Mortgaged Premises, or
- Requires the foreclosure to be processed in Freddie Mac's name to avoid any obligation to pay a transfer tax and foreclosure counsel could not otherwise process the foreclosure in a manner that would successfully avoid imposition of the transfer tax obligation

For these special circumstances, the Servicer does not need to obtain written approval but must notify Freddie Mac within two Business Days of the Servicer's determination to foreclose in Freddie Mac's name and record the basis of the decision in the Mortgage file. All notifications must be sent via e-mail (**see Directory 5**). For all other circumstances in which the Servicer may need to instruct foreclosure counsel to conduct the foreclosure in Freddie Mac's name, the Servicer must obtain written approval from Freddie Mac (refer to Section 9402.2 regarding initiating legal actions on Freddie Mac's behalf).

When processing the foreclosure in Freddie Mac's name, all pleadings and related documents must comply with Section 9402.2(c). The Servicer remains obligated to notify Freddie Mac pursuant to Section 9501.12 in the event that any foreclosure conducted in Freddie Mac's name evolves into a non-routine litigation matter (see Section 9402.2).

When a Servicer conducts the foreclosure in Freddie Mac's name, the Servicer is not permitted to have the same foreclosure counsel represent the Servicer or another lien holder in the same proceeding. Freddie Mac does not consent to dual representation of Freddie Mac and another lien holder on the same property.

(b) Executing documents

If Freddie Mac needs to execute a document for the Servicer to process the foreclosure, or execute a document related to a foreclosure sale, the Servicer must submit Form 105, Multipurpose Loan Servicing Transmittal, to Freddie Mac **(see Directory 5)** with all supporting documentation, which may include, but is not limited to, the last recorded document in the chain of title, and include the document Freddie Mac needs to execute.

If an assignment of the Security Instrument to Freddie Mac has been recorded and the Servicer is conducting the foreclosure in its name, then the Security Instrument must be assigned back to the Servicer before the foreclosure counsel files the first legal action. Refer to Section 9301.16 for an explanation of first legal action.

To have the Security Instrument assigned back to the Servicer, the Servicer must submit a completed assignment with a Request for Assistance Form (available at: **<http://www.freddiemac.com/cim/docex.html>**), to Freddie Mac **(see Directory 9)**. Freddie Mac will endeavor to execute the assignment and return it to the Servicer within 10-12 Business Days of receiving the documents.

If the Servicer is foreclosing on a Mortgage registered with MERS®, the Servicer must prepare and execute (using the Servicer's employee who is a MERS authorized "signing officer") an assignment of the Security Instrument from MERS to the Servicer. The Servicer must record the prepared assignment where required by State law. State mandated recordings are non-reimbursable by Freddie Mac, are not considered part of the Freddie Mac allowable foreclosure counsel fees and must not be billed to the Borrower.

If the Mortgage is an FHA, Section 502 GRH or VA Mortgage, then the Servicer must follow FHA, RHS or VA guidelines to determine in whose name the foreclosure action should be brought.

Refer to Section 6301.6 for additional information on Freddie Mac's requirements for assignments of the Security Instrument.

Freddie Mac Single Family / Single-Family Seller/Servicer Guide / Single-Family Seller/Servicer Guide / Servicing / Series 9000: Servicing Default Management / Topic 9400: Bankruptcy and Other Litigation Involving Freddie Mac-Owned or Guaranteed Mortgages / Chapter 9401: Bankruptcy / 9401.1: Bankruptcy (10/12/16)

9401.1: Bankruptcy (10/12/16)

This chapter provides Servicers with Freddie Mac's requirements for Servicing Mortgages subject to bankruptcy proceedings or litigation. The Servicer must take appropriate action to protect Freddie Mac's interest during bankruptcy proceedings in which the Borrower is the debtor.

(Refer to Chapter 9402 for requirements for Servicing Mortgages subject to other litigation).

Related Guide Bulletins	Issue Date
Bulletin 2016-13	July 13, 2016

Freddie Mac Single Family / Single-Family Seller/Servicer Guide / Single-Family Seller/Servicer Guide / Servicing / Series 9000: Servicing Default Management / Topic 9400: Bankruptcy and Other Litigation Involving Freddie Mac-Owned or Guaranteed Mortgages / Chapter 9402: Other Litigation Involving Freddie Mac-Owned or Guaranteed Mortgages / 9402.2: Routine and non-routine litigation (07/13/16)

9402.2: Routine and non-routine litigation (07/13/16)

(a) Definition of routine and non-routine litigation

- **Routine litigation** generally is a contested action in which the Borrower alleges case-specific defenses or issues which, if successful, would not create negative legal precedent beyond the immediate case
- **Non-routine litigation** generally is a contested action in which the Borrower alleges case-specific defenses or issues, which, if successful, would create negative legal precedent beyond the immediate case

Examples of non-routine litigation that must be reported to Freddie Mac as non-routine litigation include, but are not limited to, the following:

- Actions that name Freddie Mac as a party
- Action that seeks monetary relief against Freddie Mac, including any claim (including counterclaims, cross-claims, or third-party claims in foreclosure or bankruptcy actions) for damages against Freddie Mac or its officers, directors, or employees
- Actions that challenge the validity, priority, or enforceability of a Freddie Mac-owned or guaranteed Mortgage or seek to impair Freddie Mac's interest in an REO including, by way of example:
 1. An action seeking to demolish a structure on the property or the property as a result of a code violation
 2. An action seeking to avoid a lien based on a failure to comply with a law or regulation
 3. An attempt by a junior lienholder to assert priority over a Freddie Mac-owned or guaranteed Mortgage or extinguish Freddie Mac's interests
 4. A quiet title action seeking to declare Freddie Mac's lien void; and
 5. An attempt by a Borrower to effect a cramdown of a Mortgage in bankruptcy as to which Freddie Mac has not delegated authority to the Servicer or law firm to address
- Actions that present an issue that may pose significant legal or reputational risk to Freddie Mac include, by way of example:
 1. Any issue involving Freddie Mac's conservatorship, its conservator, FHFA, Freddie Mac's status as a federal instrumentality, or an interpretation of Freddie Mac's charter
 2. Any assertion that Freddie Mac is a federal agency or otherwise part of the United States Government
 3. Any "due process" or other constitutional challenge
 4. Any challenge to the methods by which Freddie Mac does business
 5. Any putative class actions involving a Freddie Mac-owned or guaranteed Mortgage

6. Challenges to the standing of the Servicer to conduct foreclosures or bankruptcies which, if successful, could create negative legal precedent with an impact beyond the immediate case
7. Challenges to the methods by which MERS® does business or its ability to act as nominee under a Mortgage
8. Any "show cause orders" or motions for sanctions relating to a Freddie Mac-owned or guaranteed Mortgage, whether against Freddie Mac, the Servicer, a law firm, or a vendor of the Servicer or law firm
9. Any appellate or other action for post-judgment relief in any foreclosure, bankruptcy or legal action in which Freddie Mac is a named party
10. Foreclosures on HUD-Guaranteed Section 184 Native American Mortgages
11. Any environmental litigation relating to a Freddie Mac-owned or guaranteed Mortgage
12. A need to foreclose judicially in a State where non-judicial foreclosures predominate
13. Any claim invoking Home Affordable Modification Program (HAMP®) as a basis to challenge a foreclosure
14. Any claim brought by a governmental body
15. Cross-border insolvency proceedings under Chapter 15 of the Bankruptcy Code
16. Any claim of predatory lending or discrimination in Mortgage origination or Servicing; and
17. Any claim implicating the interpretation of the terms of the Fannie Mae/Freddie Mac Uniform Mortgage Instruments

Given the evolving nature of default-related litigation, it is not possible to provide an exhaustive list of non-routine litigation. Each contested action presents unique circumstances, and the Servicer should evaluate each action on a case-by-case basis to determine whether a contested action is routine or non-routine.

(b) Legal actions and strategies initiated by the Servicer

A Servicer must obtain written approval **(see Directory 5)** from the Freddie Mac Legal Division prior to initiating the following legal actions and strategies:

- Filing a new legal action, other than a Freddie Mac Default Legal Matter, on behalf of Freddie Mac
- Filing a motion to intervene in a pending legal action on behalf of Freddie Mac
- Appealing or otherwise challenging a judgment in any foreclosure or bankruptcy proceeding, or any legal action in which Freddie Mac is a named party
- Filing a notice of removal to federal district court for any legal action in which Freddie Mac is a named party
- Asserting any position in a legal action that relates to Freddie Mac's status as a Government Sponsored Enterprise (GSE), its conservatorship, or its conservator, FHFA
- Propounding discovery requests or otherwise serving or providing any discovery responses on behalf of Freddie Mac

(c) Referring to Freddie Mac in litigation

Freddie Mac must be described in legal proceedings as "Federal Home Loan Mortgage Corporation ("Freddie Mac"), a corporation organized and existing under the laws of the United States of America." Freddie Mac may not be referred to as a "government agency."

(d) MERS-registered Mortgages

See Section 8101.12(b) for additional requirements relating to notices from MERS and MERS-registered Mortgages.

Related Guide Bulletins	Issue Date
Bulletin 2016-13	July 13, 2016

Freddie Mac Single Family/Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide/Servicing/Series 9000: Servicing Default Management/Topic 9500: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/Chapter 9501: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/9501.1: Servicer's management of law firms for Freddie Mac Default Legal Matters (03/02/16)

9501.1: Servicer's management of law firms for Freddie Mac Default Legal Matters (03/02/16)

This chapter sets forth requirements for the Servicer's review and evaluation, selection, retention and management of law firms (referred to throughout this chapter as "firms") for Freddie Mac Default Legal Matters.

Effective June 1, 2013, all referrals of Freddie Mac Default Legal Matters must be conducted in accordance with the requirements of Chapter 9501. Chapter 9501 governs the referral of Freddie Mac Default Legal Matters to law firms selected by the Servicer under the requirements of Section 9501.7.

Effective August 1, 2013, Servicers must comply with all requirements of this chapter in order to refer Freddie Mac Default Legal Matters to law firms. Refer to Chapter 9502 for requirements related to Default Legal Matters referred prior to the August 1, 2013 effective date.

Each Servicer is responsible for retaining firms for Freddie Mac Default Legal Matters. Freddie Mac will continue to retain firms directly for REO-related legal services: eviction, REO closing, and related litigation (refer to Chapters 9401 and 9402 for more information relating to litigation).

Freddie Mac Single Family/Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide/Servicing/Series 9000: Servicing Default Management/Topic 9500: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/Chapter 9501: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/9501.2: Review and evaluation of firms (03/02/16)

9501.2: Review and evaluation of firms (03/02/16)

(a) Due diligence

As part of its selection process, each Servicer is responsible for obtaining and evaluating documentation and information from firms, and conducting due diligence to ensure that selected firms meet the requirements set forth in Section 9501.3. As part of the process, each Servicer must:

- Obtain and review all required documentation and information submitted by each firm
- Ensure that it selects from a pool of potentially acceptable firms that is diverse, and includes minority and women-owned firms and other diverse firms when feasible; and
- Ensure that the firm or any entity or individual performing work for the firm is not on the Freddie Mac Exclusionary List in accordance with Section 3101.1

(b) Due diligence documentation

The Servicer must provide to Freddie Mac upon request a copy of each firm's application information and related due diligence documentation. Freddie Mac reserves the right to review the process, procedures and due diligence used by the Servicer to evaluate and select a firm.

(c) Document retention requirements

The Servicer must retain all information submitted by a firm in support of the firm's application and all information otherwise gathered by the Servicer regarding the firm. The Servicer must maintain any information relating to firms that are selected and retained by the Servicer for as long as the firm is providing legal services with respect to Freddie Mac-owned or guaranteed Mortgages and, thereafter, for the longer of any retention period applicable to the Servicer or seven years. The Servicer must maintain any information relating to firms that are not selected and retained by the Servicer for the longer of any retention period applicable to the Servicer or seven years.

Freddie Mac Single Family/Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide/Servicing/Series 9000: Servicing Default Management/Topic 9500: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/Chapter 9501: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/9501.3: Firm Minimum Requirements (06/29/16)

9501.3: Firm Minimum Requirements (06/29/16)

The Servicer must ensure that all firms selected and retained to handle Freddie Mac Default Legal Matters meet the firm minimum requirements specified in this section ("Firm Minimum Requirements"), and all other applicable Freddie Mac requirements. The Firm Minimum Requirements are as follows:

(a) Firm practice

The firm's practice areas must include end-to-end default-related legal services: foreclosure, bankruptcy, loss mitigation (e.g., deeds-in-lieu of foreclosure), default-related litigation and REO-related legal services: eviction, REO closing and related litigation.

The firm must:

- Be familiar with industry standards in the State in which it practices
- Understand the State legal processes and requirements in default-related and REO-related legal services; and
- Understand the substantive legal issues in the State (e.g., standing)

Additionally, the Servicer must consider firm experience in the following areas: foreclosure mediation, the Fair Debt Collection Practices Act, title curative issues, and general housing-related issues (e.g., rent control, Section 8, lead paint liability, health code violations, foreclosure redemption, confirmation and ratification, homeowners association, mobile home matters, and cooperative loans). The firm should also have some experience with delegation for loss mitigation.

The Servicer must also consider the firm's membership in default-related and REO-related trade and industry groups, attendance or participation in State bar associations, seminar and lecture participation and attendance, and any other activities relevant to default-related and REO-related law practice.

(b) Presence in State

Firms generally must have a staffed office in the State in which the firm is retained for Freddie Mac Default Legal Matters.

In addition:

- The legal work must be performed by the attorneys licensed in the State where the Mortgaged Premises is located
- The firm must be registered, as necessary, with appropriate State authorities
- For the States in which an appropriately staffed office is required, the firm must disclose to the Servicer the extent, if any, to which work will be performed by an office of the firm in another State
- The Servicer must require the firm to disclose to the Servicer where the staff handling the work in the particular State is located, and to whom the staff in that office regularly reports; and
- The Servicer must obtain office addresses for each firm it seeks to retain

1. Judicial foreclosure States

In judicial foreclosure States, the firm must have an appropriately staffed office in the State in which the firm is retained for Freddie Mac Default Legal Matters.

2. Non-Judicial foreclosure States

In non-judicial foreclosure States, a firm must have an appropriately staffed office located in the State in which the firm is retained, except in the following non-judicial foreclosure States: Alaska, District of Columbia, Idaho, New Hampshire, Rhode Island, Montana, West Virginia and Wyoming. In those States, Servicers should give preference to firms that have staffed offices in those States. However, out-of-State firms may be used to handle Freddie Mac Default Legal Matters, provided that the firm is located in the same region of the country and is able to demonstrate that it has policies, procedures and processes in place to handle cases from out of State.

Servicers may use firms outside of Puerto Rico, the U.S. Virgin Islands and Guam to handle foreclosure and bankruptcy matters in those States. Servicers should give preference to firms that have staffed offices in the State, but out-of-State firms may be used, provided that they are able to demonstrate that they have policies, procedures and processes in place to handle cases from outside the State.

If a Servicer has difficulty finding a sufficient number of firms with appropriately staffed offices in States other than those listed in the exceptions above, the Servicer may contact Freddie Mac to request an exception to the requirement that a firm have an appropriately staffed office located in the State. Requests should be sent to Freddie Mac **(see Directory 1)**.

(c) State-specific industry references

The Servicer must obtain from the firm at least two State-specific mortgage servicers or default-related references, or if the firm has been in existence less than one year, the partners or shareholders of the firm must provide at least two Servicer or default-related references in connection with work performed in the particular State.

(d) Statewide coverage and use of local counsel

The Servicer must ensure that the firm has the ability to cover foreclosure, bankruptcy, eviction, REO closing matters and default-related litigation throughout the State.

If the firm has partnerships or relationships with third parties (e.g., local counsel, trustee companies or title companies) that will perform or complete some aspect of the default-related and REO-related work, the Servicer must require the firm to: (i) obtain disclosure from the firm regarding such relationships and the extent to which third parties will be relied upon and (ii) determine whether the firm has a reasonable contingency plan for the loss of any of those relationships or operational processes. In evaluating any such third-party relationship, the Servicer must consider the length of time the relationship has existed and the adequacy of the firm's written policies to mitigate third-party risk.

If a firm uses local counsel to handle matters within the State, the Servicer must ensure that the firm has a process to select, manage, and review the local counsel and their work product. The process must be designed to ensure that local attorneys are qualified and adequately trained and have a satisfactory history with respect to bar complaints, sanctions and similar matters.

For a firm's contested caseload (e.g., contested foreclosures and litigated cases), the firm's reliance on local counsel must be minimal. Any use of local counsel for these matters must be structured so that the retained firm will direct and manage the local counsel on those matters.

(e) Prior volume experience

Servicers must confirm the firm and/or managing attorney(s) has completed a sufficient number of foreclosure, bankruptcy, loss mitigation, eviction and REO matters within the past 24 months to demonstrate that the firm has experience in representing creditors in default-related matters.

For the 24-month period, the Servicer must review the total number of matters referred, the total number of matters completed and the number of matters currently pending for each of the following areas: foreclosure, bankruptcy, loss mitigation, eviction and REO closing.

What constitutes a sufficient number of completed default-related and REO-related legal services will vary depending upon the State at issue, the volume the Servicer expects to refer to the firm, and the relative size of the firm. Servicers must consider these factors when making this determination.

(f) Firm has adequate, relevant State-specific experience

The Servicer must confirm that the firm has one or more managing attorney(s) or partner(s) with no less than 8 years of relevant, State-specific experience in foreclosure (including where applicable, confirmation, redemption and ratification matters), bankruptcy, loss mitigation, eviction, and REO closings and litigation. Servicers may make exceptions to this requirement for documented reasons in the event a firm is otherwise qualified.

The Servicer must obtain the names and the years of experience in each area (foreclosure, bankruptcy, eviction, REO closings and related litigation) for the firm's managing attorney(s) or partner(s) and associates.

If the principals or partners of the firm are not actively involved in the management of the firm, the Servicer must consider the level of experience of those actively involved in managing the firm.

(g) One or more of the firm's lead attorneys has adequate, relevant litigation experience in the State

The Servicer must determine whether the firm has at least one lead attorney to handle Freddie Mac Default Legal Matters with a minimum of five years of experience in default-related and REO-related litigation in the State. The firm's partner(s) or managing attorney(s) may act as the lead attorney for Freddie Mac Default Legal Matters. If the firm will utilize staff attorneys for Freddie Mac Default Legal Matters, one or more staff attorneys must have at least three years of experience in handling default-related and REO-related litigation in the State.

(h) Attorney licensing

The Servicer must confirm that the firm's attorneys who will handle Freddie Mac Default Legal Matters are licensed to practice, and in good standing, in the State in which the firm is being retained. Legal work must be performed by attorneys licensed in the State.

(i) Staff experience

The Servicer must determine whether the firm's non-attorney staff has reasonable experience. In determining what constitutes reasonable experience, the Servicer must consider the average years of experience, education, qualifications and demonstrated ability of the non-attorney staff in relation to their respective levels of responsibility.

(j) Staff oversight

The Servicer must confirm that the firm has appropriate attorney-to-staff ratios to ensure appropriate staff oversight given the size of the firm and the firm's operational structure. The Servicer must consider whether the firm practices in a judicial or a non-judicial State, the firm's case management practices, the State-specific process, attorney and staff experience, firm technology and firm infrastructure.

(k) File oversight

The Servicer must confirm that the firm has appropriate (i) attorney-to-file and (ii) staff-to-file ratios, given the size of the firm and the firm's operational structure. The Servicer must take into consideration whether the firm practices in a judicial or a non-judicial foreclosure State, the firm's case management practices, the State-specific processes, attorney and staff experience, firm technology and firm infrastructure.

(l) Firm capacity

As of the date of the submission of the Servicer Selection Form via <https://freddiemacsats.com>, the Servicer must confirm that the firm has the ability to accept additional referrals. Additionally, the Servicer must confirm that the firm is not operating at full capacity, given the existing facilities, personnel, and technology or, alternatively, the firm must outline to the Servicer's satisfaction the steps and time frame necessary to be in a position to handle additional referrals while still maintaining appropriate firm-to-file and staff-to-file ratios. The Servicer must confirm that the firm has contingency plans to deal with a contraction in the market.

(m) Ethics and professional standards

The firm must demonstrate a history of legal practice that comports with applicable legal and ethical standards, reflecting high professional standards. The Servicer must conclude that the firm does not, in the totality of the circumstances, pose a legal and/or reputational risk or exhibit systematic issues that may lead to reputational and/or legal risk to Freddie Mac.

The Servicer must obtain the following information from the firm in order to evaluate the sufficiency of the firm's professional standards:

- Any sanctions against the firm or any of its present or former attorneys in the past five years, including the nature of the sanctions and if they relate to a loan-level matter or systemic firm practice, and if related to firm practice, any corrective actions taken by the firm
- Any bar complaints/reprimands against present and former firm attorneys in the past ten years and whether the complaints were closed, pending or resulted in some form of adverse action
- Any government investigations involving firm practices in the past ten years and whether the investigations involved firm practices or are related to client investigations
- Any damages or settlement of claims as a result of an allegation of professional negligence against the firm or its attorneys in the past five years (i) in excess of \$20,000 in any single occurrence, \$50,000 in the aggregate, or (ii) reflect a possible pattern of professional negligence, regardless of amount; and
- Any significant litigation asserting systemic issues with firm processes or legal work, such as any class action lawsuit against the firm

If the Servicer is aware of any of the above items that involve the firm's professional standards but which were not disclosed by the firm, the Servicer must disclose them to Freddie Mac in the Servicer Selection Form.

The Servicer must obtain a disclosure from the firm regarding whether the firm (or any of its partners, shareholders, or employees while acting as a partner, shareholder, or principal at another firm) has been previously terminated by Freddie Mac or Fannie Mae or had referrals suspended by Freddie Mac or Fannie Mae.

The Servicer must obtain a certification from the firm that, to the best of the firm's knowledge, the firm's documents have been and continue to be prepared, executed and/or notarized in compliance with applicable law. If the firm reports that the firm, its attorneys, notaries or third-parties that the firm relies on to perform any aspect of default-related or REO-related services have previously prepared, executed or notarized documents that have not been in compliance with applicable law, the Servicer must conclude that the firm has instituted controls, procedures, and processes to address the contributing cause(s) of the firm's failure to comply with applicable law in order to execute the Servicer Selection Form.

Freddie Mac expects Servicers to exercise sound judgment and consider the totality of the circumstances in evaluating the potential legal and reputational risks posed by a firm to Freddie Mac. The items for consideration outlined above are not intended to be exhaustive or to disqualify a firm from retention if the Servicer concludes that the firm is acceptable considering the totality of the circumstances.

(n) Timelines

The Servicer must review the firm's completion timelines, and confirm that the firm is able to track, monitor and complete foreclosure and bankruptcy matters in compliance with applicable law and Freddie Mac timeline requirements, taking into consideration outside factors that impact compliance with Freddie Mac timelines such as new foreclosure requirements and court delays.

(o) Information privacy

The firm must maintain physical, technical and procedural controls and effective information security and data management to:

- Ensure the security and confidentiality of personally identifiable information (PII) and confidential information, whether in paper, electronic or other form
- Protect against any threats or hazards to the security or integrity of such information; and
- Protect against unauthorized access to or use of such information

The firm must implement controls meeting or exceeding industry standards, including, as applicable, standards promulgated by the International Office for Standardization (ISO) or National Institute for Standards and Technology (NIST). The firm must ensure that PII that is stored on the firm's systems and workstations is encrypted at rest at all times. The firm must have secured storage for promissory notes and other original documents to prevent theft and to ensure protection against fire, flood or other damage. The firm may not perform, outsource, or send to any affiliate outside of the United States or its territories, any legal work on Freddie Mac-owned or guaranteed Mortgages, including any storage of Freddie Mac data. The firm may not send any PII underlying Freddie Mac-owned or guaranteed Mortgages, outside the United States. The firm must have written policies, procedures, and processes in place by the date of the submission of the Servicer Selection Form, related to protection of PII and fraud prevention, including policies, procedures and processes related to: background checks of all employees; protection of PII; fraud prevention and identification; and incident response and notification protocols for data breaches and other security incidents. The Servicer must review and confirm that the firm meets these requirements for information security, data management, protection of PII and fraud prevention.

(p) Daily reporting to Freddie Mac

The Servicer must confirm that the firm has the capability to provide daily reporting to Freddie Mac of key metrics (i.e., volume, milestones, delays, loss mitigation successes, litigation detail, etc.) via the Attorney Data Reporting (ADR) System, a Servicing Tool, pursuant to Section 9501.10. The Servicer must also ensure that the firm has staff responsible for reporting data directly to Freddie Mac using ADR.

(q) Technology

The Servicer must confirm that the firm has adequate technology in place or technological capabilities to provide reporting, communication and tracking of key events and milestones, including access to PACER/ECF or other similar systems to obtain case and docket information from federal appellate, district and bankruptcy court records.

Additionally, the Servicer must confirm that the firm is able to provide status reports and track significant dates and events for foreclosure, bankruptcy, evictions and REO closings and has the capability to measure the duration between various process stages, to identify process impediments (e.g., holds) and to parse holds into different categories.

If a firm is multi-jurisdictional or has partnerships or relationships with third parties (e.g., local counsel, trustee companies or title companies) that will perform or complete some aspect of the default-related or REO-related work or if the firm relies on other offices to perform some aspect of the work or provide operational support, the Servicer must confirm that the firm maintains a reliable and secure means of exchanging matter information between each office and any third party the firm relies upon.

The Servicer must require the firm to describe whether the firm currently uses a universal translation technology to communicate information between their technological system and the various Servicers' systems, or explain its method for transmitting information efficiently, accurately and securely to Servicers.

(r) Technology staffing

The Servicer must confirm that the firm has adequate in-house technical expertise or readily available vendor support to ensure compliance with Freddie Mac's automated reporting requirements.

(s) Insurance requirements

The Servicer must confirm that the firm has an appropriate level of malpractice and errors and omissions insurance coverage in place or be able to obtain an appropriate amount of insurance by the date of the submission of the Servicer Selection Form. The appropriate level of insurance coverage will depend upon the total number of Freddie Mac and Fannie Mae files the firm is managing or expects to manage when being evaluated by the Servicer. The firm must have the ability to obtain the appropriate amount of insurance coverage under the new requirements as follows:

- Tier I, volume of 0-4, 499 foreclosure matters, coverage of not less than \$1 million per occurrence with an aggregate of not less than \$3 million
- Tier II, volume of 4, 500-19, 999 foreclosure matters, coverage of not less than \$5 million per occurrence with an aggregate of not less than \$5 million; and
- Tier III, volume of 20,000 or more foreclosure matters, coverage of not less than \$8 million per occurrence with an aggregate of not less than \$8 million

The required level of insurance is determined by the higher of the Freddie Mac or Fannie Mae pending foreclosure volume. By way of example, if a firm had 2,000 Freddie Mac foreclosure matters and 4, 501 Fannie Mae foreclosure matters, the firm would fall within Tier II and the required coverage would be not less than \$5 million per occurrence with an aggregate of not less than \$5 million. Beginning in 2014, Servicers must conduct an updated coverage analysis annually, with the appropriate level of insurance to be determined by the number of matters being handled as of June 1 of each year. When an annual review reveals a need to increase a firm's coverage, firms will have until December 31 of each year to obtain any required increased coverage. Servicers may grant firms additional time to obtain increased coverage if necessary to reach the routine renewal date for the firm's policy, but may not grant extensions beyond June 1 of the following year.

(t) Financial resources

The Servicer must confirm that the firm has adequate financial resources and the financial ability to make required advances in connection with filing fees and costs necessary to process default-related and REO-related matters.

The Servicer must review the firm's financial statements and/or other firm financial documents in order to confirm that the firm has sufficient reserves or credit lines to manage operating expenses.

(u) Business continuity

The Servicer must confirm that the firm has business continuity and/or disaster recovery plans in place to recover critical business functions. The firm must have a documented succession/continuity plan in the event of loss of the firm owners/partners.

(v) Quality control

The Servicer must confirm that the firm has written policies, procedures and/or processes in place by the date of the submission of the Servicer Selection Form, to ensure the proper management and supervision of staff and the proper preparation, review, execution and notarization of default-related documents and REO-related documents. The Servicer must also confirm the firm has an escalation process for employees to raise document execution and other quality control issues to firm management.

The Servicer must obtain documentation and information related to the firm's process for ensuring compliance with its policies, procedures, processes and training, such as an internal compliance program and/or quality control reviews.

(w) Employee training

The Servicer must confirm that the firm has written policies for employee training, including privacy training. When determining whether a firm's employee training is adequate, the Servicer must review the frequency of training, the presence of policies and procedures and firm handbooks, manuals and job aids.

(x) Adverse matters

No substantial part of the firm's practice can include matters that are adverse to financial institutions, including Freddie Mac or Fannie Mae. Adverse matters to financial institutions include:

- Homeowners or condominium association foreclosures
- Consumer debtor or mortgagor representation
- Bankruptcy trustee representation; or
- Any other client(s) that may create a potential conflict of interest

(y) Conflicts of interest

Attorneys must not be affected by a conflict of interest or a potential conflict of interest when handling Freddie Mac Default Legal Matters. The Servicer must retain the most qualified attorneys in compliance with Freddie Mac requirements to assist with processing Freddie Mac Default Legal Matters without regard to arrangements that could provide a financial or personal benefit directly or indirectly to the Servicer, its employees, outsource companies or third party vendors utilized by the Servicer to assist in Servicing defaulted Mortgages.

On the Servicer Selection Form, the Servicer must disclose to Freddie Mac any current, past (within the last five years), or pending personal and/or financial relationships between (i) the Servicer and the firm, including its partners and shareholders (as applicable) and (ii) the firm, including its partners and shareholders (as applicable), and any outsourcing company or other third-party vendor utilized by the Servicer to assist in Servicing defaulted Mortgages.

(z) Disclosure of third-party service providers

The Servicer must require the firm to disclose the identity of, and relationship with, any entities the firm relies upon to provide third-party support functions performed on the Servicer's behalf, including, but not limited to, title searches, title insurance, posting, publication, and process services.

The Servicer must also require the firm to disclose whether the firm has a process to select and regularly review costs and performance of vendors of related sources to ensure competitive pricing and high quality.

(aa) Referrals

The Servicer is responsible for ensuring that the firm complies with Freddie Mac requirements and applicable laws regarding referrals and payment of related fees and benefits, as further described in Sections 9501.7 and 9501.8.

The Servicer must not require the firm to use vendors, outsource companies or other third-parties specified by the Servicer as a condition of receiving a referral of a Freddie Mac Default Legal Matter.

(bb) Diversity data

The Servicer must confirm that the firm has the capability to report diversity data to the Servicer and Freddie Mac, if necessary.

Related Guide Bulletins	Issue Date
Bulletin 2016-12	June 29, 2016

Freddie Mac Single Family/Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide/Servicing/Series 9000: Servicing Default Management/Topic 9500: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/Chapter 9501: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/9501.4: Selection of firm (03/02/16)

9501.4: Selection of firm (03/02/16)

(a) Servicer selects firm

If the Servicer determines that a firm meets the Firm Minimum Requirements specified in Section 9501.3 and all other Guide requirements, then the Servicer must complete and submit a Servicer Selection Form to Freddie Mac, via

<https://freddiemacsats.com> and receive Freddie Mac's "no objection" determination before entering into an agreement with a firm to handle Freddie Mac Default Legal Matters. If Freddie Mac requests additional information from the Servicer as part of this process, the Servicer must provide the requested information within the time frame requested by Freddie Mac. Servicers may not rely upon a previous submission of a Servicer Selection Form with respect to a firm by another Servicer that received a "no objection" determination. Each Servicer must conduct its own due diligence, submit a Servicer Selection Form and receive a "no objection" determination for each firm that the Servicer wishes to retain to handle Freddie Mac Default Legal Matters.

If a firm practices in multiple States, the Servicer must submit a Servicer Selection Form for each State office for which the Servicer wishes to retain the firm.

Servicer Attorney Tracking System (SATS) registration

Servicers must use the Servicer Attorney Tracking System (SATS), an online process, to submit a Servicer Selection Form to Freddie Mac for each law firm selected to handle Freddie Mac Default Legal Matters. To establish access to SATS, Servicers must first register to create a user ID and password at **<https://freddiemacsats.com>**. After completing the registration process, SATS will allow users to submit the information required in the Servicer Selection Form to Freddie Mac for review. SATS will also allow Servicers to respond to Freddie Mac's requests for additional information, as necessary, and will allow Servicers to track each submission's status during the review process.

Freddie Mac will not review any Servicer Selection Form completed and submitted to any Freddie Mac e-mail address. Servicers must complete and submit the Servicer Selection Form via **<https://freddiemacsats.com>**.

(b) Freddie Mac review of Servicer Selection Form

After Freddie Mac receives the Servicer Selection Form, Freddie Mac will notify the Servicer via the Servicer's registered e-mail address with SATS whether Freddie Mac:

- Objects to the Servicer's retention of the firm to handle Freddie Mac Default Legal Matters
- Has no objection to Servicer's retention of the firm to handle Freddie Mac Default Legal Matters; or
- Needs additional information or documentation, or due diligence to be conducted before deciding whether the firm may be retained. If requested, the Servicer must provide any additional information or documentation to Freddie Mac via **<https://freddiemacsats.com>**, and must conduct any further due diligence requested by Freddie Mac within the time period stated in Freddie Mac's request.

(c) Freddie Mac's response to Servicer firm selection**(i) Freddie Mac provides a "no objection" response**

The Servicer must enter into a contract with the firm (if a contract does not already exist) as further specified in Section 9501.5, to handle Freddie Mac Default Legal Matters.

(ii) Freddie Mac provides an "objection" response

If the Servicer determines not to retain a particular firm, or if Freddie Mac objects to the retention of a particular firm, the Servicer must notify the firm that the firm cannot be hired for Freddie Mac Default Legal Matters.

(d) The Servicer decides not to retain firm

The Servicer is not obligated to inform Freddie Mac:

- If the Servicer determines that a firm does not meet the Firm Minimum Requirements; or
- If the Servicer decides not to retain a firm

(e) Diversity

Servicers are reminded that they must be aware of, and comply with, Freddie Mac's requirements in Sections 1201.10 and 1301.2 The Servicer must commit to practice the principles of equal employment opportunity and non-discrimination in all its business activities, including the retention and hiring of firms retained pursuant to this section.

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9501.5: Retention of firm (03/02/16)**(a) Servicer contract with firm**

If the Servicer has not already entered into a contract with a selected firm and Freddie Mac has provided a "no objection" determination, then the Servicer must enter into a contract with the firm. The Servicer must notify Freddie Mac when the contract has been executed by updating the Servicer Attorney Tracking System (SATS) via <https://freddiemacsats.com>, and must provide a copy of the contract to Freddie Mac, upon request.

(b) Freddie Mac limited retention agreement with firm

Freddie Mac will enter into a limited retention agreement that sets forth certain key retention provisions with each selected firm for each State in which the firm has received a "no objection" determination.

(c) Conflict between Servicer's contract and limited retention agreements; Servicer's respective consent

The Servicer acknowledges that the limited retention agreement recognizes and reflects a joint attorney-client relationship between the law firm, Freddie Mac and the Servicer, and the Servicer consents to such joint representation. The Servicer consents, in advance, to the selected firm's representation of Freddie Mac in any Freddie Mac Default Legal Matter that is or might be adverse to the Servicer, and further agrees that the firm can use in such representation any information the firm gained in the course of jointly representing the Servicer and Freddie Mac. In the event of any inconsistency or conflict between the terms and conditions of the Servicer's contract with the selected firm and the terms and conditions of Freddie Mac's limited retention agreement with the firm, Freddie Mac's limited retention agreement shall control.

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9501.6: Training of firms (03/02/16)

(a) Training prior to referral

The Servicer must not refer any Freddie Mac Default Legal Matters to a firm until the Servicer verifies that the firm has executed a limited retention agreement with Freddie Mac and has completed Freddie Mac's new firm training.

A firm is only required to attend Freddie Mac's new firm training once, regardless of the number of Servicers that select and retain the firm.

(b) Ongoing training

The Servicer must ensure that each firm obtains appropriate training to keep the firm apprised of updated Freddie Mac requirements. If the Servicer provides its own standard training and/or other communication materials to a firm, the Servicer must include information regarding Freddie Mac's requirements.

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9501.7: Referral of Freddie Mac Default Legal Matters to firm (03/02/16)

(a) Requirements prior to referral

Prior to referring a Freddie Mac Default Legal Matter to a firm, the Servicer must confirm that the firm is eligible to receive a referral by ensuring that:

- The firm meets the Firm Minimum Requirements, as specified in Section 9501.3
- Freddie Mac has provided a "no objection" determination, as specified in Section 9501.4
- The firm has executed a contract with the Servicer requiring the firm to comply with all applicable Freddie Mac requirements, as specified in Section 9501.5
- The firm has executed a limited retention agreement with Freddie Mac, as specified in Section 9501.5
- The firm has completed Freddie Mac training and any additional Servicer training, as specified in Section 9501.6; and
- There are no conflicts of interest with respect to the retention of the firm and referral of Freddie Mac Default Legal Matters to the firm

(b) Diversification of referrals

The Servicer must diversify its referrals of Freddie Mac Default Legal Matters to an appropriate number of firms in each State to protect the interests of Freddie Mac and to mitigate the risks related to a high concentration of Freddie Mac files. In selecting firms for referrals, the Servicer must consider firm capacity and management of staff to file ratios.

(c) Bankruptcy and foreclosure matters

The Servicer must not refer foreclosure matters directly to trustees listed on the deeds of trust.

Refer to Section 9401.10 for additional referral requirements.

(d) Providing documentation to firm

The Servicer must identify a file as a Freddie Mac Default Legal Matter when sending the file to a firm. When referring a file to a firm, the Servicer must provide all documentation required to initiate a foreclosure. If the firm requests any additional information and/or documentation at any time, the Servicer must provide such requested information and/or documents within three Business Days after receipt of the request, or within such earlier time frame if necessary to comply with timing requirements under applicable law or court orders and procedures.

For any Mortgage that the Servicer refers for foreclosure that is subsequently repurchased by the Servicer, whether voluntarily or involuntarily, the Servicer must notify foreclosure and/or bankruptcy counsel within two Business Days of the completed repurchase. (See Chapter 3602 for additional information about repurchases.)

(e) Contingency plan

All Servicers must have a contingency plan in place, either in the form of a stand-alone document or incorporated into policies and procedures, to redirect new foreclosure and bankruptcy referrals.

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**Retention and Management of Law Firms for Freddie Mac Default Legal Matters/9501.8:
Prohibitions related to Freddie Mac Default Legal Matters (03/02/16)**

**9501.8: Prohibitions related to Freddie Mac Default Legal Matters
(03/02/16)**

Servicers must not require the firm to perform any foreclosure or bankruptcy-related services on any Freddie Mac Default Legal Matter without compensation.

(a) Prohibition against charging for, contracting for, or making arrangements to receive benefits for Servicing obligations

A Servicer, whether acting directly or through an affiliate, service provider, vendor or outsourcing company, must not directly or indirectly:

- Charge Freddie Mac or the firm for any foreclosure or bankruptcy-related Servicing obligations, including expenses covered by the Servicing Spread; or
- Contract or make any arrangements with the firm whereby the Servicer (or its affiliate, service provider, vendor or outsourcing company) receives, directly or indirectly, any financial or other benefits (including, but not limited to, payments, the provision of employees or free or discounted services or products) from the firm in connection with any Freddie Mac Default Legal Matter or Freddie Mac-owned or guaranteed Mortgage

Refer to Section 8103.3 for additional information on Servicing obligations.

(b) Prohibitions with respect to use of specific vendors, services and/or products

The Servicer, and not a service provider, vendor or outsourcing company assisting the Servicer in Servicing defaulted Mortgages, must select the firm to handle Freddie Mac Default Legal Matters, and Servicers must not permit service providers, vendors, outsourcing companies, or others to participate in or influence, in any way, the Servicer's referral process.

A Servicer must not, whether acting directly or through an affiliate, service provider, vendor or outsourcing company:

- Require the firm to contract with or use a particular service provider, vendor or outsourcing company, or to use, or pay for, a particular service or product
- Refuse to refer a file to the firm because the firm chooses not to contract with or use a particular service provider, vendor or outsourcing company, or chooses not to use, or pay for, a particular service or product; or
- Charge the firm for any aspect of the file referral or management process, including, but not limited to, the use of connectivity or invoice processing systems (e.g., licensing or subscription fees, "click" charges, or any other payment) in order for the firm to provide services necessary to handle Freddie Mac Default Legal Matters (e.g., to prosecute the foreclosure or bankruptcy case)

However, a Servicer may require the firm to use certain connectivity or invoice processing systems, provided that the firm is not required to pay for the use of, or access to, such systems.

Refer to Section 9501.9 for information about use of, and reimbursement for, connectivity and invoice processing systems.

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Retention and Management of Law Firms for Freddie Mac Default Legal Matters/9501.9: Servicer use of connectivity and invoice processing system (03/02/16)**9501.9: Servicer use of connectivity and invoice processing system (03/02/16)**

A Servicer, whether acting directly or through any vendor, service provider or outsourcing company, may employ electronic monitoring, management, reporting or information and document delivery processes technology, referred to in this section as a "Connectivity System, " and an invoice processing system as outlined below.

(a) Connectivity System

A Servicer may employ a Connectivity System to assist with fulfilling Servicing obligations such as:

- Packaging and referring foreclosure and bankruptcy cases to the firm
- Communicating information and delivering documents between the Servicer and the firm as well as any other third parties requiring access to the Connectivity System; and
- Managing and monitoring foreclosure and bankruptcy cases

If a Servicer uses a Connectivity System:

- Freddie Mac will reimburse the Servicer for the actual cost of the connectivity fee up to the maximum expense limit specified in Section 9701.11
- The Servicer must provide the firm with use of and access to the identical Connectivity System
- The Servicer must permit, or continue to permit, the firm to integrate its own technology systems with the Connectivity System at no cost to the firm; and
- The Servicer must not pass on any Connectivity System related charges to the Borrower or the firm

(b) Invoice processing system

A Servicer may employ an invoice processing system for managing the submission and payment of invoices.

If a Servicer, whether acting directly or through a vendor or outsourcing company, processes firm invoices electronically:

- Freddie Mac will reimburse the Servicer for the actual cost of the invoicing fee up to the maximum expense limits specified in Section 9701.11; and
- The Servicer must not pass on any invoice processing related charges to the Borrower or the firm

The amounts specified in Section 9701.11 for connectivity and invoice processing systems are the maximum amounts for which a Servicer may seek reimbursement for the life of the default (i.e., the duration of the foreclosure, including any Freddie Mac Default Legal Matter such as bankruptcy).

For example, if a Servicer has already referred a Mortgage to foreclosure and it then becomes necessary to take action with respect to a bankruptcy related to such Mortgage, or if a Servicer has already referred a file for bankruptcy and foreclosure has commenced following the bankruptcy referral, the Servicer may be reimbursed only for one connectivity fee. Likewise in this scenario, if the Servicer is using an invoice processing system, then the Servicer may only seek reimbursement for one invoicing fee associated with the foreclosure and for one invoicing fee associated with the bankruptcy during the life of the default.

Freddie Mac Single Family/Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide/Servicing/Series 9000: Servicing Default Management/Topic 9500: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/Chapter 9501: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/9501.10: Servicer reporting on Freddie Mac Default Legal Matters (06/29/16)

9501.10: Servicer reporting on Freddie Mac Default Legal Matters (06/29/16)

The Servicer must provide reports related to firm performance, management of foreclosure and bankruptcy processes, oversight of firm compliance and performance and other related matters as required by Freddie Mac. Servicers must ensure that all firms retained for Freddie Mac Default Legal Matters report data required by Freddie Mac directly to Freddie Mac accurately and in the time frames prescribed. This includes required daily reporting by its retained law firms, via the Attorney Data Reporting (ADR) System, of key metrics such as:

- Milestones during the lifecycle of Freddie Mac Default Legal Matters
- Delays affecting prompt and efficient completion of the Freddie Mac Default Legal Matter
- Successful loss mitigation activities
- Litigation detail during the lifecycle of certain non-routine litigation matters
- Completion of the Freddie Mac Default Legal Matter

Key metrics generally must be reported to Freddie Mac within 24 hours of occurrence, unless otherwise prescribed in related training materials for the web-based attorney reporting system. Servicers may obtain access to ADR, and monitor their law firms' reporting progress, by completing the **ADR Servicer Access Request Form** available on the Freddie Mac Default-Related Legal Services web page at

http://www.freddiemac.com/singlefamily/service/default_legal_services.html

Related Guide Bulletins	Issue Date
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Bulletin 2016-12

June 29, 2016

Freddie Mac Single Family/Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide/Servicing/Series 9000: Servicing Default Management/Topic 9500: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/Chapter 9501: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/9501.11: Servicer monitoring and management of firm (03/02/16)

9501.11: Servicer monitoring and management of firm (03/02/16)

The Servicer is responsible for managing and monitoring all aspects of the firm performance, providing necessary assistance to the firm relating to Freddie Mac Default Legal Matters, and for undertaking all activities required to protect Freddie Mac's interest in the Mortgage. The Servicer must also ensure that the firm is in compliance with applicable Freddie Mac requirements, and that the firm receives all training and documentation relating to applicable Freddie Mac requirements, either separately or as part of the Servicer's standard training.

(a) Compliance processes

The Servicer must develop and have in place policies and procedures regarding oversight and compliance of firms handling Freddie Mac Default Legal Matters. The Servicer must have policies and procedures reasonably designed to ensure that firms handling Freddie Mac Default Legal Matters are in compliance with the limited retention agreement, the applicable provisions of the Guide, and applicable law.

The Servicer's ongoing compliance monitoring must address the following minimum elements:

- Ongoing eligibility under the Firm Minimum Requirements specified in Section 9501.3
- Compliance with the limited retention agreement, including the fee and cost guidelines; and
- Firm performance and processes necessary to ensure Servicer's compliance with applicable Guide requirements

The Servicer must conduct periodic compliance reviews and training as appropriate. In determining the frequency of firm compliance reviews, the Servicer must consider the overall risk posed to Freddie Mac by the firm (legal, reputational, and financial), firm file volume, performance, any changes in staffing ratios or levels, any litigation against the firm alleging systemic issues, any media coverage regarding the firm and the prior results of any firm compliance reviews.

(b) Freddie Mac review of compliance process

Freddie Mac reserves the right to review the Servicer's compliance process. Freddie Mac may require Servicers to conduct additional compliance activities related to firms handling Freddie Mac Default Legal Matters, such as additional firm compliance reviews.

The Servicer must make available to Freddie Mac upon request the materials relating to its performance and compliance monitoring of firms handling Freddie Mac Default Legal Matters, including:

- Information regarding the scope and methodology of the Servicer's compliance monitoring
- The schedule of firm compliance reviews conducted
- The identity of any vendors used in the firm compliance reviews
- All documentation from the firm compliance reviews; and
- All findings, reports or remediation plans resulting from the firm compliance reviews

In addition, Freddie Mac may require a Servicer to change the scope of its compliance process used to monitor firms handling Freddie Mac Mortgages.

(c) Freddie Mac right to audit firm

Freddie Mac also reserves the right to directly conduct firm audits and firm on-site visits as Freddie Mac deems necessary. Freddie Mac audits and visits may focus on items such as fee and cost compliance, Servicer compliance with Freddie Mac requirements, and high-risk issues, including compliance with applicable laws, reputational risk, unsatisfactory results of Servicer firm compliance reviews and conflicts of interest involving Freddie Mac-owned or guaranteed Mortgages.

Freddie Mac Single Family/Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide/Servicing/Series 9000: Servicing Default Management/Topic 9500: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/Chapter 9501: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/9501.12: Escalation of firm issues to Freddie Mac (03/02/16)

9501.12: Escalation of firm issues to Freddie Mac (03/02/16)

(a) Escalation of issues

The Servicer must notify Freddie Mac via e-mail (**see Directory 1**), within two Business Days of discovery or sooner if circumstances warrant, if the Servicer becomes aware of any issues or concerns relating to a firm (including a specific employee or vendor of a firm), or a Freddie Mac Default Legal Matter, including, but not limited to:

1. Any information regarding a firm that may warrant a firm's suspension, termination or Servicer request to transfer Freddie Mac Default Legal Matters to another firm
2. Information suggesting legal or reputational risk posed by the firm such as bar complaints, sanctions, or litigation alleging systemic issues with the firm, firm attorney, or the firm's practices
3. Security incidents that compromise the security, confidentiality or integrity of "sensitive customer information" and that security incident is related to Freddie Mac-owned or guaranteed Mortgages (refer to Section 1301.2(f))
4. Actual or alleged fraud on the part of the firm
5. Federal, State, or local governmental inquiries, including congressional inquiries, regarding a firm, Freddie Mac-owned or guaranteed Mortgages, or Freddie Mac or Servicer practices affecting Freddie Mac-owned or guaranteed Mortgages
6. Non-routine litigation (as described in Section 9402.2)
7. Media inquiries relating to Freddie Mac, a firm, or Freddie Mac-owned or guaranteed Mortgages
8. Volume or capacity issues with the firm
9. Breach of the limited retention agreement between the firm and Freddie Mac, or the contract between the firm and the Servicer
10. Legal matters such as regulatory updates and specific reporting on certain matters (e.g., transfer tax matters)
11. Any systemic issues with the firm
12. Systemic Servicer issues related to file suspensions and foreclosure holds (e.g., failure to properly implement new statutory changes); and
13. Any material change in the ownership, partnership, or organization of the firm after executing the limited retention agreement. Such notifications should include instances where a named partner leaves the firm or a major practice group separates from the firm.

(b) Procedures relating to issues and concerns

When a Servicer provides Freddie Mac notice of an issue requiring Freddie Mac's attention, the Servicer must designate in its e-mail one or more points of contact. Freddie Mac may request that the Servicer obtain additional information from the firm regarding the issue that was escalated to Freddie Mac, and the Servicer must promptly provide the requested information to Freddie Mac.

(c) Freddie Mac rights

Freddie Mac reserves the right to issue direction to Servicers and firms regarding escalated issues. Refer to Section 9501.15 for more information about Freddie Mac's reservation of rights

(d) Escalated issue – confidential information

Any issue that is identified and escalated to or by Freddie Mac pursuant to this section (other than non-routine litigation) is considered to be "confidential information" as defined in Sections 1201.8 and 8101.8. The Servicer must comply with the requirements of such sections with respect to treatment of any escalated issue.

Freddie Mac Single Family/Single-Family Seller/Service Guide/Single-Family Seller/Service Guide/Service/Series 9000: Servicing Default Management/Topic 9500: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/Chapter 9501: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/9501.13: File transfers, termination and suspension of firms (05/18/16)

9501.13: File transfers, termination and suspension of firms (05/18/16)

(a) Servicer-directed suspension of referrals, Freddie Mac Default Legal Matter transfers and terminations

If a Servicer becomes aware of information regarding a firm's handling Freddie Mac Default Legal Matters that might warrant a suspension of referrals of new Freddie Mac Default Legal Matters, the transfer of Freddie Mac Default Legal Matters to another firm, and/or termination of the firm (such as for legal, reputational, or operational risk), the Servicer must:

- Notify Freddie Mac within two Business Days via e-mail or sooner if circumstances warrant, as set forth in Section 9501.12; and
- Conduct due diligence with respect to the issue

If the Servicer intends to suspend referrals of new Freddie Mac Default Legal Matters, transfer Freddie Mac Default Legal Matters, and/or terminate a firm, the Servicer must provide Freddie Mac with at least five Business Days' notice **(see Directory 1)** prior to implementing the decision. Additionally, the notification must provide Freddie Mac with the implementation plan for the course of action chosen by the Servicer, pursuant to Section 9501.14.

For the transfer of Freddie Mac Default Legal Matters, once a Servicer has determined the eligible law firm(s) that will receive such file transfers, the following must also be included in the notification to Freddie Mac:

- Servicer name and the six-digit Seller/Servicer number
- The nine-digit Freddie Mac loan number
- Servicer loan number
- Date of transfer
- Original law firm name
- New law firm name
- Freddie Mac Default Legal Matter being transferred (e.g., foreclosure, bankruptcy proof of claim (POC) or bankruptcy motion for relief (MFR)) to the new law firm
- The State in which the Mortgaged Premises is located

In addition, the Servicer must:

- Upon request, provide Freddie Mac with the reason for the decision and the due diligence materials or other information supporting the decision
- Inform the firm of the decision; and
- Keep Freddie Mac periodically updated with respect to the status of implementation of the decision

Refer to Section 9501.14 for additional information relating to implementation of terminations, transfer of Freddie Mac Default Legal Matters and suspensions.

(b) Freddie Mac-directed suspension of referrals, matter transfers and terminations

Freddie Mac may direct the Servicer to initiate an investigation of a firm if Freddie Mac becomes aware of information that might warrant a suspension of referrals of new Freddie Mac Default Legal Matters, the transfer of Freddie Mac Default Legal Matters, or termination of the firm. Freddie Mac also may conduct due diligence and investigations as necessary. Freddie Mac may instruct Servicers to suspend some or all referrals of new Freddie Mac Default Legal Matters, to transfer some or all existing Freddie Mac Default Legal Matters, or to terminate a firm.

In the event of a decision by Freddie Mac to suspend referrals of new Freddie Mac Default Legal Matters, transfer Freddie Mac Default Legal Matters, or terminate a firm, Freddie Mac will:

- Inform the Servicer of the decision and provide direction with respect to required Servicer actions, including direction with respect to transfers of Freddie Mac Default Legal Matters
- Inform the firm of the decision and provide direction to the firm with respect to required firm actions; and
- Terminate the limited retention agreement between Freddie Mac and the firm, as appropriate

(c) Documentation of due diligence review

The Servicer must maintain documentation of the due diligence review, the Servicer's decision, and all other information supporting the decision for a period of seven years after such decision.

Related Guide Bulletins	Issue Date
Bulletin 2016-9	May 18, 2016

Freddie Mac Single Family/Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide/Servicing/Series 9000: Servicing Default Management/Topic 9500: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/Chapter 9501: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/9501.14: Implementing file transfers and/or the termination and suspension of firms (03/02/16)

9501.14: Implementing file transfers and/or the termination and suspension of firms (03/02/16)

(a) Implementation plan

Prior to implementing any decision to terminate a contract with a firm, suspend referrals of new Freddie Mac Default Legal Matters and/or transfer Freddie Mac Default Legal Matters from a firm, the Servicer must develop an implementation plan which addresses:

- File transfers
- The capacity of other eligible firms in the State to handle additional Freddie Mac Default Legal Matters and/or transferred Freddie Mac Default Legal Matters
- Proration of fees and costs between the transferor and transferee firms
- Contract provisions during any transition period, including insurance; and
- Other issues as necessary

The implementation plan must take into account any legal, operational or reputational risks that may arise during the transition period, and must address these risks in the most cost-efficient and effective manner. Freddie Mac reserves the right to require the modification of the implementation plan, and provide additional Servicer requirements relating to the termination of any firm, the suspension of referrals of new Freddie Mac Default Legal Matters and the transfer of Freddie Mac Default Legal Matters.

(b) Servicer monitoring of implementation plan

The Servicer must take all necessary steps to ensure that the implementation plan proceeds in an orderly manner and that all Freddie Mac interests are protected during the implementation. Such steps include, but are not limited to:

- Transferring files relating to Freddie Mac Default Legal Matters to eligible firms
- Addressing any issues arising from the transfer of files, the suspension of referrals and the termination of a firm
- Reporting periodically to Freddie Mac on the status of the plan, including such details as how many files are transferred to each new firm, which new firms receive the files and the timing of transfers; and
- Such other details as requested by Freddie Mac

Servicers may not charge Freddie Mac or Borrowers for any fees or costs associated with transferring Freddie Mac Default Legal Matters, and such amounts may not be added to Borrower Mortgage balances.

(c) Freddie Mac's rights to manage termination, suspension and/or file transfers

Freddie Mac may decide, in its sole discretion, that the legal, operational or reputational risks necessitate Freddie Mac's management of the:

- Termination of any firm with respect to its handling of Freddie Mac Default Legal Matters
- Suspension of referrals of Freddie Mac Default Legal Matters to a firm; and/or
- Transfers of files relating to Freddie Mac Default Legal Matters

In such case, the Servicer must cooperate with Freddie Mac in such management and provide all necessary documentation, files and information as requested by Freddie Mac.

Freddie Mac Single Family/Single-Family Seller/Servicer Guide/Single-Family Seller/Servicer Guide/Servicing/Series 9000: Servicing Default Management/Topic 9500: Selection, Retention and

Management of Law Firms for Freddie Mac Default Legal Matters/Chapter 9501: Selection, Retention and Management of Law Firms for Freddie Mac Default Legal Matters/9501.15: Reservation of rights and remedies for non-compliance concerning litigation (03/02/16)

9501.15: Reservation of rights and remedies for non-compliance concerning litigation (03/02/16)

Freddie Mac reserves the right to direct and control all litigation involving a Freddie Mac loan. The Servicer and firm handling the litigation must cooperate fully with Freddie Mac in the prosecution, defense or handling of the matter.

In addition, Freddie Mac reserves the right to:

1. Select the foreclosure counsel for a particular case, whether the case is routine or non-routine litigation
2. Direct and manage the actions taken by the foreclosure counsel, on a case-by-case or individual State basis
3. Assess additional compensatory fees against the Servicer and/or seek repayment of losses, costs or damages from the Servicer sustained due to errors, omissions or delays by the Servicer or its agent; and
4. Direct and manage the actions taken by Servicers and firms relating to escalated issues specified in Section 9501.12

Remedies for non-compliance

If a Servicer fails to comply with the provisions under Chapter 9501, Freddie Mac, in its sole discretion, and in addition to any other remedies specified in the Guide or the Servicer's other Purchase Documents, reserves the right to:

- Refuse to reimburse the Servicer for any legal fees and costs
- Offset the entire legal fee from future foreclosure expenses otherwise eligible for reimbursement from Freddie Mac or seek the Servicer's reimbursement of the entire legal fee with interest, if Freddie Mac has already reimbursed the Servicer for the costs involved in the particular foreclosure or bankruptcy
- Require the Servicer to reimburse the firm or Freddie Mac for any prohibited payments or other financial benefits
- Prohibit the Servicer from contracting, directly or through any service provider, vendor or outsourcing company, with a firm with respect to products or services ancillary to a foreclosure or bankruptcy case
- Prohibit the Servicer from contracting with the service provider, vendor or outsourcing company involved in the prohibited activities with respect to Freddie Mac-owned or guaranteed Mortgages
- Seek Servicer repayment of losses, costs or damages sustained by Freddie Mac due to errors by the Servicer or its agent; and/or require repurchase of impacted Mortgage

EXHIBIT C

EXHIBIT C

Recording Requested By:
Bank of America
Prepared By: **Bank of America**
800-444-4302
When recorded mail to:
CoreLogic
450 E. Boundary St.
Attn: Release Dept.
Chapin, SC 29036



DocID# **1459468228568084**

Tax ID: **179-31-714-046**

Property Address:

668 Moonlight Stroll St
Henderson, NV 89002-0505

NV0-ADT 17942210 4/17/2012

Inst #: 201204230000265

Fees: \$18.00

N/C Fee: \$25.00

04/23/2012 08:02:49 AM

Receipt #: 1138672

Requestor:

CORELOGIC

Recorded By: ECM Pgs: 2

DEBBIE CONWAY

CLARK COUNTY RECORDER

This space for Recorder's use

MIN #: 1000721-1140028613-0

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 **1901 E Voorhees Street, Suite C, Danville, IL 61834** does hereby grant, sell, assign, transfer and convey unto **BANK OF AMERICA, N.A., SUCCESSOR BY MERGER TO BAC HOME LOANS SERVICING, LP FKA COUNTRYWIDE HOME LOANS SERVICING LP** whose address is **8609 WESTWOOD CENTER, VIENNA, VA 22183**

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: **KB HOME MORTGAGE COMPANY**
Made By: **IGNACIO A GUTIERREZ, A SINGLE MAN**
Trustee: **FIRST AMERICAN TITLE COMPANY OF NEVADA**
Date of Deed of Trust: **7/6/2005** Original Loan Amount: **\$271,638.00**

Recorded in **Clark County, NV** on: **7/20/2005**, book **N/A**, page **N/A** and instrument number **20050720-0004600**

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

4/17/12

**MORTGAGE ELECTRONIC REGISTRATION
SYSTEMS, INC.**

By: 
Miguel Romero Vice President

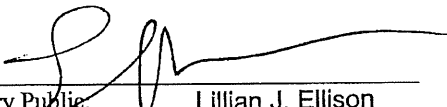
State of California
County of Ventura

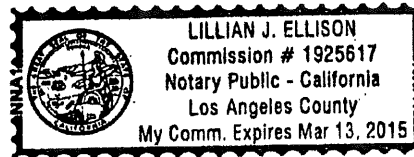
On APR 17 2012 before me, Lillian J Ellison, Notary Public, personally appeared
Miguel Romero

, 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: Lillian J. Ellison
My Commission Expires: March 13, 2015



(Seal)

EXHIBIT D

EXHIBIT D

Inst #: 201211280003539
Fees: \$17.00
N/C Fee: \$0.00
11/28/2012 02:55:03 PM
Receipt #: 1398512
Requestor:
CASTLE STAWIARSKI, LLC - NE
Recorded By: MAT Pgs: 1
DEBBIE CONWAY
CLARK COUNTY RECORDER

Requested and Prepared by:
The Cooper Castle Law Firm

When Recorded Mail To:
Cooper Castle Law Firm, LLP
5275 S. Durango Drive
Las Vegas, NV 89113

A.P.N.: 179-31-714-046 MIN: 1000721-1140028613-0
TS NO: 12-10-48073-NV MERS Telephone Number: (888) 679-6377
Property Address: 668 Moonlight Stroll Street, Henderson, NV 89015

ASSIGNMENT OF DEED OF TRUST

For Value Received, the undersigned corporation hereby grants, assigns, and transfers to: **Nationstar Mortgage LLC** all beneficial interest under that certain Deed of Trust dated: **July 6, 2005** executed by **Ignacio A Gutierrez, a single man**, as Trustor(s), **First American Title Company of Nevada** as Trustee, and recorded as **20050720-0004600** on **July 20, 2005** of Official Records, in the office of the County Recorder of **Clark County, Nevada**, with all moneys now owing or that may hereafter become due or owing in respect thereof and also all rights accrued or to accrue under said Deed of Trust.

Date of Execution: 11-21-2012

Bank of America, N.A., successor by merger to BAC Home Loans Servicing, LP FKA Countrywide Home Loans Servicing LP by Nationstar Mortgage LLC its Attorney-in-Fact

Susan Lindhorst
By: Susan Lindhorst
Title: ASST. Sec.

Acknowledgement:
State of Nebraska
County of Scotts Bluff

On 11-21-2012 before me Linda D Parks, personally appeared Susan Lindhorst, who provided 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 Nebraska that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Linda D Parks

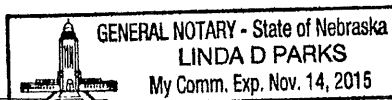


EXHIBIT E

EXHIBIT E

1 **MSJD**
2 MELANIE D. MORGAN, ESQ.
3 Nevada Bar No. 8215
4 TENESA S. SCATURRO, ESQ.
5 Nevada Bar No. 12488
6 AKERMAN LLP
7 1160 Town Center Drive, Suite 330
8 Las Vegas, Nevada 89144
9 Telephone: (702) 634-5000
10 Facsimile: (702) 380-8572
11 Email: melanie.morgan@akerman.com
12 Email: tenesa.scaturro@akerman.com
13 *Attorneys for Bank of America, N.A., as Successor*
14 *by Merger to BAC Home Loans Servicing, LP fka*
15 *Countrywide Home Loans, Inc., incorrectly sued*
16 *as Countrywide Home Loans, Inc. and Nationstar*
17 *Mortgage, LLC.*

DISTRICT COURT
CLARK COUNTY, NEVADA

13 IGNACIO GUTIERREZ, an individual,
14 Plaintiff,

Case No.: A-13-684715-C
Dept. No: XVII

15 vs.

**DECLARATION IN SUPPORT OF
RENEWED MOTION FOR SUMMARY
JUDGMENT**

16 SFR INVESTMENTS POOL 1, LLC; NEVADA
17 ASSOCIATION SERVICES, INC.; HORIZON
18 HEIGHTS HOMEOWNERS ASSOCIATION;
19 KB HOME MORTGAGE COMPANY, a foreign
20 corporation; DOE Individuals I through X; ROE
21 Corporations and Organizations I through X,

Defendants.

22 SFR INVESTMENTS POOL 1, LLC, Nevada
23 Limited Liability Company,

24 Counter-Claimant and Third Party Plaintiff,

25 vs.

26 IGNACIO GUTIERREZ, an individual;
27 NATIONSTAR MORTGAGE, LLC, a Delaware
28 limited liability company; COUNTRYWIDE
HOME LOANS, INC., a foreign corporation;
DOES I through X; and ROES 1-10, inclusive,

Counter-Defendant and Third Party Defendants.

1 I, AJ Loll, declare as follows:

2 1. My name is AJ Loll. I am competent to testify and have personal knowledge of the
3 matters stated herein by virtue of my position as Managing VP for Nationstar Mortgage LLC
4 (**Nationstar**).

5 2. As Managing VP for Nationstar, I am familiar with certain Nationstar systems and
6 databases that contain data regarding mortgage loans owned by Federal Home Loan Mortgage
7 Corporation (**Freddie Mac**) that Nationstar services. I have reviewed Nationstar's systems and
8 databases containing information and data related to this loan.

9 3. Entries in Nationstar's systems and corresponding databases are made at or near the time
10 of the events recorded by, or from information transmitted by, persons with knowledge. Nationstar's
11 systems and databases are maintained and kept in the course of Nationstar's regularly conducted
12 business activity, and it is the regular practice of Nationstar to keep and maintain information
13 regarding loans owned by Freddie Mac that Nationstar services in Nationstar's databases.
14 Nationstar's systems and databases consist of records that were made and kept by Nationstar in the
15 course of its regularly conducted activities pursuant to its regular business practice of creating such
16 records. These systems and databases are Nationstar's business records.

17 4. The records in Nationstar's systems and corresponding databases are consistent with my
18 knowledge of the following matters:

- 19 a. On or about July 6, 2005, Ignacio A. Gutierrez (**Borrower**) obtained a loan from KB
20 Home Mortgage Company (**Lender**) in the amount of \$271,638.00.
- 21 b. The Borrowers executed a note dated July 6, 2005 in favor of Lender (the **Note**).
22 Their promise to repay the amount borrowed is secured by a Deed of Trust recorded
23 against real property located at 668 Moonlight Stroll Street, Las Vegas, Nevada
24 89015 (the Note and Deed of Trust together are the Loan).
- 25 c. Nationstar began servicing the Loan on or about July 16, 2012. True and correct
26 copies of printouts from Nationstar's records pertaining to the date that Nationstar
27 began servicing the Loan are attached as **Exhibit 1**.
- 28

1 5. Nationstar's records also indicate Freddie Mac owned the Loan on July 16, 2012, the
2 date Nationstar began servicing the Loan—and has owned the Loan ever since. True and correct
3 printouts from Nationstar's business records pertaining to Freddie Mac's ownership interest in the
4 Loan and identifying Freddie Mac as the current loan owner are attached as **Exhibit 2**. The "Loan
5 Data" screenshot documents the basic loan information. The "Investor" is identified as FHLMC
6 SCH/ACT GANESHA which refers to Freddie Mac.

7 6. Nationstar was Freddie Mac's authorized loan servicer and beneficiary of record of
8 the Deed of Trust for the Loan at the time of the HOA sale.

9 7. Freddie Mac's Single-Family Servicing Guide (the **Guide**) serves as a central
10 document governing the contractual relationship between Freddie Mac and its servicers, including
11 Nationstar. An interactive version of the Guide is publicly-accessible on the Internet through links
12 found at: <http://www.freddiemac.com/singlefamily/guide/>. Archived prior versions of the Guide are
13 available at the same web address by clicking prior years under the link to the snapshot of the current
14 version. I have reviewed portions of the Guide.

15 8. I have reviewed Nationstar's system of books and records and have not found
16 evidence that Nationstar received the HOA's notice of sale.

17 *I declare that the foregoing is true and correct.*

18 Executed this 1st day of November, 2017 in Coppell, Texas.

19
20 NATIONSTAR MORTGAGE LLC

21 By: 

22 Name: A. J. Loll, Vice President
23 Nationstar Mortgage LLC
24
25
26
27
28

EXHIBIT F

EXHIBIT F

Inst #: 201207100001296
Fees: \$17.00
N/C Fee: \$0.00
07/10/2012 09:24:34 AM
Receipt #: 1227729
Requestor:
NORTH AMERICAN TITLE COMPAN
Recorded By: SOL Pgs: 1
DEBBIE CONWAY
CLARK COUNTY RECORDER

APN # 179-31-714-046
N71680

Accommodation

NOTICE OF DELINQUENT ASSESSMENT LIEN

In accordance with Nevada Revised Statutes and the Association's declaration of Covenants Conditions and Restrictions (CC&Rs), recorded on March 30, 2003, as instrument number 02850 BK20030630, of the official records of Clark County, Nevada, the Horizon Heights has a lien on the following legally described property.

The property against which the lien is imposed is commonly referred to as 668 Moonlight Stroll Street Henderson, NV 89002 particularly legally described as: HORIZON HGTS PHASE 2 PLAT BOOK 119 PAGE 62 LOT 166 in the County of Clark.

The owner(s) of record as reflected on the public record as of today's date is (are):
Ignacio Gutierrez

Mailing address(es):
668 Moonlight Stroll Street Henderson, NV 89002

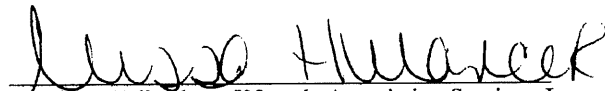
*Total amount due as of today's date is \$1,333.00.

This amount includes late fees, collection fees and interest in the amount of \$763.00

* Additional monies will accrue under this claim at the rate of the claimant's regular assessments or special assessments, plus permissible late charges, costs of collection and interest, accruing after the date of the notice.

Nevada Association Services, Inc. is a debt collector. Nevada Association Services, Inc. is attempting to collect a debt. Any information obtained will be used for that purpose.

Dated: July 8, 2012



By Elissa Hollander, of Nevada Association Services, Inc., as agent for Horizon Heights

When Recorded Mail To:
Nevada Association Services
TS # N71680
6224 W. Desert Inn Rd, Suite A
Las Vegas, NV 89146
Phone: (702) 804-8885 Toll Free: (888) 627-5544

EXHIBIT G

EXHIBIT G

APN # 179-31-714-046
NAS # N71680
North American Title #
Property Address: 668 Moonlight Stroll Street

37942

Inst #: 201208300002265
Fees: \$18.00
N/C Fee: \$0.00
08/30/2012 12:16:53 PM
Receipt #: 1290330
Requestor:
NORTH AMERICAN TITLE SUNSET
Recorded By: SOL Pgs: 2
DEBBIE CONWAY
CLARK COUNTY RECORDER

Accommodation

NOTICE OF DEFAULT AND ELECTION TO SELL UNDER HOMEOWNERS ASSOCIATION LIEN

IMPORTANT NOTICE

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

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS IT MAY BE SOLD WITHOUT ANY COURT ACTION and you may have the legal right to bring your account in good standing by paying all your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account. No sale date may be set until ninety (90) days from the date this notice of default was mailed to you. The date this document was mailed to you appears on this notice.

This amount is \$2,216.50 as of August 28, 2012 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage, or as required under your Covenants Conditions and Restrictions. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property or pay other obligations as required by your note and deed of trust or mortgage, or as required under your Covenants Conditions and Restrictions, Horizon Heights (the Association) may insist that you do so in order to reinstate your account in good standing. In addition, the Association may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes and hazard insurance premiums.

Upon your request, this office will mail you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your Association may mutually agree in writing prior to the foreclosure sale to, among other things, 1) provide additional time in which to cure the default by transfer of the property or otherwise; 2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your Association permits a longer period, you have only the legal right to stop the sale of your property by paying the entire amount demanded by your Association.

To find out about the amount you must pay, or arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: Nevada Association Services, Inc. on behalf of Horizon Heights, 6224 W. Desert Inn Road, Suite A, Las Vegas, NV 89146. The phone number is (702) 804-8885 or toll free at (888) 627-5544.

If you have any questions, you should contact a lawyer or the Association which maintains the right of assessment on your property.

NAS # N71680

Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

**REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT
TAKE PROMPT ACTION.**

**NOTICE IS HEREBY GIVEN THAT NEVADA ASSOCIATION
SERVICES, INC.**

is the duly appointed agent under the previously mentioned Notice of Delinquent Assessment Lien, with the owner(s) as reflected on said lien being Ignacio Gutierrez, dated July 8, 2012, and recorded on July 10, 2012 as instrument number 0001296 Book 20120710 in the official records of Clark County, Nevada, executed by Horizon Heights, hereby declares that a breach of the obligation for which the Covenants Conditions and Restrictions, recorded on March 30, 2003, as instrument number 02850 BK20030630, as security has occurred in that the payments have not been made of homeowner's assessments due from 5/1/2012 and all subsequent homeowner's assessments, monthly or otherwise, less credits and offsets, plus late charges, interest, trustee's fees and costs, attorney's fees and costs and Association fees and costs.

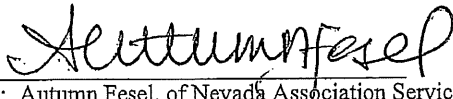
That by reason thereof, the Association has deposited with said agent such documents as the Covenants Conditions and Restrictions and documents evidencing the obligations secured thereby, and declares all sums secured thereby due and payable and elects to cause the property to be sold to satisfy the obligations.

Nevada Association Services, Inc. is a debt collector. Nevada Association Services, Inc. is attempting to collect a debt. Any information obtained will be used for that purpose.

Nevada Associations Services, Inc., whose address is 6224 W. Desert Inn Road, Suite A, Las Vegas, NV 89146 is authorized by the association to enforce the lien by sale.

Legal Description: HORIZON HGTS PHASE 2 PLAT BOOK 119 PAGE 62 LOT 166 in the County of Clark

Dated: August 28, 2012



By: Autumn Fesel, of Nevada Association Services, Inc.
on behalf of Horizon Heights

When Recorded Mail To:
Nevada Association Services, Inc.
6224 W. Desert Inn Road, Suite A
Las Vegas, NV 89146
(702) 804-8885
(888) 627-5544

EXHIBIT H

EXHIBIT H

Inst #: 201302200000682

Fees: \$18.00

N/C Fee: \$0.00

02/20/2013 08:59:08 AM

Receipt #: 1503451

Requestor:

NORTH AMERICAN TITLE SUNSET

Recorded By: DXI Pgs: 2

DEBBIE CONWAY

CLARK COUNTY RECORDER

APN#

179-31-714-046

11 digit number may be obtained at:
<http://sandgate.co.clark.nv.us/cicsAssessor/owner.htm>

NOTICE OF FORECLOSURE SALE

Type of Document

(Example: Declaration of Homestead, Quit Claim Deed, etc.)

Recording requested by:

NORTH AMERICAN TITLE COMPANY

Return to:

Name NORTH AMERICAN TITLE COMPANY

Address 8485 W. SUNSET, STE. 111

City/State/Zip LAS VEGAS, NV 89113

This page added to provide additional information required by NRS 111.312 Sections 1-2
(An additional recording fee of \$1.00 will apply.)

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

CS12/03

JA_0304

APN # 179-31-714-046
Horizon Heights

NAS # N71680

Accommodation NOTICE OF FORECLOSURE SALE

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 NEVADA ASSOCIATION SERVICES, INC. AT (702) 804-8885. IF YOU NEED ASSISTANCE, PLEASE CALL THE FORECLOSURE SECTION OF THE OMBUDSMAN'S OFFICE, NEVADA REAL ESTATE DIVISION, AT 1-877-829-9907 IMMEDIATELY.

YOU ARE IN DEFAULT UNDER A DELINQUENT ASSESSMENT LIEN, July 8, 2012. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

NOTICE IS HEREBY GIVEN THAT on 3/8/2013 at 10:00 am at the front entrance to the Nevada Association Services, Inc. 6224 West Desert Inn Road, Las Vegas, Nevada, under the power of sale pursuant to the terms of those certain covenants conditions and restrictions recorded on March 30, 2003 as instrument number 02850 BK20030630 of official records of Clark County, Nevada Association Services, Inc., as duly appointed agent under that certain Delinquent Assessment Lien, recorded on July 10, 2012 as document number 0001296 Book 20120710 of the official records of said county, will sell at public auction to the highest bidder, for lawful money of the United States, all right, title, and interest in the following commonly known property known as: 668 Moonlight Stroll Street, Henderson, NV 89002. Said property is legally described as: HORIZON HGTS PHASE 2 PLAT BOOK 119 PAGE 62 LOT 166, official records of Clark County, Nevada.

The owner(s) of said property as of the date of the recording of said lien is purported to be: Ignacio Gutierrez


The undersigned agent disclaims any liability for incorrectness of the street address and other common designations, if any, shown herein. The sale will be made without covenant or warranty, expressed or implied regarding, but not limited to, title or possession, or encumbrances, or obligations to satisfy any secured or unsecured liens. The total amount of the unpaid balance of the obligation secured by the property to be sold and reasonable estimated costs, expenses and advances at the time of the initial publication of the Notice of Sale is \$3,757.49. Payment must be in cash or a cashier's check drawn on a state or national bank, check drawn on a state or federal savings and loan association, savings association or savings bank and authorized to do business in the State of Nevada. The Notice of Default and Election to Sell the described property was recorded on 8/30/2012 as instrument number 0002265 Book 20120830 in the official records of Clark County.

Nevada Association Services, Inc. is a debt collector. Nevada Association Services, Inc. is attempting to collect a debt. Any information obtained will be used for that purpose.

February 11, 2013

When Recorded Mail To:
Nevada Association Services, Inc.
6224 W. Desert Inn Road, Suite A
Las Vegas, NV 89146

Nevada Association Services, Inc.
6224 W. Desert Inn Road, Suite A
Las Vegas, NV 89146 (702) 804-8885, (888) 627-5544



By: Elissa Hollander, Agent for Association and employee of
Nevada Association Services, Inc.

EXHIBIT I

EXHIBIT I

(3-1)

Inst #: 201304080001036
Fees: \$18.00 N/C Fee: \$0.00
RPTT: \$617.10 Ex: #
04/08/2013 10:13:00 AM
Receipt #: 1565409
Requestor:
SFR INVESTMENTS POOL I LLC
Recorded By: GILKS Pgs: 3
DEBBIE CONWAY
CLARK COUNTY RECORDER

Please mail tax statement and
when recorded mail to:
S F R Investments Pool 1, LLC
5030 Paradise Road, B-214
Las Vegas, NV 89119

FORECLOSURE DEED

APN # 179-31-714-046
North American Title #37942

NAS # N71680

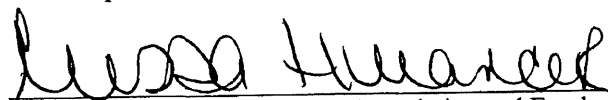
The undersigned declares:

Nevada Association Services, Inc., herein called agent (for the Horizon Heights), was the duly appointed agent under that certain Notice of Delinquent Assessment Lien, recorded July 10, 2012 as instrument number 0001296 Book 20120710, in Clark County. The previous owner as reflected on said lien is Ignacio Gutierrez. Nevada Association Services, Inc. as agent for Horizon Heights does hereby grant and convey, but without warranty expressed or implied to: S F R Investments Pool 1, LLC (herein called grantee), pursuant to NRS 116.31162, 116.31163 and 116.31164, all its right, title and interest in and to that certain property legally described as: HORIZON HGTS PHASE 2 PLAT BOOK 119 PAGE 62 LOT 166 Clark County

AGENT STATES THAT:

This conveyance is made pursuant to the powers conferred upon agent by Nevada Revised Statutes, the Horizon Heights governing documents (CC&R's) and that certain Notice of Delinquent Assessment Lien, described herein. Default occurred as set forth in a Notice of Default and Election to Sell, recorded on 8/30/2012 as instrument # 0002265 Book 20120830 which was recorded in the office of the recorder of said county. Nevada Association Services, Inc. has complied with all requirements of law including, but not limited to, the elapsing of 90 days, mailing of copies of Notice of Delinquent Assessment and Notice of Default and the posting and publication of the Notice of Sale. Said property was sold by said agent, on behalf of Horizon Heights at public auction on 4/5/2013, at the place indicated on the Notice of Sale. Grantee being the highest bidder at such sale, became the purchaser of said property and paid therefore to said agent the amount bid \$11,000.00 in lawful money of the United States, or by satisfaction, pro tanto, of the obligations then secured by the Delinquent Assessment Lien.

Dated: April 5, 2013



By Elissa Hollander, Agent for Association and Employee of Nevada Association Services

STATE OF NEVADA)
COUNTY OF CLARK)

On April 5, 2013, before me, M. Blanchard, personally appeared Elissa Hollander personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same in his/her authorized capacity, and that by signing his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.
WITNESS my hand and seal.

(Seal)

(Signature)



M. Blanchard

STATE OF NEVADA
DECLARATION OF VALUE

1. Assessor Parcel Number(s)

- a. 179-31-714-046
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
i. ☐ Other

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

- 3.a. Total Value/Sales Price of Property \$ 120,703
b. Deed in Lieu of Foreclosure Only (value of property (_____))
c. Transfer Tax Value: \$ 120,703
d. Real Property Transfer Tax Due \$ 617.10

4. **If Exemption Claimed:**

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

5. Partial Interest: Percentage being transferred: 100 %

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

Signature [Signature] Capacity: Agent
Signature _____ Capacity: _____

SELLER (GRANTOR) INFORMATION
(REQUIRED)

Print Name: Nevada Association Services, AGENT
Address: 6224 W. Desert Inn Rd.
City: Las Vegas
State: NV Zip: 89146

BUYER (GRANTEE) INFORMATION
(REQUIRED)

Print Name: S F R Investments Pool 1, LLC
Address: 5030 Paradise Road, B-214
City: Las Vegas
State: NV Zip: 89119

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

Print Name: _____ Escrow # _____
Address: _____
City: _____ State: _____ Zip: _____

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

EXHIBIT J

EXHIBIT J

DECLARATION OF MATTHEW LUBAWY, MAI, CVA, CMEA

I, Matthew Lubawy, under penalty of perjury, hereby declare as follows:

1. I am licensed Certified General Appraiser in the State of Nevada.

2. I am over 18 years of age, of sound mind, and capable of making this declaration.

3. The statements in this declaration are true and correct and made on the basis of my personal knowledge.

4. I have been retained as an expert to testify in the matter of *Ignacio Gutierrez, Plaintiff(s) vs. SFR Investments Pool 1 LLC, Defendant(s)* filed in the Eighth Judicial District Court, District of Clark County, Nevada, Case No. A-13-684715-C.

5. I am a licensed Nevada Appraiser and Senior Managing Director of Valbridge Property Advisors.

6. I possess a CVA designation from the National Association of Certified Valuers and Analysts and an MAI designation from the Appraisal Institute.

7. I have conducted a retroactive appraisal analysis of the property located at 668 Moonlight Stroll St, Henderson, NV 89002. The conclusions I reached are fully expressed in the Summary Appraisal Report, a true and correct copy of which is attached hereto as Exhibit 1.

8. All opinions, analysis, and conclusions expressed in my report fully comply with the Uniform Standard of Professional Appraisal Practice promulgated by the Appraisal Standards Board and of the Appraisal Foundation and the reporting requirements of the Appraisal Institute.

9. That I declare the opinions, analysis and conclusions are expressed in my report, attached hereto as Exhibit 1, are true and correct.

10. That I incorporate into this Declaration my report in its entirety.

I declare under penalty of perjury that the foregoing is true and correct.

DATED this 15 day of November, 2017.


MATTHEW LUBAWY

DDW
DARREN T. BRENNER, ESQ.
Nevada Bar No. 8386
ALLISON R. SCHMIDT, ESQ.
Nevada Bar No. 10743
AKERMAN LLP
1160 Town Center Drive, Suite 330
Las Vegas, Nevada 89144
Telephone: (702) 634-5000
Facsimile: (702) 380-8572
Email: darren.brenner@akerman.com
Email: allison.schmidt@akerman.com

*Attorneys for Bank of America, N.A., as Successor
by Merger to BAC Home Loans Servicing, LP fka
Countrywide Home Loans, Inc. and Nationstar
Mortgage, LLC*

**EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA**

IGNACIO GUTIERREZ, an individual,
Plaintiff,

Case No.: A-13-684715-C
Dept.: XVII

v.

DISCLOSURE OF EXPERT WITNESS

SFR INVESTMENTS POOL 1, LLC; NEVADA
ASSOCIATION SERVICES, INC., HORIZON
HEIGHTS HOMEOWNERS ASSOCIATION, KB
HOME MORTGAGE COMPANY, a foreign
corporation, DOE Individuals I through X; ROE
Corporations and Organizations I through X,

Defendants.

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

Counter-Claimant and Third Party Plaintiff,

v.

IGNACIO GUTIERREZ, an individual;
NATIONSTAR MORTGAGE, LLC, a Delaware
limited liability company; COUNTRYWIDE
HOME LOANS, INC., a foreign corporation;
DOES I-X; AND ROES 1-10, inclusive,

Counter-Defendant and Third Party Defendants

Defendants, Bank of America, N.A., as Successor by Merger to BAC Home Loans Servicing,

{29974835;1}

1 LP fka Countrywide Home Loans, Inc. and Nationstar Mortgage, LLC, by and through their
2 attorneys AKERMAN LLP, hereby designate the following expert witness:

- 3
4 1. Matthew Lubawy
5 Valbridge Property Advisors
6 3034 S. Durango Drive, Suite 100
7 Las Vegas, Nevada 89117

8 Matthew Lubawy will provide his opinion as to the value of the subject property at the time
9 of sale. Mr. Lubaway's expert report, curriculum vitae, and fee scheduled are attached hereto as

10 **Exhibit A.**

11 DATED this 14th day of May, 2014.

12 **AKERMAN LLP**

13 */s/ Allison R. Schmidt*

14 **DARREN T. BRENNER, ESQ.**

15 Nevada Bar No. 8386

16 **ALLISON R. SCHMIDT, ESQ.**

17 Nevada Bar No. 10743

18 1160 Town Center Drive, Suite 330

19 Las Vegas, Nevada 89144

20 *Attorneys for Bank of America, N.A., as Successor*
21 *by Merger to BAC Home Loans Servicing, LP fka*
22 *Countrywide Home Loans, Inc. and Nationstar*
23 *Mortgage, LLC*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of Akerman LLP, and that on this 14th day of May, 2015 I caused to be served a true and correct copy of foregoing DISCLOSURE OF EXPERT WITNESS, in the following manner:

(ELECTRONIC SERVICE) Pursuant to Administrative Order 14-2, the above-referenced document was electronically filed on the date hereof and served through the Notice of Electronic Filing automatically generated by the Court's facilities to those parties listed on the Court's Master Service List.

P. Sterling Kerr, Esq.
LAW OFFICES OF P. STERLING KERR
2450 St. Rose Parkway, Suite 120
Henderson, NV 89074

Attorneys for Plaintiff and Counter Defendant

Richard J. Vilkin, Esq.
LAW OFFICES OF RICHARD J. VILKIN, P.C.
1286 Crimson Sage Ave.
Henderson, NV 89012

*Attorneys for Defendant and Counterclaimant
Nevada Association Services, Inc.*

Victoria L. Hightower, Esq.
Howard C. Kim, Esq.
Diana S. Cline, Esq.
HOWARD KIM & ASSOCIATES
400 N. Stephanie Street, Suite 160
Henderson, NV 89014

*Attorneys for Defendant and Counterclaimant
Nevada Association Services, Inc.*

(UNITED STATES MAIL) By depositing a copy of the above-referenced document for mailing in the United States Mail, first-class postage prepaid, at Las Vegas, Nevada, to the parties listed below at their last-known mailing addresses, on the date above written:

Anthony L. Ashby, Esq.
THE LAW OFFICES OF DAVID M. JONES
7455 Arroyo Crossing Parkway, Suite 200
Las Vegas, NV 89113

Attorney for Defendant Horizon Heights HOA

/s/ Lucille Chiusano
An employee of AKERMAN LLP

EXHIBIT A

RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 15-1021

Property Address: 668 Moonlight Stroll Street		City: Henderson		State: NV		Zip Code: 89002	
County: Clark		Legal Description: Horizon Heights Phase 2 Lot 166					
Assessor's Parcel #: 179-31-714-046		Tax Year: 2013		R.E. Taxes: \$ 1,266.91		Special Assessments: \$ 0.00	
Current Owner of Record: SFR Investments Pool 1 LLC		Occupant: <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant <input type="checkbox"/> Manufactured Housing					
Project Type: <input checked="" type="checkbox"/> PUD <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Other (describe)		HOA: \$ 90		<input type="checkbox"/> per year <input checked="" type="checkbox"/> per month			
Market Area Name: Horizon Heights		Map Reference: 986-F4		Census Tract: 53.59			
The purpose of this appraisal is to develop an opinion of: <input type="checkbox"/> Market Value (as defined), or <input checked="" type="checkbox"/> other type of value (describe) Fair Market Value							
This report reflects the following value (if not current, see comments): <input type="checkbox"/> Current (the Inspection Date is the Effective Date) <input checked="" type="checkbox"/> Retrospective <input type="checkbox"/> Prospective							
Approaches developed for this appraisal: <input checked="" type="checkbox"/> Sales Comparison Approach <input type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach (See Reconciliation Comments and Scope of Work)							
Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)							
Intended Use: Litigation							
Intended User(s) (by name or type): Akerman, LLP and Nationstar Mortgage, LLC							
Client: Akerman, LLP		Address: 1160 Town Center Dr, Suite 330, Las Vegas, NV 89144					
Appraiser: Gary Hardy		Address: 3034 South Durango Dr., Suite 100, Las Vegas, NV 89117					
Location: <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural		Predominant Occupancy		One-Unit Housing		Present Land Use	
Built up: <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		<input checked="" type="checkbox"/> Owner		PRICE		One-Unit 60%	
Growth rate: <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		<input type="checkbox"/> Tenant		AGE		<input checked="" type="checkbox"/> Not Likely <input type="checkbox"/> In Process *	
Property values: <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		<input type="checkbox"/> Vacant (0-5%)		80 Low 5		2-4 Unit 5%	
Demand/supply: <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply		<input checked="" type="checkbox"/> Vacant (>5%)		312 High 38		Multi-Unit 15%	
Marketing time: <input checked="" type="checkbox"/> Under 3 Mos. <input checked="" type="checkbox"/> 3-6 Mos. <input type="checkbox"/> Over 6 Mos.		<input type="checkbox"/> Vacant (>5%)		165 Pred 9		Comm'l 20%	
Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): Located in Henderson in an established area of pocket developments with single family homes of varying quality. The subject neighborhood is bounded by Horizon Drive to the north, Greenway Road to the east, Ray Boulevard to the south and the Corp Limit (Crestway Road) to the west. Public schools, parks, shops, and services are within 2 to 3 miles of the subject. Highway 95 access is within approximately 2 miles allowing a 30 to 45 minute commute to major employment centers. Most services are within 2 to 3 miles of the subject. Neighborhood price per square foot trend indicates a stable value trend. The average list price to sale price ratio during the prior year within the neighborhood is approximately 100%. The reasonable exposure time for the subject property at the Opinion of Market Value stated in this report is 30 days.							
Dimensions: See attached Plat Map Site Area: 3,484 Sq.Ft. <input type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac							
Zoning Classification: RM-10		Description: Medium-Density Residential (10 Units per Acre)		Topography		Level	
Zoning Compliance: <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning				Size		Typical / Neighborhood	
Utilities Public Other Description		Off-site Improvements Type Public Private		Shape		Irregular	
Electricity <input checked="" type="checkbox"/> <input type="checkbox"/>		Street Asphalt <input checked="" type="checkbox"/> <input type="checkbox"/>		Drainage		Adequate	
Gas <input checked="" type="checkbox"/> <input type="checkbox"/>		Curb/Gutter Concrete <input checked="" type="checkbox"/> <input type="checkbox"/>		View		Residential	
Water <input checked="" type="checkbox"/> <input type="checkbox"/>		Sidewalk Concrete <input checked="" type="checkbox"/> <input type="checkbox"/>		Landscaping		Typical for the neighborhood	
Sanitary Sewer <input checked="" type="checkbox"/> <input type="checkbox"/>		Street Lights Electric <input checked="" type="checkbox"/> <input type="checkbox"/>					
Storm Sewer <input type="checkbox"/> <input type="checkbox"/> Unknown		Alley None <input type="checkbox"/> <input type="checkbox"/>					
FEMA Spec'l Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		FEMA Flood Zone X		FEMA Map # 32003C2955F		FEMA Map Date 11-16-11	
Highest & Best Use as Improved: <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain)		Use as appraised in this report: Residential					
Actual Use as of Effective Date: Residential							
Summary of Highest & Best Use: The Highest and best Use is as it exists as a single family residence.							
Site Comments: No apparent adverse easements, encroachment, environmental conditions, illegal or legal nonconforming zoning uses noted at the time of the inspection; however, inspection was made with out the benefit of a title report or survey.							
General Description		Exterior Description		Foundation		Basement <input checked="" type="checkbox"/> None	
# of Units 1 <input type="checkbox"/> Acc. Unit		Foundation Concrete		Slab Concrete		Area Sq. Ft. N/A	
# of Stories 2		Exterior Walls Stucco		Crawl Space None		% Finished N/A	
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/>		Roof Surface Conc. tile		Basement None		Ceiling	
Design (Style) Colonial, 2-story		Gutters & Downsp. None		Sump Pump <input type="checkbox"/> N/A		Walls	
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons.		Window Type Fixed/Sliding		Dampness <input type="checkbox"/> None/Noted		Floor	
Actual Age (Yrs.) 8		Storm/Screen Woven Mesh		Settlement None/Noted		Outside Entry	
Effective Age (Yrs.) 8				Infestation None/Noted			
Interior Description		Appliances		Attic		Amenities	
Floors N/A		Refrigerator <input type="checkbox"/> None		<input type="checkbox"/> Fireplaces # 0		Woodstove(s) #	
Walls N/A		Range/Oven <input type="checkbox"/> Stairs <input type="checkbox"/> Deck		Concrete			
Trim/Finish N/A		Disposal <input type="checkbox"/> Drop Stair <input type="checkbox"/>					
Bath Floor N/A		Dishwasher <input type="checkbox"/> Scuttle <input checked="" type="checkbox"/> Porch					
Bath Wainscot N/A		Fan/Hood <input type="checkbox"/> Floor <input type="checkbox"/> Fence		Concrete Block			
Doors N/A		Microwave <input type="checkbox"/> Heated <input type="checkbox"/> Pool		None			
		Washer/Dryer <input type="checkbox"/> Finished <input type="checkbox"/>					
						Car Storage <input type="checkbox"/> None	
						Garage # of cars (4 Tot.)	
						Attach. 2 Finished	
						Detach. <input type="checkbox"/>	
						Bit-In <input type="checkbox"/>	
						Carport <input type="checkbox"/>	
						Driveway 2	
						Surface Concrete	
Finished area above grade contains: 6 Rooms 3 Bedrooms 2.5 Bath(s) 2,161 Square Feet of Gross Living Area Above Grade							
Additional features: Personal property items are not included in the opinion of value. The interior features are unknown as this is an exterior inspection appraisal. The county records are used to the features of the property.							
Describe the condition of the property (including physical, functional and external obsolescence): As of the effective date of this appraisal, the subject property is considered to be in average condition. At the time of inspection, there were no apparent major repairs, renovation, or remodeling needed. The effective age is based on the appraiser's inspection of the property. An exterior inspection of the property was performed from the public street. An extraordinary assumption is made that the interior is in similar condition as the exterior and that the condition was similar at the effective date of this appraisal. The use of the extraordinary assumption may have affected the assignment results.							

RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 15-1021

TRANSFER HISTORY	My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.											
	Data Source(s): County Records/MLS											
	1st Prior Subject Sale/Transfer		Analysis of Sale/Transfer History: A search of MLS and County Records revealed no transfers or sales for the subject property during the prior three years from the effective date of value.									
	Date: None/Prior three years											
	Price: N/A											
SALES COMPARISON APPROACH	Source(s): County Records											
	2nd Prior Subject Sale/Transfer											
	Date:											
	Price:											
	Source(s):											
SALES COMPARISON APPROACH TO VALUE (if developed) <input type="checkbox"/> The Sales Comparison Approach was not developed for this appraisal.												
FEATURE		SUBJECT		COMPARABLE SALE # 1			COMPARABLE SALE # 2			COMPARABLE SALE # 3		
Address 668 Moonlight Stroll Street Henderson, NV 89002		724 Point Bluff Street Las Vegas, NV 89002		635 Moonlight Stroll Street Las Vegas, NV 89002			642 Monument Point Street Las Vegas, NV 89002					
Proximity to Subject		0.15 miles SE		0.06 miles NW			0.06 miles NW					
Sale Price		\$ 0.00		\$ 136,250			\$ 112,000			\$ 143,000		
Sale Price/GLA		\$ /sq.ft.		\$ 63.05 /sq.ft.			\$ 71.02 /sq.ft.			\$ 66.17 /sq.ft.		
Data Source(s)		Inspection		MLS#1263148			MLS#1301803			MLS#1254551		
Verification Source(s)		County Rcrds		County Records			County Records			County Records		
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION			DESCRIPTION			DESCRIPTION		
Sales or Financing		N/A		FHA			Conv			FHA		
Concessions		0.00		0.00			0.00			0.00		
Rights Appraised		Fee Simple		Fee Simple			Fee Simple			Fee Simple		
Date of Sale/Time		N/A		09/18/2012			01/22/2013			03/04/2013		
Location		Average		Average			Average			Average		
Site		3,485 Sq.Ft.		3,485 Sq. Ft.			2,614 Sq. Ft.			3,485 Sq. Ft.		
View		Residential		Residential			Residential			Residential		
Design (Style)		Colonial, 2-story		Colonial, 2-story			Colonial, 2-story			Colonial, 2-story		
Quality of Construction		Typical		Typical			Typical			Typical		
Actual Age		8		8			9			9		
Condition		Average		Average			Average			Superior		
Above Grade		Total Bdrms. Baths		Total Bdrms. Baths			Total Bdrms. Baths			Total Bdrms. Baths		
Room Count		6 3 2.5		6 3 2.5			6 3 2.5			6 3 2.5		
Gross Living Area		2,161 sq.ft.		2,161 sq.ft.			1,577 sq.ft.			+26,280 2,161 sq.ft.		
Basement & Finished		0		0			0			0		
Rooms Below Grade		N/A		N/A			N/A			N/A		
Functional Utility		Average		Average			Average			Average		
Heating/Cooling		FAU/Central		FAU/Central			FAU/Central			FAU/Central		
Energy Efficient Items		Standard		Standard			Standard			Standard		
Garage/Carport		2 Car Garage		2 Car Garage			2 Car Garage			2 Car Garage		
Porch/Patio/Deck		Patio		Patio			Patio			Patio		
Fireplace		0 FP		0 FP			0 FP			0 FP		
Pool		None		None			None			None		
Neighborhood Amenities		Gated/Pool/Playgrnd		Gated/Pool/Playgrnd			Gated/Pool/Playgrnd			Gated/Pool/Playgrnd		
Contract Date		N/A		09/2012			01/2013			03/2013		
Day on Market		N/A		11 (+/-)			04 (+/-)			18 (+/-)		
Net Adjustment (Total)				+ - \$			+ - \$ 26,280			+ - \$ -5,000		
Adjusted Sale Price of Comparables				Net % Gross \$ 136,250			Net % Gross \$ 138,280			Net % Gross \$ 138,000		
Summary of Sales Comparison Approach The COE date indicates close of escrow date/recorded date. The contract date is the date the contract for sale was signed. Information for the COE and contract sales dates were derived from MLS and county records and were provided to give the Client additional understanding of the market conditions as of the effective date of this appraisal.												
For the purpose of this appraisal, when conflict between County Records and appraiser inspection were noted, appraiser inspection was used.												
For the purpose of this appraisal, when conflict between MLS and county records were noted, MLS was used.												
All of the sales comparables were inspected from the exterior on 05/13/2015, but MLS GLVAR photos were used from the time of the sale as they are more reflective of the condition at the time of sale and the retrospective effective date of this appraisal.												
All of the sales are Colonial style 2-story properties from the subject market that have closed within the past 6 months of the effective date.												
Site: Sale 2 (0.06 acres) was slightly smaller than the subject (0.08 acres), however this difference is not discernable in the market and no adjustments were made.												
Condition: Sale 3 included a superior condition than the subject property including cherry wood cabinets, granite counter tops, new carpeting and was adjusted downward \$5,000.												
Gross Living Area: Sale 2 included a smaller gross living area at 1,577 square feet. We have adjusted for living area using \$45 per square foot for a total upward adjustment of \$26,280.												
All of the sales are similar to the subject property being 2 stories, similar in age, similar in quality, having similar bedrooms and bathrooms, having 2 car garages, having a patio, not having a fireplace, not having private pools, and having similar neighborhood amenities including gated access, community pool, playgrounds, and extra parking. As a result no other adjustments were warranted.												
Indicated Value by Sales Comparison Approach \$ 138,000												

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JA_0317

RESIDENTIAL APPRAISAL SUMMARY REPORT

File No.: 15-1021

COST APPROACH	COST APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Cost Approach was not developed for this appraisal.	
	Provide adequate information for replication of the following cost figures and calculations.	
	Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value): <u>The cost approach is not considered an accurate reflection of current market value for the subject property, and has not been developed.</u>	
INCOME APPROACH	ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	
	Source of cost data:	
	Quality rating from cost service: Effective date of cost data:	
	Comments on Cost Approach (gross living area calculations, depreciation, etc.):	
PUD	PROJECT INFORMATION FOR PUDs (if applicable) <input checked="" type="checkbox"/> The Subject is part of a Planned Unit Development.	
	Legal Name of Project:	
	Describe common elements and recreational facilities:	
RECONCILIATION	Indicated Value by: Sales Comparison Approach \$ 138,000 Cost Approach (if developed) \$ N/A Income Approach (if developed) \$ N/A	
	Final Reconciliation <u>The sales comparison approach is considered the most reliable indicator of value, as it best reflects the actions of buyers and sellers in the market. Most homes are owner occupied and do not produce income, so the income approach is not applicable. The cost approach is not considered an accurate reflection of current market value for the subject property and was not developed.</u>	
ATTACHMENTS	This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="checkbox"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair: <u>The subject property is being appraised with a retrospective date of value as of March 8, 2013. We assume that the conditions from our exterior inspection are similar to the property's retrospective date.</u>	
	<input checked="" type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.	
	Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ 138,000, as of: March 8, 2013, which is the effective date of this appraisal.	
	If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.	
	A true and complete copy of this report contains <u>17</u> pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report.	
	Attached Exhibits:	
	<input checked="" type="checkbox"/> Scope of Work <input checked="" type="checkbox"/> Limiting Cond./Certifications <input type="checkbox"/> Hypothetical Conditions <input checked="" type="checkbox"/> Extraordinary Assumptions <input checked="" type="checkbox"/> Narrative Addendum <input type="checkbox"/> Sketch Addendum <input checked="" type="checkbox"/> Location Map(s) <input type="checkbox"/> Flood Addendum <input type="checkbox"/> Additional Sales <input type="checkbox"/> Cost Addendum <input type="checkbox"/> Manuf. House Addendum <input checked="" type="checkbox"/> Supplemental Addendum <input type="checkbox"/> GLB Privacy Act <input type="checkbox"/>	
	Client Contact: Allison R. Schmidt Client Name: Akerman, LLP	
	E-Mail: allison.schmidt@akerman.com Address: 1160 Town Center Dr, Suite 330, Las Vegas, NV 89144	
	APPRaiser	
SIGNATURES	SUPERVISORY APPRAISER (if required) or CO-APPRaiser (if applicable)	
Appraiser Name: Gary Hardy		
Company: Valbridge Property Advisors		
Phone: (702) 242-9369 Fax: (702) 242-6391		
E-Mail: ghardy@valbridge.com		
Date of Report (Signature): May 14, 2015		
License or Certification #: A.0206955-INTR State: NV		
Expiration Date of License or Certification: 07/31/2016		
Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input checked="" type="checkbox"/> Exterior Only <input type="checkbox"/> None		
Date of Inspection: 05/13/2015		

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Supplemental Addendum

File No. 15-1021

Borrower/Client	SFR Investments Pool 1			
Property Address	668 Moonlight Stroll Street			
City	Henderson	County	Clark	State NV Zip Code 89002
Lender	Akerman, LLP			

Purpose: The purpose of this appraisal is to form an opinion of the fair market value for the subject property as of the effective date which is a retrospective date of March 8, 2013.

Intended User: Akerman, LLP and Nationstar Mortgage, LLC. No other users are intended by the Appraiser. Appraiser shall consider the intended users when determining the level of detail to be provided in the Appraisal Report.

Intended Use: Litigation. No other use is intended by the Appraiser. The intended use as stated shall be used by the Appraiser in determining the appropriate Scope of Work for the assignment.

Scope of Appraisal:

Upon receiving this assignment from the client I identified the intended users of the report, confirmed that the effective date of the appraisal is to be a retrospective date of March 8, 2013. Next the real property being appraised was identified and available property-specific data was collected through public records, various data services and or MLS data base.

An exterior inspection of the property was completed as described herein; a visual observation of the unobstructed, exposed surfaces of accessible areas from standing height was performed on the exterior areas of the subject property for valuation purposes only. The appraiser is NOT a "home Inspector" and can only report conditions based on the visual observation noted above. The appraiser DOES NOT warrant any part/whole of the subject property environmental conditions or other conditions that would require a licensed professional such as; identifying the existence of Lead Based paint, Mold, Soil Slippage, Hazardous Waste, Radon Gas etc. I did not test the subject's mechanical systems; the appraiser is not an expert with regard to mechanical issues or electrical, plumbing, roof, foundation systems, or State, City, County, Building Code compliance etc.

The appraiser's inspection included noting the apparent condition, quality, utility, amenities and architectural style. Measurements and room counts used in this report came from county records. Zoning data was obtained from public records, office files, and or city/county planning offices. The collected data was then used to develop a profile of the subject property and analyze the highest and best use of the subject property.

The appraiser performed a search of the local market area for the most similar closed comparable sales, pending/contingent sales and active listings. The accessible sales were inspected from the street and photos taken. MLS photos may be used when there is; obstruction, people are outside, when there is no access to the property, or when the MLS photo is considered a more accurate depiction of the properties condition at the time of sale. The sales were confirmed and verified from public records, various data services, MLS and when necessary with an agent, the owner, or the title company. Interior/exterior upgrade adjustments may be made to one or more of the comparables due to information obtained from the appraiser's exterior inspection of the property and/or information obtained from the multiple listing service (MLS). Where available, the appraiser has reviewed interior photographs provided by listing agents on the comparables to obtain a better understanding of these properties. The sales data was then analyzed and a value opinion derived.

In the preparation of this report, I have relied on data from county records, multiple listing service, title companies, etc. I believe this report to be complete and accurate, however, should any error or omission be subsequently discovered, I reserve the right to correct it.

Sales Comparison Analysis:

For the purpose of this appraisal, when conflict between County Records and appraiser inspection were noted, appraiser inspection was used. For the purpose of this appraisal, when conflict between MLS and county records were noted, MLS was used.

Exhibit - Aerial View - Site Map

Borrower/Client	SFR Investments Pool 1				
Property Address	668 Moonlight Stroll Street				
City	Henderson	County	Clark	State	NV Zip Code 89002
Lender	Akerman, LLP				

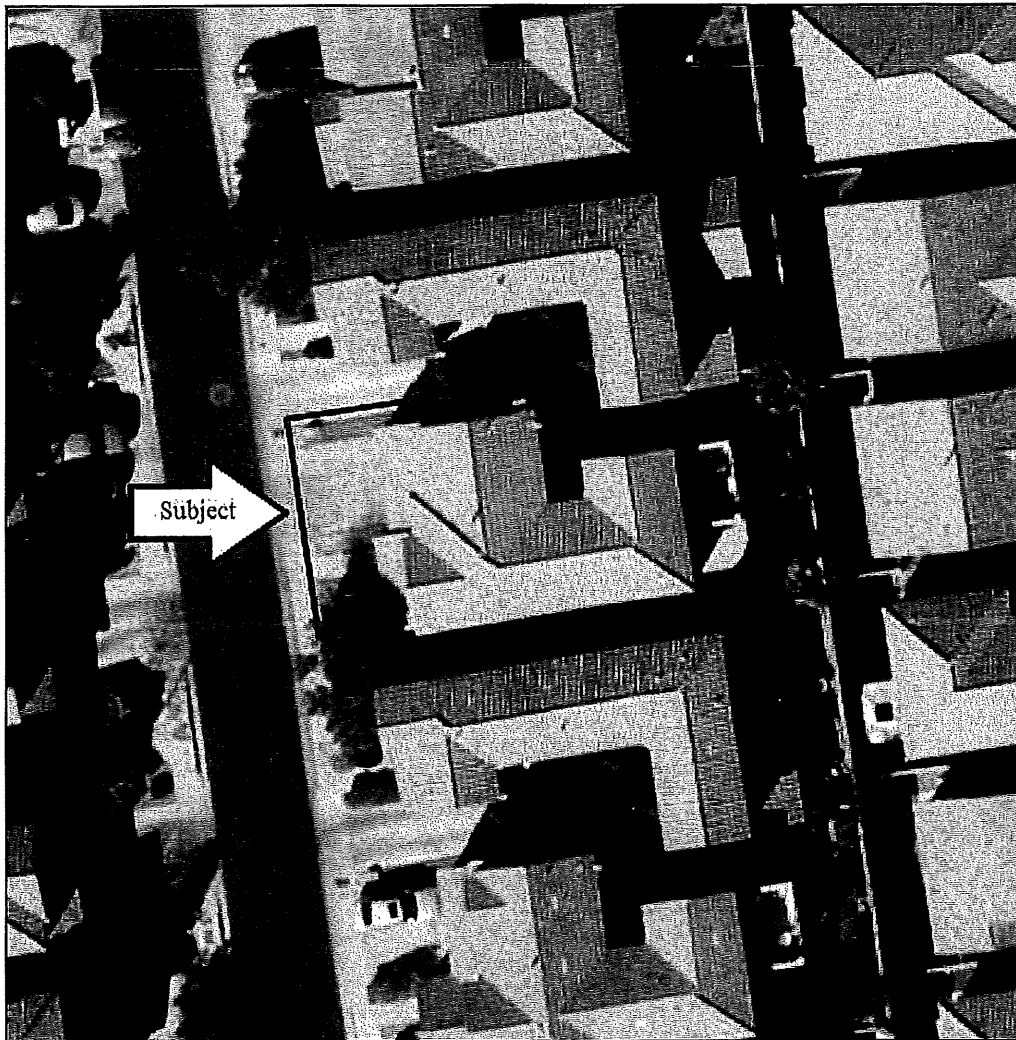


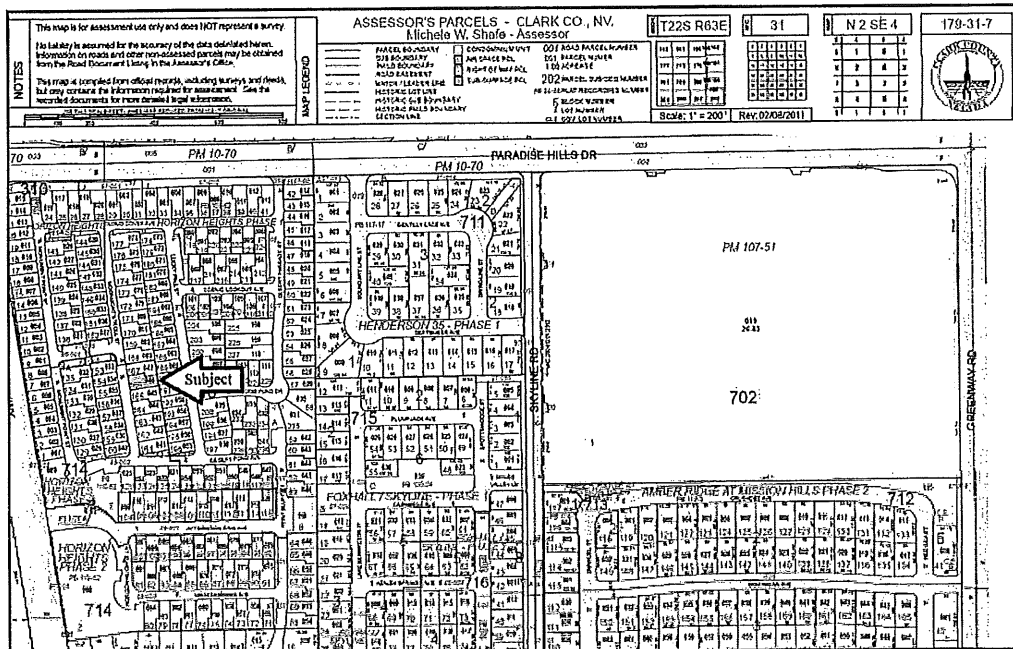
Exhibit- Aerial View - Neighborhood Map

Borrower/Client	SFR Investments Pool 1						
Property Address	668 Moonlight Stroll Street						
City	Henderson	County	Clark	State	NV	Zip Code	89002
Lender	Akerman, LLP						



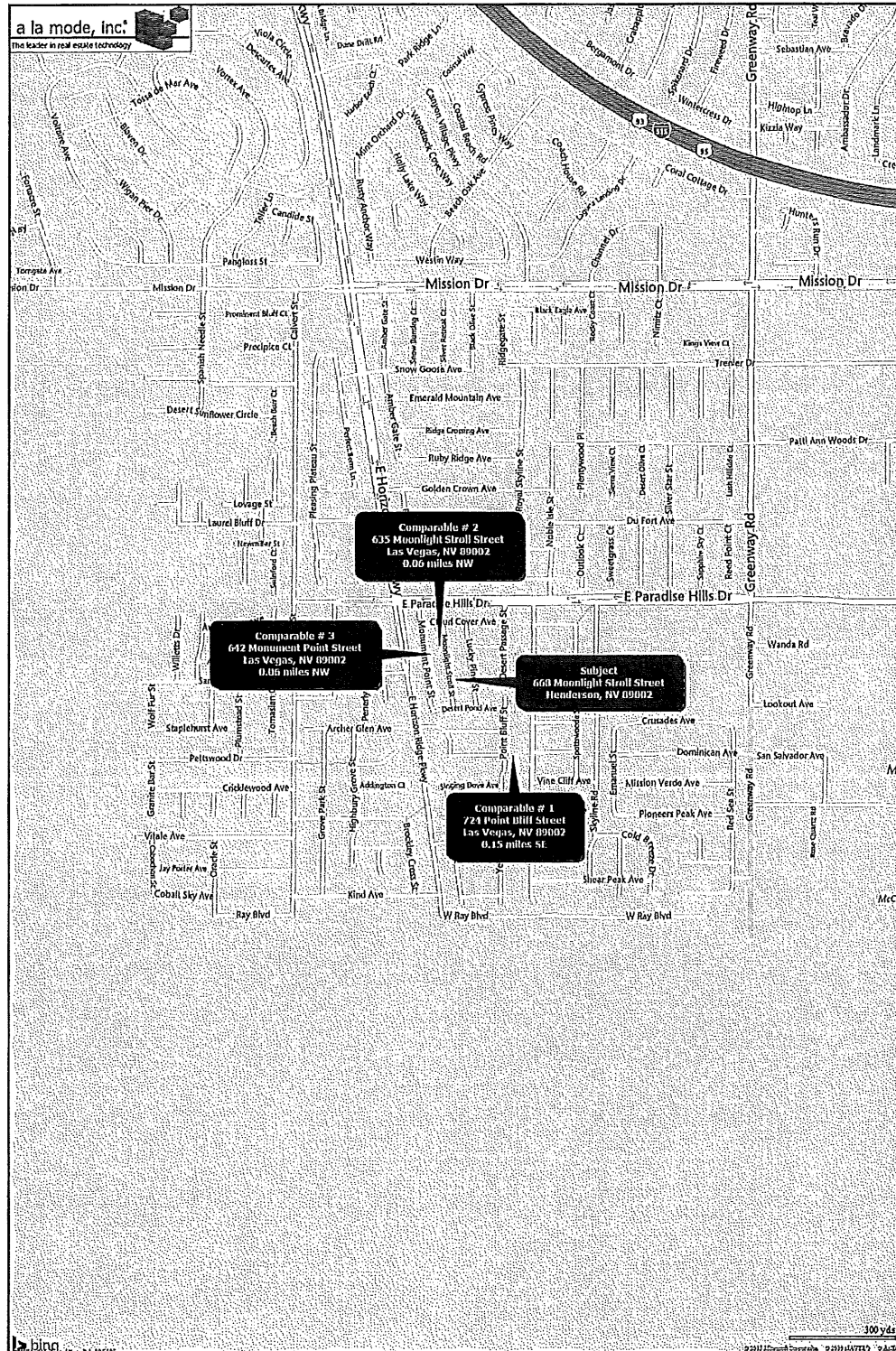
Exhibit- Aerial View - Plat Map

Borrower/Client	SFR Investments Pool 1				
Property Address	668 Moonlight Stroll Street				
City	Henderson	County	Clark	State	NV
Lender	Akerman, LLP			Zip Code	89002



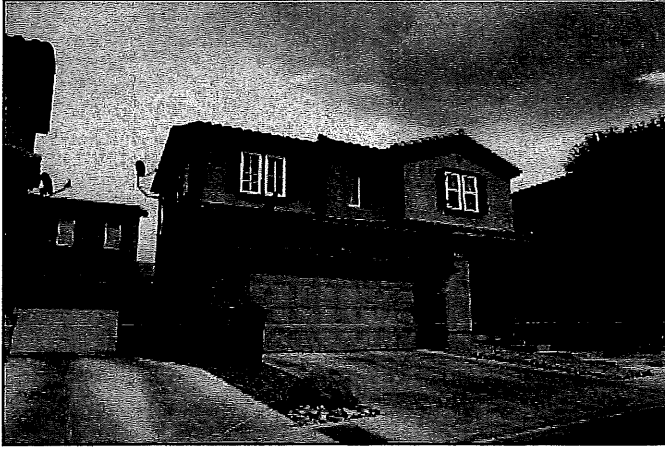
Location Map

Borrower/Client	SFR Investments Pool 1			
Property Address	668 Moonlight Stroll Street			
City	Henderson	County	Clark	State NV Zip Code 89002
Lender	Akerman, LLP			



Subject Photo Page

Borrower/Client	SFR Investments Pool 1				
Property Address	668 Moonlight Stroll Street				
City	Henderson	County	Clark	State	NV Zip Code 89002
Lender	Akerman, LLP				

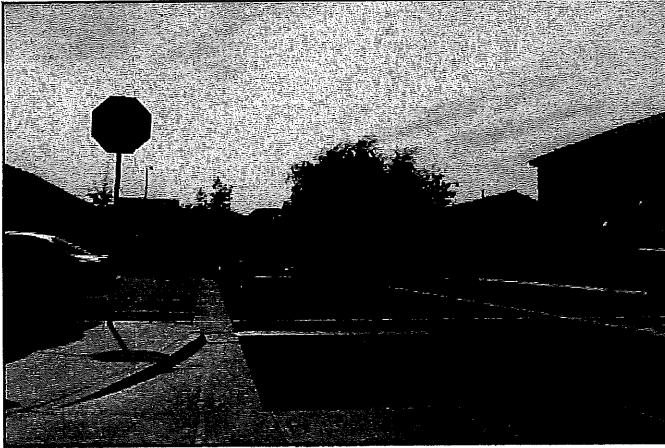
**Subject Front**

668 Moonlight Stroll Street
 Sales Price 0.00
 Gross Living Area 2,161
 Total Rooms 6
 Total Bedrooms 3
 Total Bathrooms 2.5
 Location Average
 View Residential
 Site 3,485 Sq.Ft.
 Quality Typical
 Age 8

**Subject Front****Subject Street**

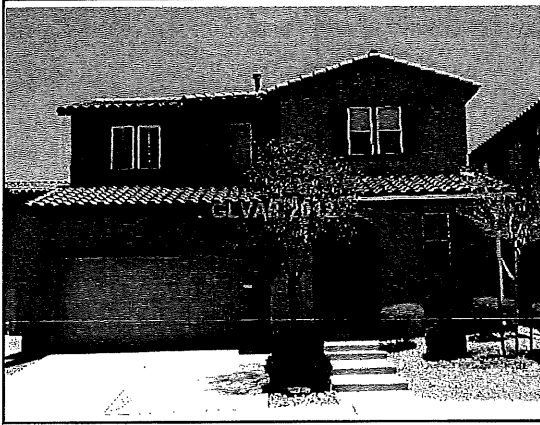
Subject Photo Page

Borrower/Client	SFR Investments Pool 1				
Property Address	668 Moonlight Stroll Street				
City	Henderson	County	Clark	State	NV Zip Code 89002
Lender	Akerman, LLP				

**Extra Parking****Community Playground****Community Pool**

Comparable Photo Page

Borrower/Client	SFR Investments Pool 1				
Property Address	668 Moonlight Stroll Street				
City	Henderson	County	Clark	State	NV
Lender	Akerman, LLP		Zip Code	89002	



Comparable 1

724 Point Bliff Street	
Prox. to Subject	0.15 miles SE
Sales Price	136,250
Gross Living Area	2,161
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	2.5
Location	Average
View	Residential
Site	3,485 Sq. Ft.
Quality	Typical
Age	8



Comparable 2

635 Moonlight Stroll Street	
Prox. to Subject	0.06 miles NW
Sales Price	112,000
Gross Living Area	1,577
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	2.5
Location	Average
View	Residential
Site	2,614 Sq. Ft.
Quality	Typical
Age	9



Comparable 3

642 Monument Point Street	
Prox. to Subject	0.06 miles NW
Sales Price	143,000
Gross Living Area	2,161
Total Rooms	6
Total Bedrooms	3
Total Bathrooms	2.5
Location	Average
View	Residential
Site	3,485 Sq. Ft.
Quality	Typical
Age	9

Assumptions, Limiting Conditions & Scope of Work

File No.: 15-1021

Property Address: 688 Moonlight Stroll Street	City: Henderson	State: NV	Zip Code: 89002
Client: Akerman, LLP	Address: 1160 Town Center Dr, Ste. 330, Las Vegas, NV 89144		
Appraiser: Gary Hardy	Address: 3034 South Durango Dr., Suite 100, Las Vegas, NV 89117		

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
- The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.
- If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
- The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
- If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.
- The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
- The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
- The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
- If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.
- An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.
- The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.
- An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

An exterior inspection of the property was performed for the public street. An extraordinary assumption is made the interior is in similar condition as the exterior and that these conditions were similar on the retrospective date of value. The use of the extraordinary assumption may have affected the assignment results.

The purpose of this appraisal is for a "non lender" appraisal. It should be noted that the appraisers's data and comparables utilized were retrieved as of the inspection date noted within the body of the report. This report is intended for use by the Client that is named on page 1 of this report.

Measurements and room counts used in this report come from the appraisers interior/exterior inspection of the subject property, previous appraisal files and/or builder floor plans. These numbers may differ slightly with those recorded with Clark County records due to differences in measuring techniques.

The sales were confirmed and verified from public records, various data services, MLS and when necessary with an agent, the owner or the title company.

In the preparation of this report, I have relied on data from county records, multiple listing service, title companies, etc. I believe this report to be complete and accurate, however, should any error or omission be subsequently discovered, I reserve the right to correct it.

Certifications

File No.: 15-1021

Property Address: 668 Moonlight Stroll Street City: Henderson State: NV Zip Code: 89002
 Client: Akerman, LLP Address: 1160 Town Center Dr, Ste. 330, Las Vegas, NV 89144
 Appraiser: Gary Hardy Address: 3034 South Durango Dr., Suite 100, Las Vegas, NV 89117

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

Additional Certifications:

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.

-The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

-As of the date of this report, Matthew Lubawy, MAI has completed the continuing education program of the Appraisal Institute.

-The appraisers' state registration/certification has not been revoked, suspended, canceled or restricted.

Disclosure of Prior Appraisal and/or Other Services:


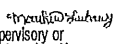
I certify that, to the best of my knowledge and belief:

I have not performed a prior appraisal or other service regarding the subject property within the 3 year period immediately preceding acceptance of this appraisal assignment.

DEFINITION OF FAIR MARKET VALUE *:

"The fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts. The fair market value of a particular item of property includable in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property the sale price in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate."

SIGNATURES

Client Contact: Allison R. Schmidt	Client Name: Akerman, LLP
E-Mail: allison.schmidt@akerman.com	Address: 1160 Town Center Dr, Ste. 330, Las Vegas, NV 89144
APPRAISER	SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)
	
Appraiser Name: Gary Hardy	Supervisory or Co-Appraiser Name: Matthew J. Lubawy, MAI
Company: Valbridge Property Advisors	Company: Valbridge Property Advisors
Phone: (702) 242-9369 Fax: (702) 242-6391	Phone: (702) 242-9369 Fax: (702) 242-6391
E-Mail: ghardy@valbridge.com	E-Mail: mlubawy@valbridge.com
Date Report Signed: May 14, 2015	Date Report Signed: May 14, 2015
License or Certification #: A.0206955-INTR State: NV	License or Certification #: A.0000044-CG State: NV
Designation:	Designation: MAI
Expiration Date of License or Certification: 07/31/2016	Expiration Date of License or Certification: 04/30/2017
Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input checked="" type="checkbox"/> Exterior Only <input type="checkbox"/> None	Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input checked="" type="checkbox"/> Exterior Only <input type="checkbox"/> None
Date of Inspection: 05/13/2015	Date of Inspection: 05/13/2015

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JA_0328

Qualifications of Gary Hardy

Registered Intern Appraiser
Valbridge Property Advisors |
Lubawy & Associates, Inc.



Independent Valuations for a Variable World

State Certifications

Nevada License
A.0206955-INTR

Appraisal Institute & Related Courses:

Basic Appraisal Principals (Key Realty School)
Basic Appraisal Procedures (Key Realty School)
Appraisal Law in Nevada (Key Realty School)
National USPAP-15 Hour (Key Realty School)

Education

Bachelor of Arts-
Political Science
University of Las Vegas
Nevada

Experience:

Registered Intern Appraiser
ValbridgePropertyAdvisors|Lubawy & Associates (2014-Present)

Appraisal Researcher

ValbridgePropertyAdvisors|Lubawy & Associates (2013-2014)

Contact Details

702-242-9369 (p)
702-242-6391 (f)

Valbridge Property Advisors |
Lubawy & Associates, Inc.
3034 S. Durango Dr. #100
Las Vegas, NV 89117

www.valbridge.com
ghardy@valbridge.com

APPRAISER REGISTRATION CARD

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE

REAL ESTATE DIVISION

NOT TRANSFERABLE

This is to Certify That: GARY N HARDY

Registration Number: A.0206955-INTR

Is duly authorized to act as an APPRAISER INTERN from the issue date to the expiration date at the business address stated here in, unless the registration is sooner revoked, cancelled, withdrawn, or invalidated.

Issue Date: July 24, 2014

Expire Date: July 31, 2016

In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in it by Chapter 645C, Nevada Revised Statutes has caused this Registration to be issued with its Seal printed thereon.

FOR: VALBRIDGE PROPERTY ADVISORS
3034 S DURANGO DR #100
LAS VEGAS, NV 89117

GAIL J ANDERSON
Administrator



Qualifications of Matthew Lubawy, MAI, CVA, CMEA
 Senior Managing Director
 Valbridge Property Advisors | Lubawy & Associates, Inc.



Independent Valuations for a Variable World

State Certifications

Nevada License:
 # A.0000044-CG

Arizona License
 #31821

Education

Bachelor of Science
 Business Administration
 University of Nevada, Las
 Vegas

Contact Details

702-242-9369 (p)
 702-242-6391 (f)

Valbridge Property Advisors |
 Lubawy & Associates, Inc.
 3034 S. Durango Dr. #100
 Las Vegas, NV 89117
www.valbridge.com
mlubawy@valbridge.com

Membership/Affiliations:

Member: Appraisal Institute - MAI Designation #10653
 Director - (2008 - 2011)
 President of Las Vegas Chapter (1998 - 1989)
 1st V.P. of Las Vegas Chapter (1997 - 1998)
 2nd V.P. of Las Vegas Chapter (1996 - 1997)
 Member: NACVA - CVA Designation (Certified Valuation
 Analyst for business valuation)
 Member: NEBB Institute - CMEA Designation for Machinery
 and Equipment
 Board Member: Valbridge Property Advisors -
 Vice-Chairman of the Board of Directors
 (2011 - Present)
 Member: International Right of Way Association
 Member: National Association of Realtors
 Member: GLVAR
 Board Member: Nevada State Development Corporation
 Chairman of the Board (2008-Present)

Experience:

Senior Managing Director:
 Valbridge Property Advisors | Lubawy & Associates (2013 to Present)

Principal
 Lubawy & Associates (1994-2013)

Independent Fee Appraiser and Real Estate Consultant
 Timothy R. Morse and Associates (1992 - 1994)

Staff Appraiser/Assistant Vice President
 First Interstate Bank (1988 - 1992)

Independent Fee Appraiser and Real Estate Consultant
 The Clark Companies (1987 - 1988)

APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE

REAL ESTATE DIVISION

NOT TRANSFERABLE

This is to Certify That : MATTHEW J LUBAWY

Certificate Number: A.0000044-CG

Is duly authorized to act as a CERTIFIED GENERAL APPRAISER from the issue date to the expiration date at the business address stated here in, unless the certificate is sooner revoked, cancelled, withdrawn, or invalidated.

Issue Date: March 31, 2015

Expire Date: April 30, 2017

In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in Chapter 645C of the Nevada Revised Statutes, has caused this Certificate to be issued with its Seal printed thereon. This certificate must be conspicuously displayed in place of business.

FOR: VALBRIDGE PROPERTY ADVISORS
3034 S. DURANGO DR #100
LAS VEGAS, NV 89117

REAL ESTATE DIVISION

JOSEPH (JD) DECKER
Administrator



MATTHEW LUBAWY, MAI DEPOSITIONS/TRIAL TESTIMONY

DEPOSITIONS

NEVADA STATE DISTRICT COURT

- State of Nevada vs. Friendly Lounge, Inc., (Case #05-A-508773)
Date: January 4, 2007
Attorneys: Michael Chapman (Chapman Law Firm) and Kirby Gruchow (Santoro, Driggs, Walch, Kearney, Johnson & Thompson)
Judge: Timothy Williams, District 16
Our File Nos: 05-156 & 06-303
- Nevada Power vs. Don & Paul, LLC (Case #06-A-518730)
Date: January 2007
Attorney: Michael Chapman (Chapman Law Firm)
Judge: Mark R. Denton, District 13
Our File No: 06-266
- Nevada Power vs. DFA, LLC (Case #06-A-518732)
Date: January 2007
Attorney: Michael Chapman (Chapman Law Firm)
Judge: Jennifer Togliatti, District 9
Our File No: 06-263
- Nevada Power vs. North Brown Properties, Inc. (Case #05-A-508237)
Date: February 2007
Attorneys: Michael Chapman (Chapman Law Firm) and Bill Coulthard (Harrison, Kemp, Jones and Coulthard)
Judge: Elizabeth Gonzalez, District 11
Our File Nos: 05-324 & 06-380
- Nevada Power vs. Steven P. Shearing (et al) (Case #05-A-509849)
Date: June 2007
Attorneys: Joshua Reisman (Ballard Spahr Andrews & Ingersoll LLP)
Judge: Michael Villani, Dept. 17
Our File No: 07-138

MATTHEW LUBAWY, MAI
DEPOSITIONS (continued)

- **Peach vs. Warmington Homes-Nevada (Case #03-A-466958)**
Date: January 31, 2008
Attorneys: Andrew C. Green - McKay Law Firm; William J. Taylor
Judge: Timothy C. Williams
Our File No: 06-1034
- **NDOT vs. BDR South Parcel Investments LLC (Case #06-A-527718)**
Date: April 22, 2008
Attorneys: Thomas Rondeau - Gould Patterson Ales & Day; Charles Titus - Santoro, Driggs, Walch, Kearney, Holley & Thompson
Judge: Mark R. Denton
Our File No: 07-181
- **Vons Company vs. Del Webb Communities (Case #05-A-501372)**
Date: June 5, 2008
Attorneys: Rogelio M. Ruiz - Garcia, Calderon & Ruiz; Sean Thueson - Holland & Hart
Judge: Mark R. Denton
Our File No: 08-096
- **Nevada Power Company vs. Pardee Homes of Nevada (Case #07-A-549636)**
Date: September 5, 2008
Attorneys: P. Kyle Smith - Harrison, Kemp, Jones & Coulthard; Kirby Gruchow - Leach Johnson Song & Gruchow
Judge: Michael Villani
Our File No: 07-105
- **Nevada Power Company vs. Michael B. Phillips (Case #07-A-0549641)**
Date: October 21, 2008
Attorneys: Charles M. Damus - Charles M. Damus & Associates; Kirby Gruchow - Leach Johnson Song & Gruchow
Judge: Valorie J. Vega
Our File No: 08-021
- **Nevada Power Company vs. Lucky Blue II LLC & Norman Family LP (Case #07-A-549646-C)**
Date: October 22, 2008
Attorneys: Mark Ferrario - Kummer Kaempfer Bonner Renshaw; Kirby Gruchow - Leach Johnson Song & Gruchow
Judge: Jessie Walsh
Our File No: 08-023

MATTHEW LUBAWY, MAI
DEPOSITIONS (continued)

- Nevada Power Company vs. Treasure Cove, LLC and Storybook Homes (Case #07-A-549645-C)
Date: October 23, 2008
Attorneys: Kyle Smith - Harrison, Kemp, Jones & Coulthard; Kirby Gruchow - Leach Johnson Song & Gruchow
Judge: Valorie J. Vega
Our File No: 08-022
- Nevada Power Company vs. Ernest A. and Kathleen C. Becker/Nevada State Bank (Case #07-A-550071-C)
Date: March 19, 2009
Attorneys: John M. Netzorg - Law Offices of John M. Netzorg; Erich N. Storm, Chapman Law Firm
Judge: Valorie J. Vega
Our File No: 08-171
- Albert D. Massi, et al vs. Clark County and City of Las Vegas (Case #A555582)
Date: July 9, 2009
Attorneys: Philip Byrnes, City of Las Vegas Attorney's Office; Laura FitzSimmons, Sylvester & Polednak
Our File No: 09-048
- FDIC as receiver for Community Bank of Nevada vs. Glen Smith & Glen Development Company LLC (Case #A575592)
Date: May 25, 2010
Attorneys: Spencer H. Gunnerson, Kemp, Jones & Coulthard; Aaron Shipley, McDonald Carano Wilson
Our File No: 09-251
- Nevada Power Company vs. Vegas Valley Investment, LLC, et al. (Case #A-09-592829-C)
Date: August 17, 2010
Attorneys: Neil J. Beller - Law Office of Neil J. Beller, Ltd.
Our File No: 10-194
- Branch Banking and Trust Company, et al., v. Joe D. Thomas, et al., (Case #A-12-670622-B)
Date: August 9, 2013
Attorneys: Gabriel Blumberg, Gordon Silver - Attorneys for Defendant; Allison Noto, Sylvester & Polednak, Attorneys for Plaintiff
Our File No: 13-0108-000

MATTHEW LUBAWY, MAI
DEPOSITIONS (continued)

U.S. DISTRICT COURT

- George F. Tibsherany, Inc. vs. The Midby Companies, LLC (Case #CV-S-05-0613-LDG-GWF)
Date: December 11, 2006
Attorneys: Nicholas M. Wleczorek (Morris, Polich, and Purdy, LLPO), William L. Coulthard (Harrison, Kemp & Jones), John Wendland (Weil & Drage, APC), Scott R. Cook (Gordon & Rees), Aviva Gordon (Ellis & Gordon)
Judge: Lloyd D. George
Our File No: 06-301
- OMRLV Property LLC vs. Earl W. Courtney, et al (Case #2:07-CV-01523-FMP-RJJ)
Date: August 12, 2009
Attorneys: David Stoff (McDonald Carano Wilson LLP), Jeffrey S. Rugg (Brownstein Hyatt Farber Schreck)
Our File No: 08-280

FEDERAL BANKRUPTCY COURT

- Castaways Hotel/Casino, 2800 E. Fremont Street (Bankruptcy Case #BK-S-0317939-LBR)
Attorney: Candace Carlyon, Gordon and Silver
Our File No: 04-240
- Murano Apartments, LLC vs. Michael J. Mona, Jr., Rudolph Straat; and Maria Gudelis (Case #BK-S-05-10067-BAM)
Date: December 5, 2005
Attorneys: Anthony Zmaila (Santoro, Driggs, Walch, Kearney, Johnson & Thompson and Shawn Mangano (Sylvester and Polednak)
- Whitton Corporation (Case #BK-S-10-32680-BAM)
Date: April 13, 2011
Attorneys: Rodney M. Jean and Mohamed A. Iqbal, Jr., (Lionel Sawyer Collins)

- **Marion Manor, LLC** (Case No. BK-S-11-28020-BAM)
Date: February 24, 2012
Attorneys: Chris Kaup and Lars Evensen with Holland & Hart, David J. Winterton & Associates, Ltd.
- **Desert Inn Management Company, LTD.** (Case No. BK-S-12-16719-LBR)
Date: January 29, 2013
Attorneys: Eric T. Gjerdingen, Gordon Silver & Jeffrey Willis, Snell & Wilmer

TRIAL TESTIMONY

NEVADA STATE DISTRICT COURT

- **Clark County vs. Sepehri**, (Case #04-A-488474-C)
Date: June 1, 2006
Attorneys: Michael Mansfield and Brent Larsen
Judge: Valorie Vega
Our File No: 04-218
- **Becker vs Nevada Power** (Case #07-A-550071-C)
Date: November 9, 2007
Attorney: Michael Chapman
Judge: Valorie Vega
Our File Nos: Various
- **NDOT vs. BDR South Parcel Investments LLC** (Case #06-A-527718)
Date: February 4, 2009
Attorneys: Thomas Rondeau - Gould Patterson Ales & Day; Charles Titus - Santoro, Driggs, Walch, Kearney, Holley & Thompson
Judge: Mark R. Denton
Our File No: 07-181
- **Adaven Management, Inc. vs. Mountain Falls Acquisition Corporation**
(Case #CV21737 - Fifth Judicial District Court, Dept. 2 - Pahrump)
Date: August 13, 2009
Attorneys: Paul Taggart - Taggart & Taggart, Ltd.; Jeremy J. Nork - Holland & Hart LLP
Judge: Robert W. Lane
Our File Nos: 09-144 & 09-145

MATTHEW LUBAWY, MAI
TRIAL TESTIMONY (continued)

- Becker vs Nevada Power (Case #07-A-550071-C)
Date: August 25, 2009
Attorney: Michael Chapman
Judge: Valorie Vega
Our File No: 08-171
- Bank of Nevada vs. CSC Temple, LLC; Temple Development Corporation; and Aaron Temple (Case #A572394)
Date: February 10, 2010
Attorneys: Gardner Jolley, David Malley - Jolley Unga Wirth Woodbury & Standish; Richard Scottie
Judge: Jessie Walsh
Our File No: 08-270
- City National Bank vs. Vandoza Investments LLC and Charles Vanicek (Case #A-10-611624-B)
Date: August 20, 2010
Attorneys: Justin L. Carley - Snell & Wilmer
Judge: Elizabeth Gonzalez
Our File No: 10-239
- Bank of Nevada vs. Monterey Industrial, LLC; and Maria Guadalupe De Tostado, (Case #A-10-623435-C)
Date: March 15, 2011
Attorney: Michael D. Mazur, ESQ
Judge: Jessie Walsh
- Alliance Homes LLC (Bank of NV) vs. N. Las Vegas II, LLC; Frank T. Ferraro, Jr.; Christopher Paskvan; Tom Fehrman, (Case #A-10-610698-C)
Date: April 15, 2011
Attorneys: H. Stanley Johnson, CJD Law Group LLC; James B. Ball, Poli and Ball, PLC
Judge: Nancy L. Alf

MATTHEW LUBAWY, MAI
TRIAL TESTIMONY (continued)

- Bank of Nevada vs. Pebble Pines, LLC and Quiet Moon, LLC, (Case #A-11-637410-C)
Date: June 3, 2011
Attorney: Stephanie Hardie Allen - Kaempfer Crowell Penshaw Gronauer & Fiorentino
Judge: Jerry A. Wiese
Our File No: 10-468
- NV Energy v. Copperfield Investment & Development Co.,
(Case # A-09-604760-C) testified on behalf of Plaintiff
Date: October 27, 2011
Attorneys: Plaintiff attorney: Kirby Gruchow (Leach, Johnson, Song & Gruchow)
Defendant attorney: John M. Netzorg
Judge: Susan Johnson
- Bank of Nevada v. Classic Productions, LLC
(Case # A-10-626894-C) testified on behalf of Plaintiff
Date: August 27, 2012
Attorneys: Plaintiff attorney: Michael D. Mazur
Defendant attorney: Lucas M. Gjovig
Judge: Jerry A. Wiese
- Taylor Emanuel v. Richard Jones, et al.
(Case # A-10-611339-B) testified on behalf Defendant/Counter Claimant -
Bank of Las Vegas
Date: August 28, 2012
Attorneys: Defendant/Counter Claimant attorney: Nicole Lovelock
(Holland & Hart, LLP)
Plaintiff attorney: David J. Winterton
Judge: Elizabeth Gonzalez
- November 2005 Land Investors, LLC, et al. v. Nevada Power Co.,
(Case # A-611150 - testified on behalf of Defendant - Nevada Power Company
Date: June 28 & July 1, 2013
Attorneys: Defendant: William E. Peterson & Janine C. Prupas, Snell & Wilmer
(Snell & Wilmer, LLP)
Plaintiff attorney: J. Randall Jones & Eric M. Pepperman (Kemp, Jones & Coulthard, LLP) & Mark E. Farrar (Greenberg Traurig)

MATTHEW LUBAWY, MAI
TRIAL TESTIMONY (continued)

- Branch Banking and Trust Company, et al, v. Joe D. Thomas, et al, (Case #A-12-670622-B)
Date: September 9, 2013
Attorneys: Gabriel Blumberg, Gordon Silver- Attorneys for Defendant; Allison Noto, Sylvester & Polednak, Attorneys for Plaintiff
Our File No: 13-0108-000

U.S. DISTRICT COURT

- Kohlrautz vs. Oilmen Participation Corp. (Case #CV-S-00-0042-RLH-PAL)
Date: December 18, 2007
Attorney: Kenneth Hogan
Judge: Roger L. Hunt
Our File No: 06-002 & 06-341
- FDIC as receiver for Community Bank of Nevada vs. Glen Smith & Glen Development Company LLC (Case #A575592)
Date: January 10, 2011
Attorneys: Spencer H. Gunnerson, Kemp, Jones & Coulthard; Aaron Shipley, McDonald Carano Wilson
Judge: Elizabeth Gonzales
Our File No: 09-251

FEDERAL BANKRUPTCY COURT

- International Bank of Commerce vs. Boulder Crossroads, LLC (Bankruptcy Case #09-10381, Western District of Texas, Austin Division)
Date: August 26-28, 2009
Attorney: Sabrina L. Streusand, Streusand & Landon, LLP; Barbara M. Barron and Stephen W. Sather of Barron & Newburger, P.C.; Diann M. Bartek, Cox Smith Matthews Inc.
Judge: Craig A. Gargotta
Our File No: 09-129

MATTHEW LUBAWY, MAI
TRIAL TESTIMONY (continued)

- Motion for Relief from Stay
(Bankruptcy Case #09-11113-LBR, Las Vegas, Nevada)
Date: March 16, 2010
Attorney: Michael H. Singer on behalf of Overland Financial; David A. Riggi on behalf of Toros Yeranosian
Judge: Linda Riegel
Our File No: 09-106
- Celtic Bank vs. Braelynn Land, LLC (Bankruptcy Case)
Date: August 31, 2010
Attorney: Karl Y. Olsen of Parsons Behle & Latimer
Judge: Linda Riegel
Our File No: 09-382
- Francis K. Poirier vs. Sean R. Harron and Elise M. Harron (Bankruptcy Case #09-22463-mkn)
Date: November 9, 2010
Attorneys: Michael Stein and Erica J. Stutman of Snell & Wilmer
Chief Judge: Mike K. Nakagawa
Our File No: 1007-001C (Residential)
- Francis K. Poirier vs. Sean R. Harron and Elise M. Harron (Bankruptcy Case #09-22463-mkn)
Date: January 13, 2011
Attorneys: Michael Stein and Erica J. Stutman of Snell & Wilmer
Chief Judge: Mike K. Nakagawa
Our File No: 1007-001C (Residential)
- Whitton Corporation (Case #BK-S-10-32680-BAM)
Date: June 3, 2011
Attorneys: Rodney M. Jean and Mohamed A. Iqbal, Jr., (Lionel Sawyer Collins); David Snyder and Brett Axelrod (Fox Rothschild)
Judge: Bruce A. Markell

MATTHEW LUBAWY, MAI
TRIAL TESTIMONY (continued)

- **Marion Manor, LLC (Bankruptcy Case No, BK-S-11-28020-BAM)**
Date: February 28-29, 2011 and March 9, 2011
Attorneys: Tenille Pereira, (David J. Winterton & Associates, Ltd.) Debtor's
Attorneys; Lars K. Evensen, (Holland & Hart, LLP) Creditor's Attorney
Judge: Bruce A. Markell
Our File No: 11-272

EXHIBIT K

EXHIBIT K

Susan Moses August 20, 2015
Person Most Knowledgeable of Nevada Association Services, Inc.

1 EIGHTH JUDICIAL DISTRICT COURT

2 CLARK COUNTY, NEVADA

3

4

5 IGNACIO GUTIERREZ, an)
individual,)

6 Plaintiff,)

7 vs.) Case No. A-13-684715-C
Dept. No. XVII

8)

SFR INVESTMENTS POOL 1, LLC;)

9 NEVADA ASSOCIATION SERVICES,)

INC., HORIZON HEIGHTS)

10 HOMEOWNERS ASSOCIATION, KB)

HOME MORTGAGE COMPANY, a)

11 foreign corporation; DOE)

Individuals 1 through X; ROE)

12 Corporations and Organizations)

I through X,)

13)

Defendants.)

14)

AND ALL RELATED CLAIMS)

15)

16)

17)

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CERTIFIED
COPY

DEPOSITION OF SUSAN MOSES

PERSON MOST KNOWLEDGEABLE OF NEVADA ASSOCIATION SERVICES, INC.

Taken on Thursday, August 20, 2015

At 9:02 a.m.

Taken at All-American Court Reporters

1160 North Town Center Drive, Suite 300

Las Vegas, Nevada

24

25 Reported By: Gale Salerno, RMR, CCR No. 542

Susan Moses August 20, 2015
Person Most Knowledgeable of Nevada Association Services, Inc.

Page 2

1 APPEARANCES:

2 For Bank of America, N.A., as Successor by Merger to
3 BAC Home Loans Servicing, LP fka Countrywide Home
4 Loans, Inc., incorrectly sued as Countrywide Home
5 Loans, Inc., and Nationstar Mortgage, LLC:

6 MELANIE MORGAN, ESQ.
7 Akerman, LLP
8 1160 Town Center Drive, Suite 330
9 Las Vegas, Nevada 89144
10 (702) 634-5000
11 melanie.morgan@akerman.com

12 For the Defendant, SFR Investments Pool 1, LLC:

13 DIANA S. CLINE, ESQ.
14 Howard Kim & Associates
15 1055 Whitney Ranch Drive, Suite 110
16 Henderson, Nevada 89014
17 (702) 485-3300
18 diana@hkimlaw.com

19 For the Deponent, Susan Moses, and the Defendant,
20 Nevada Association Services, Inc.:

21 RICHARD J. VILKIN, ESQ.
22 Law Offices of Richard Vilkin, P.C.
23 1286 Crimson Sage Avenue
24 Henderson, Nevada 89012
25 (702) 476-3211
vilkinlaw@cox.net

Also Present:

SAMAN HEIDARI, ESQ.
Howard Kim & Associates

Susan Moses August 20, 2015
Person Most Knowledgeable of Nevada Association Services, Inc.

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1	INDEX	
2		Page
3	Examination by Ms. Morgan	4
4	Examination by Ms. Cline	48
5	Examination by Mr. Vilkin	50
6	Further Examination by Ms. Cline	59

7

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12	EXHIBITS	
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13	Moses	Marked
14	Exhibit A	Deposition Subpoena
15	Exhibit B	Documents Produced by NAS, Bates 1 to 173

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25

Susan Moses August 20, 2015
Person Most Knowledgeable of Nevada Association Services, Inc.

Page 4

1 SUSAN MOSES,
2 having been first duly sworn, was
3 examined and testified as follows:

4 - - -

5
6 EXAMINATION

7 BY MS. MORGAN:

8 Q. Could you please state and spell your name.

9 A. Susan Moses. S-u-s-a-n, M-o-s-e-s.

10 Q. Is it okay if I call you Susan?

11 A. Yes.

12 Q. My name is Melanie Morgan. I represent
13 Nationstar Mortgage in this litigation.

14 What is your title?

15 A. I'm the paralegal at NAS, and I'm the
16 custodian of records.

17 Q. Have you ever had your deposition taken
18 before?

19 A. Yes.

20 Q. Approximately how many times?

21 A. Eight maybe; seven or eight.

22 Q. How many times within the last six months
23 or so?

24 A. Seven or eight.

25 Q. So it's all been recent?

1 homeowner subsequent to May 10th, 2012, absent
2 bringing it current, the account current, it would
3 have been listed on this?

4 A. If there were any payments made prior to
5 February 11th, 2013, they would have been listed on
6 here.

7 Q. Okay. Now, can you tell by looking only at
8 the notice of sale which portion of the amount stated
9 is for assessments?

10 A. No.

11 Q. Can you tell which portion is for interest?

12 A. No.

13 Q. Can you tell which portion is for late
14 fees?

15 A. No.

16 Q. Can you tell which portion is for
17 collection fees?

18 A. No.

19 Q. Can you tell which portion of the amount
20 stated is the super priority amount?

21 A. No.

22 Q. Which parties received a copy of this
23 notice of default -- I'm sorry, notice of sale?

24 A. If you look at your Bates number 78 and 79,
25 those are the receipts for the return receipt

1 requested, and it has all the people that received
2 the notice of foreclosure.

3 Q. And how were these companies and
4 individuals determined?

5 A. We would have gotten an updated title
6 report or a date-down.

7 Q. And can you show me in the file where that
8 updated date-down would be.

9 A. Here Bates number starting at 100.

10 Q. What's the date of that date-down report?

11 A. It looks like March 29th, 2013.

12 Q. And what day was the notice of sale mailed?

13 MR. VILKIN: Can I give her a page number?

14 MS. MORGAN: Sure.

15 MR. VILKIN: 80.

16 THE WITNESS: February 13th, 2013.

17 BY MS. MORGAN:

18 Q. Were there any other parties, other than
19 the parties listed on Bates 78 and 79, that received
20 a mailed copy of the notice of sale?

21 A. Just whoever was on the updated date-down
22 should be on -- it should be who the notice of
23 foreclosure sale went to.

24 Q. And those people are reflected on -- those
25 people, I also mean businesses, entities, are also

1 reflected on Bates 78 and 79; is that correct?

2 A. I could go through and check and make sure,
3 like check them off. I can't tell just by looking
4 at -- I can look at each one and check it off.

5 Q. No, that's okay. I'm just trying to figure
6 out did any parties, other than those listed in 78
7 and 79, receive a copy of the notice of sale by
8 certified mail?

9 A. Shouldn't be.

10 Q. Was it NAS's procedure to check the
11 Recorder's website for any assignments of the deed of
12 trust to determine whether any new parties need to be
13 noticed?

14 A. To actually check the website? I don't
15 think so.

16 Q. So NAS would rely on the date-down report?

17 A. Yes.

18 Q. Do you have any documentation in the file
19 showing that the notice of sale was mailed to
20 Nationstar Mortgage?

21 A. It just would have been those documents
22 that we looked at, if it was mailed.

23 Q. So if Nationstar wasn't listed, then they
24 weren't mailed a copy?

25 A. If Nationstar wasn't on the updated

1 date-down, then they weren't mailed a copy.

2 Q. And if they weren't reflected on the --

3 A. I mean, as far as I know.

4 Q. -- on the evidence of mailings, then they
5 did receive a copy?

6 A. Can you ask that again?

7 Q. Sure. If Nationstar wasn't listed on the
8 receipts for certified mail, then they weren't mailed
9 a copy? Because you keep receipts --

10 A. Correct.

11 Q. -- of everybody who gets a copy; is that
12 correct?

13 A. Correct.

14 Q. And that's the same for the notice of
15 default; is that correct?

16 A. It goes off of the title report for the
17 ten-day. I mean, it all goes off of that.

18 Q. If we look at page 84, are you familiar
19 with this document?

20 A. Yes.

21 Q. What is this document?

22 A. It's an e-mail.

23 Q. From who to who?

24 A. It's from Misty Blanchard to -- I can't
25 tell. Kapell@rpmginc.com.

1 CERTIFICATE OF REPORTER

2 I, the undersigned, a Certified Shorthand
3 Reporter of the State of Nevada, do hereby certify:

4 That the foregoing proceedings were taken
5 before me at the time and place herein set forth;
6 that any witnesses in the foregoing proceedings,
7 prior to testifying, were duly sworn; that a record
8 of the proceedings was made by me using machine
9 shorthand which was thereafter transcribed under my
10 direction; that the foregoing transcript is a true
11 record of the testimony given to the best of my
12 ability.

13 Further, that before completion of the
14 proceedings, review of the transcript [] was
15 [X] was not requested pursuant to NRCP 30(e).

16 I further certify I am neither financially
17 interested in the action, nor a relative or employee
18 of any attorney or party to this action.

19 IN WITNESS WHEREOF, I have this date
20 subscribed my name.

21
22 Dated: August 20, 2015

23 
24 _____
25 GALE SALERNO, RMR, CCR #542

7196 9008 9111 5876 0992

7196 9008 9111 5876 1005

TO:
BANK OF AMERICA, N.A.
MIN 1000721-1140028613-0
8609 WESTWOOD CENTER
VIENNA, VA 22183

TO:
IGNACIO GUTIERREZ
668 MOONLIGHT STROLL ST.
HENDERSON, NV 89002-0505

SENDER: TS No.: N71680

SENDER: TS No.: N71680

REFERENCE:

REFERENCE:

PS Form 3800, January 2005		5.21
RETURN RECEIPT SERVICE	Postage	
	Certified Fee	
	Return Receipt Fee	
	Restricted Delivery	
	Total Postage & Fees	

PS Form 3800, January 2005		5.21
RETURN RECEIPT SERVICE	Postage	
	Certified Fee	
	Return Receipt Fee	
	Restricted Delivery	
	Total Postage & Fees	

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Do Not Use for International Mail

POSTMARK OR DATE

7196 9008 9111 5876 0992

7196 9008 9111 5876 0985

TO:
MERS
MIN 100072111400286155
P.O. BOX 2026
FLINT, MI 48501-2026

TO:
KB HOME MORTGAGE COMPANY
MIN 100072111400286155
7660 S. INDUSTRIAL ROAD, STE. 20
LAS VEGAS, NV 89139

SENDER: TS No.: N71680

SENDER: TS No.: N71680

REFERENCE:

REFERENCE:

PS Form 3800, January 2005		5.21
RETURN RECEIPT SERVICE	Postage	
	Certified Fee	
	Return Receipt Fee	
	Restricted Delivery	
	Total Postage & Fees	

PS Form 3800, January 2005		5.21
RETURN RECEIPT SERVICE	Postage	
	Certified Fee	
	Return Receipt Fee	
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Certified Mail™**
No Insurance Coverage Provided
Do Not Use for International Mail

POSTMARK OR DATE

NAS000078

JA_0353

7196 9008 9111 5876 0754

7196 9008 9111 5876 0754

TO:
DEPARTMENT OF CHILD
SUPPORT SERVICES
CASE NO. 0078979
P.O. BOX 1679
LAKEPORT, GA 95453-1679

TO:
MORTGAGE ELECTRONIC
REGISTRATION SYSTEMS, INC.
MIN 100072111400286155
G4318 MILLER ROAD
FLINT, MI 48501-2026

SENDER: TS No.: N71680

SENDER: TS No.: N71680

REFERENCE:

REFERENCE:

PS Form 3800, January 2005		5.21	PS Form 3800, January 2005		5.21
RETURN RECEIPT SERVICE	Postage		RETURN RECEIPT SERVICE	Postage	
	Certified Fee			Certified Fee	
	Return Receipt Fee			Return Receipt Fee	
	Restricted Delivery			Restricted Delivery	
	Total Postage & Fees			Total Postage & Fees	

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7196 9008 9111 5876 0750 7196 9008 9111 5876 0747

TO:
State of Nevada
Ombudsman for Common-Interest Cor.
2501 East Sahara Avenue, #102
Las Vegas, Nevada 89104

TO:
Horizon Heights
c/o Chantal Dellsle
Real Properties Management Group
P.O. Box 95606
Las Vegas, NV 89193-5606

SENDER: TS No.: N71680

SENDER: TS No.: N71680

REFERENCE:

REFERENCE:

PS Form 3800, January 2005		5.21	PS Form 3800, January 2005		5.21
RETURN RECEIPT SERVICE	Postage		RETURN RECEIPT SERVICE	Postage	
	Certified Fee			Certified Fee	
	Return Receipt Fee			Return Receipt Fee	
	Restricted Delivery			Restricted Delivery	
	Total Postage & Fees			Total Postage & Fees	

US Postal Service® Receipt for Certified Mail™ <small>No Insurance Coverage Provided Do Not Use for International Mail</small>	POSTMARK OR DATE	US Postal Service® Receipt for Certified Mail™ <small>No Insurance Coverage Provided Do Not Use for International Mail</small>	POSTMARK OR DATE
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NAS000079

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EXHIBIT L

EXHIBIT L



Statement

Statement on HOA Super-Priority Lien Foreclosures

FOR IMMEDIATE RELEASE

4/21/2015

Title 12 United States Code Section 4617(j)(3) states that, while the Federal Housing Finance Agency acts as Conservator, “[no] property of the Agency shall be subject to levy, attachment, garnishment, foreclosure, or sale without the consent of the Agency.” This law precludes involuntary extinguishment of Fannie Mae or Freddie Mac liens while they are operating in conservatorships and preempts any state law that purports to allow holders of homeownership association (HOA) liens to extinguish a Fannie Mae or Freddie Mac lien, security interest, or other property interest.

As noted in our December 22, 2014 statement on certain super-priority liens, FHFA has an obligation to protect Fannie Mae’s and Freddie Mac’s rights, and will aggressively do so by bringing or supporting actions to contest HOA foreclosures that purport to extinguish Enterprise property interests in a manner that contravenes federal law. Consequently, FHFA confirms that it has not consented, and will not consent in the future, to the foreclosure or other extinguishment of any Fannie Mae or Freddie Mac lien or other property interest in connection with HOA foreclosures of super-priority liens.

12/22/2014: **Statement of the Federal Housing Finance Agency on Certain Super-Priority Liens**

###

The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.6 trillion in funding for the U.S. mortgage markets and financial institutions. Additional information is available at www.FHFA.gov, on Twitter [@FHFA](https://twitter.com/FHFA), [YouTube](https://www.youtube.com/user/FHFA) and [LinkedIn](https://www.linkedin.com/company/fhfa).

Contacts:

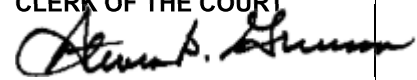
Media: Corinne Russell (202) 649-3032 / Stefanie Johnson (202) 649-3030

Consumers: **Consumer Communications** or (202) 649-3811

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JA_0356

TAB 14



MSJ
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Facsimile: (702) 485-3301
Attorneys for SFR Investments Pool 1, LLC

DISTRICT COURT

CLARK COUNTY, NEVADA

IGNACIO GUTIERREZ, an individual,

Plaintiff,

vs.

SFR INVESTMENTS POOL 1, LLC;
NEVADA ASSOCIATION SERVICES, INC.;
HORIZON HEIGHTS HOMEOWNERS
ASSOCIATION; KB HOME MORTGAGE
COMPANY, a foreign corporation, DOE
Individuals I through X, ROE Corporations and
Organizations I through X,

Defendants.

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

Counter-Claimant and Third Party Plaintiff,

vs.

IGNACIO GUTIERREZ, an individual;
NATIONSTAR MORTGAGE, LLC, a
Delaware limited liability company;
COUNTRYWIDE HOME LOANS, INC., A
FOREIGN CORPORATION; DOES I-X; and
ROES 1-10, inclusive,

Counter-Defendant/ Third Party Defendants

Case No. A-13-684715-C

Dept. No. XVII

**SFR INVESTMENTS POOL 1, LLC'S
MOTION FOR SUMMARY JUDGMENT**

SFR Investments Pool 1, LLC ("SFR") hereby files this Motion for Summary Judgment.

Summary Judgment should be granted in favor of SFR for three reasons:

- 1) SFR has presented this Court with a valid foreclosure deed from an NRS 116 foreclosure sale;
- 2) The Bank cannot prove Freddie Mac ever owned the Deed of Trust on the property; and
- 3) The Bank cannot prove that it was contracted to service the property on behalf of Freddie Mac.

NOTICE OF HEARING

PLEASE TAKE NOTICE that on 3 day of January, ²⁰¹⁸~~2017~~, in Department 17 of the above-entitled Court, at the hour of 8:30 a.m./~~p.m.~~, or as soon thereafter as counsel may be heard, the undersigned will bring SFR's Motion for Summary Judgment before this Court for hearing.

DATED this 16th day of November 2017.

KIM GILBERT EBRON

/s/ Jacqueline A. Gilbert, Esq.

JACQUELINE A. GILBERT, ESQ.

Nevada Bar No. 10593

7625 Dean Martin Drive, Suite 110

Las Vegas, Nevada 89139

Phone: (702) 485-3300

Fax: (702) 485-3301

Attorneys for SFR Investments Pool 1, LLC

INTRODUCTION

This Motion for Summary Judgment seeks to obtain a favorable judgment in regards to SFR's declaratory relief/quiet title claim and permanent injunction claim against Nationstar Mortgage, LLC ("the Bank").

In particular, this case is on remand from the Nevada Supreme Court where they asked this Court to conclude "whether Freddie owned the loan in question, or whether Nationstar had a contract with Freddie Mac or the FHFA to service the loan in question." Nationstar Mortgage, LLC v. SFR Investments Pool 1, LLC, 396 P.3d 754, 758 (Nev. 2017). The Nevada Supreme Court did not disturb any of the other grounds on which this Court granted judgment in favor of SFR in the first instance. Thus, this Court need not revisit the findings and conclusions on those issues. As to the issues on remand, the Bank has failed to prove that Freddie owned the loan or that it had a right to service this loan on behalf of Freddie. For this reason, this Court will not be burdened with a preemption analysis. Without preemption, there is nothing more for this Court to decide as under these same facts, this Court has already decided that the foreclosure was proper under NRS 116. *See* Order Granting SFR's Motion for Summary Judgment filed on November 10, 2015.

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STATEMENT OF UNDISPUTED FACTS

This case arises from Horizon Heights (the “Association”) foreclosure of real property commonly referred to as 668 Moonlight Stroll Street, Henderson, Nevada 89002 (the “Property”). Specifically, on April 5, 2013, the Association held a public auction of the Property based on unpaid monthly assessments. Despite that all notices required by NRS 116 were mailed to the proper parties, Nationstar, did nothing to protect its interest in the Property. At the foreclosure sale, SFR placed the highest bid.

DATE	FACTS
1991	Nevada adopted Uniform Common Interest Ownership Act as NRS 116, including NRS 116.3116(2).
March 30, 2003	Association perfected and gave notice of its lien by recording its Declaration of CC&Rs as Instrument No. 20030630002850. ¹
July 20, 2005	Ignacio Gutierrez obtained title to the Property through a Grant Bargain Sale Deed recorded as Instrument No. 200507200004599. ²
July 20, 2005	First Deed of Trust in favor of KB Home Mortgage Company recorded as Instrument No. 200507200004600. ³
July 10, 2012	Association recorded Notice of Delinquent Assessments as Instrument No. 201207100001296 ⁴
August 30, 2012	Association recorded Notice of Default. ⁵
November 28, 2012	Assignment of First Deed of Trust to Nationstar recorded. ⁶
February 20, 2013	Association recorded a Notice of Foreclosure Sale. ⁷
April 5, 2013	Association foreclosure sale took place and SFR placed winning bid of \$11,000.00. ⁸

¹ See first page of CC&Rs attached as **Exhibit A-1.**

² See Grant Bargain Sale Deed, attached as **Exhibit A-2.**

³ See First Deed of Trust, attached. as **Exhibit A-3.**

⁴ See Notice of Delinquent Assessments attached as **Exhibit A-4.**

⁵ See Notice of Default attached as **Exhibit A-5.**

⁶ See Assignment of First Deed of Trust attached as **Exhibit A-6.**

⁷ See Notice of Foreclosure Sale attached as **Exhibit A-7.**

⁸ See Foreclosure Deed attached as **Exhibit A-8.**

1 2 3 4 5 6 7 8 9	April 8, 2013	Association foreclosure deed vesting title in SFR recorded as Instrument No. 201304080001036. ⁹ As recited in the Association Foreclosure Deed, the Association foreclosure sale complied with all requirements of law, including but not limited to, the elapsing of 90 days, recording and mailing of copies of Notice of Delinquent Assessment and Notice of Default, and the recording, posting and publication of the Notice of Sale. SFR has no reason to doubt the recitals in the Foreclosure Deed — if there were any issues with delinquency or noticing, none of these were communicated to SFR. ¹⁰ Further, neither SFR, nor its manager, have any relationship with the Association besides owning property within the community and bidding on properties at auction. ¹¹ Similarly, neither SFR, nor its manager, have any relationship with the Association’s agent beyond attending auctions and bidding on properties. ¹²
10 11	Prior to April 8, 2013	No release of the super-priority lien was recorded. ¹³ No lis pendens was recorded by Nationstar. ¹⁴

LEGAL ARGUMENT

I. LEGAL STANDARD

Summary judgment is appropriate “when the pleadings and other evidence on file demonstrate that no ‘genuine issue as to any material fact [remains] and that the moving party is entitled to a judgment as a matter of law.’” Wood v. Safeway, Inc., 121 Nev. 724, 729, 121 P.3d 1026, 1029 (2005). Additionally, “[t]he purpose of summary judgment ‘is to avoid a needless trial when an appropriate showing is made in advance that there is no genuine issue of fact to be tried, and the movant is entitled to judgment as a matter of law.’” McDonald v. D.P. Alexander & Las Vegas Boulevard, LLC, 121 Nev. 812, 815, 123 P.3d 748, 750 (2005) quoting Coray v. Home, 80 Nev. 39, 40-41, 389 P.2d 76, 77 (1964). Moreover, the non-moving party “must, by affidavit or otherwise, set forth specific facts demonstrating the existence of a genuine issue for

⁹ Id.

¹⁰ Exhibit B, at ¶ 7.

¹¹ Id. at ¶ 8.

¹² Id. at ¶ 9.

¹³ Id. at ¶ 10.

¹⁴ Id. at ¶ 6.

trial or have summary judgment entered against [it].” Wood, 121 Nev. at 32, 121 P.3d at 1031. The non-moving party “is not entitled to build a case on the gossamer threads of whimsy, speculation, and conjecture.” Id. Rather, the non-moving party must demonstrate specific facts as opposed to general allegations and conclusions. LaMantia v. Redisi, 118 Nev. 27, 29, 38 P.3d 877, 879 (2002); Wayment v. Holmes, 112 Nev. 232, 237, 912 P.2d 816, 819 (1996). Though inferences are to be drawn in favor of the non-moving party, an opponent to summary judgment must show that it can produce evidence at trial to support its claim or defense. Van Cleave v. Kietz-Mill Minit Mart, 97 Nev. 414, 417, 633 P.2d 1220, 222 (1981).

II. SFR IS ENTITLED TO SUMMARY JUDGMENT ON ITS CLAIMS FOR QUIET TITLE AND PERMANENT INJUNCTION.

A. Title Vested in SFR Without Equity or Right of Redemption.

NRS 116.3166(3) states that “[t]he sale of a unit pursuant to NRS 116.31162, 116.31163 and 116.31164 vests in the purchaser the title of the unit’s owner without equity or right of redemption.” According to the Nevada Supreme Court, sales without equity or right of redemption vest the purchaser with absolute title:

[T]he law authorizing the mortgagee to sell is, in our opinion, so thoroughly settled that it cannot now admit of a question. Such being the right of the mortgagee, it follows as a necessary consequence that the **purchaser from him obtains an absolute legal title as complete, perfect and indefeasible as can exist or be acquired by purchase; and a sale, upon due notice to the mortgagor, whether at public or private sale, forecloses all equity of redemption as completely as a decree of court.**

In re Grant, 303 B.R. 205, 209 (Bankr. D. Nev. 2003) (quoting Bryant v. Carson River Lumbering Co., 3 Nev. 313, 317–18 (1867)) (emphasis added).

As the dissent in SFR correctly explained, “the owner, as well as the first security, will have no right to redeem the property under the majority’s holding.” SFR Investments, 334 P.3d at 422 citing NRS 116.31166(3) and Bldg. Energetix Corp. v. EHE, LP, 129 Nev. ___, ___, 294 P.3d 1228, 1233 (Nev. 2013) (recognizing that there is no right to redeem after a Chapter 107 non-judicial foreclosure sale because a sale under that chapter ‘vests in the purchaser the title of the grantor and any successors in interest without equity or right of redemption’ (quoting NRS

1 107.080(5)). This is consistent with long-standing Nevada non-judicial foreclosure law that “[i]f
2 the sale is properly, lawfully and fairly carried out, [the Bank] cannot unilaterally create a right
3 of redemption in [itself].” Golden v. Tomiyasu, 79 Nev. 503, 518, 387 P.2d 989, 997 (1963).
4 Here, because Nevada law does not allow the Bank or this Court to create a redemption period
5 to save the Bank from its failure to preserve its interest, title must be quieted in favor of SFR.

6 **B. The Deed Recitals are Conclusive in the Absence of Grounds for Equitable Relief.**

7 Pursuant to NRS 116.31166(1), the recitals in the deed are conclusive as to (1) default;
8 (2) mailing of the notice of delinquent assessment; (3) recording of the notice of default and
9 notice of sale; (4) elapsing of 90 days; and (5) giving notice of sale. In order to overcome the
10 conclusive effect, the Bank must demonstrate grounds for equitable relief. Shadow Wood
11 Homeowners Ass'n, Inc. v. New York Community Bancorp, Inc., 132 Nev. —, 366 P.3d 1105,
12 1110, 1112 (2016). The Bank must show a grossly inadequate price, in addition to “a showing of
13 fraud, unfairness, or oppression.” Shadow Wood, 366 P.3d at 1105, (citing Long v. Towne, 98.
14 Nev 11, 13, 639 P.2d 528, 530 (1982)); see Golden, 79 Nev. At 504, 514, 387 P.2d at 995
15 (adopting the California rule that “inadequacy of price, however gross, is not in itself a sufficient
16 ground for setting aside a trustee’s sale legally made; there must be in addition proof of some
17 element of fraud, unfairness or oppression as accounts for and brings about the inadequacy of
18 price” (internal citations omitted). The Bank cannot demonstrate sufficient grounds for equitable
19 relief.

20 **C. The Foreclosure Deed and Sale are Presumed Valid.**

21 Under Nevada law, foreclosure sales and the resulting deeds are presumed valid. NRS
22 47.250(16)-(18) (stating that there are disputable presumptions “that the law has been obeyed;”
23 “that a trustee or other person, whose duty it was to convey real property to a particular person,
24 has actually conveyed to that person, when such presumption is necessary to perfect the title of
25 such person or a successor in interest;” “that private transactions have been fair and regular;”
26 and “that the ordinary course of business has been followed.”) As a result, it is presumed that
27 (1) the Association and NAS obeyed the law; (2) the Property was conveyed to SFR; (3) the
28 Association foreclosure sale was “fair and regular;” and (4) the Association foreclosure

1 proceedings were conducted in the “ordinary course of business.” NRS 47.250(16)-(18).

2 Nevada law further provides that “[a] presumption not only fixes the burden of going
3 forward with evidence, but it also shifts the burden of proof.” Yeager v. Harrah's Club, Inc., 111
4 Nev. 830, 834, 897 P.2d 1093, 1095 (1995) (citing Vancheri v. GNLV Corp., 105 Nev. 417, 421,
5 777 P.2d 366, 368 (1989).) “These presumptions impose on the party against whom it is directed
6 the burden of proving that the nonexistence of the presumed fact is more probable than its
7 existence.” Id. (citing NRS 47.180.). Having produced the deed, SFR has no further burden.
8 Nevada law automatically presumes the deed and the sale are valid. Because of this, the Bank
9 now bears the burden to overcome these presumptions. In other words, the Bank, and not SFR,
10 bears the burden to prove that the Association foreclosure sale and the resulting foreclosure deed
11 are not valid. The Bank cannot and has not met this burden.

12 There is not one shred of evidence in this case to overcome the presumptions in favor of
13 SFR. With respect to the first presumption (NRS 47.250(16)), there is no doubt that the
14 Association/NAS followed the law. Not only is this fact presumed, But this was also determined
15 to be true by this Court as the Bank could not dispute these presumptions. Order Granting SFR’s
16 Motion for Summary Judgment filed on November 10, 2015 at 5.

17 Regarding the second presumption (NRS 47.250(17)), there is no dispute that the
18 property was conveyed to SFR. In accordance with NRS 116.31164(3)(a), NAS, after receipt of
19 payment from SFR, made, executed and delivered a deed to SFR.¹⁵

20 Finally, with regard to the third presumption (NRS 47.250(18)), there is no dispute that
21 the Association sale was fair and regular and conducted in the ordinary course of business. In
22 accordance with NRS 116.31164, the Association foreclosure was conducted in Clark County,
23 the county where the Association is located, it was conducted by NAS (the agent for the
24 Association), at a public auction to the highest cash bidder, SFR.¹⁶

25 In light of this evidence, the Bank cannot possibly meet its burden to overcome the
26 presumptions that (1) the Association and NAS obeyed the law; (2) the Property was conveyed

27 ¹⁵ Ex. B-1.

28 ¹⁶ Id.

1 to SFR; (3) the Association foreclosure sale was “fair and regular;” and conducted in the
2 “ordinary course of business.” As such, the deed of trust was extinguished by the Association
3 foreclosure sale, and SFR is entitled to summary judgment on its claim for quiet title and
4 permanent injunction.

5
6 **III. FEDERAL PREEMPTION WILL NOT APPLY AS THE BANK HAS FAILED TO PROVE FREDDIE’S**
INTEREST IN THE PROPERTY AND IT RIGHT TO SERVICE ANY INTEREST HELD BY FREDDIE.

7 When this case was on appeal, the Nevada Supreme Court stated that “the servicer of a loan owned by
8 a regulated entity may argue that the Federal Foreclosure Bar preempts NRS 116.3116, and that neither
9 Freddie Mac nor the FHFA need be joined as a party.” Nationstar Mortgage, LLC v. SFR Investments Pool
10 1, LLC, 396 P.3d 754, 758 (Nev. 2017).

11 However, “the district court did not determine whether Freddie owned the loan in question, or whether
12 Nationstar had a contract with Freddie Mac or the FHFA to service the loan in question. Rather, the district
13 court held that Nationstar lacked standing in either case.” Id. “Therefore, we conclude that remand is
14 appropriate so the district court may address these factual inquiries in the first instance.” Id. (footnote omitted).

15 Therefore, the Bank must come forward with evidence that Freddie currently owns the mortgage in
16 question and that they owned the mortgage at the time of the foreclosure. Further, the Bank must prove that it
17 has authority to service this mortgage and appear on behalf of Freddie in this matter. If the Bank cannot prove
18 both of these elements then SFR must prevail as it has produced a valid deed to the property. *See Breliant v.*
19 *Preferred Equities Corp.*, 918 P.2d 314, 318 (Nev. 1996)(Evidence of a superior interest must be enough to
20 overcome the “presumption in favor of the record titleholder” who is, in this case).

21 Moreover, FHFA and the Enterprises have already admitted that as “[a] threshold matter, of course,
22 [Plaintiff] must have a property interest in order for [4617(j)(3)] to apply.” *LN Mgmt., LLC v. Dansker*, No.
23 2:13-cv-01420-RCJ-GWF (ECF No. 54, 2:12-13). Herein, the Bank, Freddie, and FHFA have exclusive
24 access to and possession of facts concerning ownership and servicing of this mortgage. Thus, the Bank is
25 possession of all the information to meets its burden of proving quiet title if what they alleged is true. It was
26 required to produce that evidence during initial discovery or at the very least during the supplemental discovery
27 period this Court generously allowed.

28 As will be shown below, the Bank produced no evidence of Freddie’s interest in this property or the

1 Bank's right to service such an interest. The evidence is so scant, that as a matter law, this Court can conclude
2 that the Bank failed to meet its burden to establish these interest.

3 **A. The Bank's Evidence of Freddie's Ownership and its Contractual Interest in**
4 **Servicing the Property is Unsatisfactory.**

5 The Bank is the named party in this lawsuit. Thus, the Bank has the responsibility to establish the
6 Freddie owns the mortgage in question. The following is a comprehensive list of such evidence the Bank
7 has produced to support Freddie's alleged loan interest in the property:

- 8 1) Screenshot from Nationstar's Servicing System;
9 2) The "please read" message / the Servicing Guidelines; and
10 3) Testimony regarding Limited Power of Attorney to Nationstar from Freddie.

11 Each of these will be discussed in turn.

12 **1. *Screenshot from Nationstar's Servicing System.***

13 Per Kieth Kovalic, 30(b)(6) deponent for Nationstar, the Bank relied on a screenshot from their
14 LSAMS system to help identify who the investor was on this loan. See Exhibit C p. 20:5-24. Below is a
15 copy of the screenshot Mr. Kovalic reviewed.

16 ...

17 ...

18 ...

19 ...

20 ...

21 ...

22 ...

23 ...

24 ...

25 ...

26 ...

```

Loan#: 0363 Asum: N Inv: 472 FHLMC SCH/ACT GANESHA 000000 Lien: 1
IGNACIO GUTIERREZ Loan Type/Sub: 03 Conv/Unins / 00 Next Due: 4/01/10
+ Rate: UnPaidBal: Pmt:
668 MOONLIGHT STROLL STRE #Pmts Delq: 00090 Dlq Amt P&I:
HENDERSON NV 89015 Msg: #1: #2: #3: LPR: 1/30/12 Stat: R
Phone 1: H W Phone 2: H W
FCBA Code: PFP: W/Ext: SCRA: N Behavioral Score: 000 W/Ext:
Potential Del: Eligibility Code: 0 Complaint Risk: Credit Score:
Instructions:
BRAND: NSM BORROWERS 001
* Entered By Target Class ----- First Comment -----
= 09/12/17 MIS 00/00/00 CL FREDDIE MAC DEFAULT REPORTING COMPLETED
- 09/08/17 MIS 00/00/00 CL PROPERTY INSPECTION ORDERED (STANDARD ID
- 08/16/17 KPAT1036 08/16/17 CL FORECLOSURE TITLE AUDIT PASS
- 08/15/17 ** 00/00/00 CL PROPERTY INSPECTION COMPLETED
- 08/10/17 MIS 00/00/00 CL PROPERTY INSPECTION ORDERED (STANDARD ID
- 08/09/17 MIS 00/00/00 CL FREDDIE MAC DEFAULT REPORTING COMPLETED
- 08/08/17 LS1300R2 08/07/17 CL ANNUAL PRIVACY NOTICE SENT - STAND ALONE
- 07/15/17 ** 00/00/00 CL PROPERTY INSPECTION COMPLETED
- 07/15/17 ** 00/00/00 CL PROPERTY INSPECTION COMPLETED
* I=Inquiry, U=Update, C=Clear (Highlighted lines show the Uncleared items) +
Page Up/Dn F1=Detail Comm. F2=Excl Cleared F4=List F5=Exec Comm
F7=Next Loan F8=Prv Loan F9=Loan Info F10=Add F11=Dsp Master
F12=Return F13=Door F14=All Classes F15=Delq Hist

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See Exhibit D at NSM00475 attached hereto.

Mr. Kovalic was able to identify that this screenshot related to the subject mortgage and that number 472 represented FHLMC ("Freddie). Based on this, Mr. Kovalic stated that "[i]t says FHLMC SCH/ACT GANESHA. In this case, it tells you it's a Freddie Mac loan." Exhibit C. p. 20:20-24. While being able to make such a bold assertion regarding Freddie's ownership based on this single cryptic screenshot, Mr. Kovalic was unable to identify what "GANESHA" stood for. *Id.* p. 21. 13-25. Moreover, Mr. Kovalic could not authenticate any of the information contained in this screenshot as can be seen from his testimony below.

1 Q. Okay. Do you know who input the information
2 into LSAMS that we're looking at on this page Bates
3 stamped NSM00475?

4 MS. MORGAN: Objection; scope.

5 A. What information?

6 Q. (BY MS. EBRON) Just at the investor code.

7 A. No, I do not know specifically.

8 Q. Do you know of a department that would have
9 input that information?

10 MS. MORGAN: Same objection.

11 A. I do not.

12 Id. at 22:1-11.

13 In this screenshot, Freddie is mentioned in a note dated 9/12/17, but this note is just in reference to
14 an automatic report that is generated regarding loans that are in default. Mr. Kovalic could not identify how
15 such reports were transmitted to Freddie. Id. at 27:1-17.

16 The bottom line is that this screenshot, including the notes, is completely self-generated by
17 Nationstar. No input was ever made by Freddie, and no one from Freddie has ever reviewed this screenshot.
18 Frankly, Nationstar cannot even identify what department inputted this information into their own system.
19 This unauthentic screenshot should carry as much weight as any other unauthenticated document would
20 carry in this Court: And that is no weight at all.

21 **2. "Please Read" Note.**

22 If someone were to look at the above screenshot, they would see the investor code of 472. Per Mr.
23 Kovalic, this told everyone that handled this loan that it must then review its "SharePoint" system for this
24 investor code. See Exhibit C p. 41:3-18. If someone reviews an investors "SharePoint" file, it would usually
25 contain relevant documents to Nationstar's serving contract such as pooling and servicing and agreements.
26 Id. 17:8-24. However, the SharePoint system is sorted by investor and not property. Thus, for many of

1 Nationstar's clients, this system would contain the actual contract that authorized Nationstar to service a
2 particular loan (the pooling and servicing agreement), in the case of Freddie's file, a single document
3 appears that says "please read." *Id.* And when curiosity overwhelms the SharePoint user, and they open
4 this documents, the only thing written in the document is a single sentence that says "Please see Freddie
5 Mac single family servicing guide." *Id.*

6 So in place of a servicing contract, Nationstar has a note that refers them to a servicing guideline
7 that can be found online by anyone. But, the Bank has attached portions of these guidelines to its 3rd
8 Supplemental Disclosure. *See* Exhibit E. The problem with these guidelines is that they are not a contract.
9 Nothing in these guidelines states that Nationstar is contractually authorized to service any loans owned by
10 Freddie. Further, nothing in these guidelines even specifically mentions this property. Merely being in
11 possession of these guideline proves nothing as these guidelines are publically available online.¹⁷ Lastly, the
12 guidelines lack the most basic element of a contract, a signature. As such, these guidelines do not in anyway
13 establish that the Bank has authority to act as Freddie's servicer or that Freddie owns the subject mortgage.

14 3. *Powers of Attorney.*

15 Nationstar alleges that Powers of Attorney exists from Freddie that authorize Nationstar to take
16 certain actions on its behalf. These documents were not produced in discovery and should not be considered
17 by this Court. Even so, Mr. Kovalic testified that he could tell if the powers of attorney applied to this
18 particular loan by when they were dated. Ex. C, p. 29:15-17. Yet, the only powers of attorney Mr. Kovalic
19 saw were dated 2014, 2015, and 2016. *Id.* at 20-22. So he could not even confirm that a power of attorney
20 between Freddie and Nationstar existed at the time of this foreclosure sale. Additionally, based on Mr.
21 Kovalic's testimony, if these documents exist, they do not mention whether Freddie owns this property or if
22 Nationstar has to right to service this particular property. In fact, it seems to be that a single Power of
23 Attorney for all of Freddie's properties was issued to Nationstar if one was issued at all. *See* Exhibit C p.
24 29:5-14. Thus, without additional admissible evidence of ownership, the power of attorney cannot serve to
25 substantiate any agreement as to this Property.

26
27
28 ¹⁷ As of October 20, 2017, Freddie Mac's current servicing guide, as well as archived copies, are
available at <http://www.freddiemac.com/singlefamily/guide/>.

4. Mr. Kovalic, 30(b)(6) deponent for Nationstar, could not provide any testimony regarding Freddie documents produced by the Bank.

SFR requested that the Nationstar come prepared to testify regarding specific Freddie documents.

When asked about these documents at Nationstar's deposition, Mr. Kovalic responded as follows:

3 Q. What did you do to prepare for topic number 9,
4 which is your knowledge of the documents Bates stamped
5 NSM00102 through NSM00153, which is identified as the
6 funding report; NSM00215, which is identified as the TOS
7 summary report; NSM00216, which is identified as the
8 securities and pool information; NSM00217 through -221,
9 which is identified as the mortgage payment history
10 report; and NSM00222 through -223, which is identified
11 as MIDAS report?

12 A. That would be a question for Freddie Mac as
13 those are all their documents that are created and
14 maintained by them. NationStar's not involved in
15 creating or maintaining any of those.

Exhibit C at 48:3-15. In other words, the documents that the Bank relies on to prove Freddie's interest are completely unrecognized by the only Bank witness they have disclosed. Further, the Bank has never disclosed Freddie as a witness meaning that no will be able to disclose these documents.

5. Evidence the Bank has Not Presented.

Maybe more notable than the evidence the Bank has presented, is the evidence the Bank has failed to present. Namely, a single assignment showing Freddie Mac as the owner of this mortgage or a single line of testimony from Freddie Mac that it does hold an interest in the mortgage.

First, it is undisputed that the Bank has failed to provide a single recorded assignment that even mentions Freddie. As it stands, if one were to rely on the recorded documents, they would be oblivious to Freddie's purported interest in the property. Second, Freddie has not once given testimony in this case that it owns the property. In fact, in the latest disclosures produced by the Bank, the Bank has not even named Freddie as a witness to the case. See Exhibit F attached hereto. As discovery is closed in this matter, Freddie will never be disclosed in this case. Despite SharePoint usually containing servicing and pooling

1 agreements, the Freddie SharePoint file is devoid of this information. Thus the Bank has failed to provide
2 any contract, agreement or arrangement between Freddie and the Bank. And nothing the Bank has produced
3 is property specific.

4 The Bank claims that Freddie owns the property but there is no assignment to Freddie nor a single
5 Freddie witness to collaborate the Bank's claim. The Bank claims that it can service the property on behalf
6 of Freddie but has not produced a contract, agreement, arrangement or witness (including the above-
7 mentioned Power of Attorney) stating such. The Bank claims it can stand in court for Freddie but
8 throughout this 4-year litigation process we have not seen a single document or heard a single word from
9 Freddie. In fact, throughout this litigation, Nationstar told this Court that it owned the Deed of Trust,
10 repeatedly referring to "its loan" and "Nationstar's Deed of Trust."¹⁸ Nationstar never told this Court it was
11 merely acting as an agent for Freddie and, ultimately, FHFA. Then, in 2015, Nationstar provided the
12 following Responses—or lack thereof—to SFR's Interrogatories,¹⁹ indicating that no other entity claimed
13 an interest in the Deed of Trust:

14 **Interrogatory No. 20:** Please identify any other entity or person of which you are aware
15 that currently claims an interest in the First Deed of Trust.

16 **Response to Interrogatory No. 20:**

17 **Interrogatory No. 21:** Please provide a detailed list of the previous entities/persons of
18 which you are aware that claimed an interest in the First Deed of Trust.

19 **Response to Interrogatory No. 21:**

20 Rather than stating that Freddie or FHFA claim an interest in the Deed of Trust, and that Nationstar
21 was merely acting as the agent, Nationstar remained silent. Nationstar's Responses tell a story that is
22 different than the work of fiction it brings to this Court now.

23 The Nevada Supreme Court charged the Bank to prove Freddie's interest in the property and their
24 ability to stand in place of Freddie as servicer. The Bank failed to do so. Accordingly, this Court should
25 grant summary judgment in favor of SFR's on all its claims.

27 ¹⁸ Motion to Dismiss, 3:19-29, 10:14-16, 15:12, 12:17, 16:3-4 (filed Oct. 14, 2015).

28 ¹⁹ A copy of the Responses to Interrogatories is attached hereto as **Exhibit G**.

B. Original Documentation is Necessary to Prove Freddie's Interest and the Bank's Interest to Service this Loan.

SFR has demanded to see the original of the assignment to Freddie. Further, SFR has demanded to see the original of the servicing contact between Freddie and the Bank. The reason that original documentation is necessary is because the accountability of financial institutions since the financial crisis has been suspect. It is a matter of public record that the Bank and other alleged mortgage holders and servicers engaged in serious misconduct that drew into question the validity of documentation underlying their property transactions. In 2012, the Office of Inspector General, Department of Housing & Urban Development issued its Memorandum No. 2012-CH-1803. See Decl., Exhibit H-1 ("OIG Report"). The OIG Report summarizes the misconduct of five major lender / servicers. The summary findings were illuminating.

The five servicers did not establish effective control over their foreclosure process. This failure permitted a control environment in which:

- Affiants routinely signed foreclosure documents, including affidavits, certifying that they had personal knowledge of the facts when they did not and without reviewing the supporting documentation referenced in them. Affiants . . . consistently failed to verify the accuracy of the foreclosure documents they signed.
 - A number of employees . . . engaged as "robosigners," had little or no education beyond high school and little or no experience in banking or real estate. . . . work histories revealed a lack of qualifications to hold the titles held by affiants. Interviews . . . disclosed that employees were given titles such as vice president for the sole purpose of allowing the individuals to sign documents, and the titles came with no other duties or authority.
 - Notaries public for three of the servicers . . . routinely notarized documents without witnessing affiant signatures.
- * * *
- For two of the five servicers . . . , the amounts of borrower's indebtedness were unsupported or mathematically inaccurate.
- * * *

The five servicers failed to follow HUD requirements for properties they foreclosed upon in judicial foreclosure States and jurisdictions . . . [which] required these services to obtain and convey to the Secretary of HUD good and marketable title to properties. **The mortgage servicers may have conveyed flawed or improper titles to HUD because they did not establish a control environment which ensured that affiants performed a due diligence review of the facts submitted to the courts and that employees properly notarized documents.**

See Exhibit H-1, OIG Report at 5-6 (emphasis added).

SFR has encountered similar problems. In one case, a bank was unable to definitively verify that a particular loan was contained in the trust at issue, or to which entity the deed of trust

1 belonged.²⁰ In another case, a bank recorded a 2015 discharge of its 2011 assignment to U.S. Bank
2 that *included a statement that the assignment was recorded in error because U.S. Bank had never*
3 *purchased the underlying loan.*²¹ This “discharge of assignment” was recorded after years of
4 litigation. In another case, a bank witness testified the loan servicer’s internal records showed the
5 recorded assignment of a deed of trust was to a different entity than the loan’s owner.²² In yet
6 another case, a bank’s deposition witness stated an assignment from Deutsche Bank to Bank of
7 America was an invalid “ghost assignment,” later confirmed having seen a “rogue assignment” by
8 Bank of America more than once, and agreed that he had seen situations in the past where “an
9 Assignment ... doesn’t necessarily match up with reality.”²³ These problems alone create a question
10 of material fact that would preclude summary judgment in favor of the Bank.

11 **C. Even if Freddie has a Property Interest, if such a Property Interest is Held in Trust, the**
12 **Bank Cannot Prevail.**

13 Normally, with Freddie and Fannie (“the regulated entities”), the Agency is deemed to
14 “succeed to” the assets of the regulated entities. 12 USC 4617(b)(2)(A)(i). And when this succession
15 happens, the Agency (“FHFA”) is given several powers as the conservator of these properties held by the
16 regulated entities. 12 U.S.C. 4617(b). Succession is so basic that it is described under the Agency’s “General
17 Powers.” *Id.* Succession is also fundamental to any allegation that NRS 116 is preempted by state law as only
18 “property of the agency” is protected from “levy, attachment, garnishment, foreclosure, or sale without the
19 consent of the Agency.” 12 USC 4617(j)(3).

20 But in a situation where the FHFA did *not* succeed to the property, this would completely change the
21 analysis done by this Court for a multitude of reasons. First, absent FHFA’s succession to the mortgage, the
22 Bank cannot demonstrate that the mortgage is “property of” FHFA for purposes of 4617(j)(3). *Compare*
23 *4617(j)(3), and 4617(b)(2)(A)(i), with 4617(b)(19)(B)(ii).* Second, if the mortgage is not “property of” FHFA,

24 ²⁰ See Decl., ¶6(b) & Exhibit H-2 (U.S. Bank unable to explain the 2007 reconveyance of the
25 purported first deed of trust or the 2013 rescission of the 2007 reconveyance; unable to explain how
26 J.P. Morgan became the depositor for a loan originated by Countrywide and explaining that a single
code in the bank’s system of record served the basis for the bank’s position that the loan is contained
in the trust and to determine in which entity the deed of trust should be assigned).

27 ²¹ See Decl., ¶6(c) & Exhibit H-3 and Exhibit H-4.

28 ²² See Decl., ¶6(d) & Exhibit H-5

²³ See Decl., ¶6(e) & Exhibit H-6.

1 then FHFA does not have the power to make a decision concerning consent that supposedly “preempts” SFR’s
2 interests. 4617(j)(3). Without the question of Federal Preemption and Consent from the FHFA (which is
3 regularly argued by the Bank in FHFA cases) the Bank cannot show that Freddie’s interest is superior to SFR’s
4 interests, meaning it is not “entitled to judgment as a matter of law.” NRCP 56(a).

5 One way the FHFA would not succeed a mortgage is if that mortgage was “held in trust.” While the
6 “General Powers” allow the FHFA to succeed Freddie’s interest, Congress has also legislated the “General
7 Exceptions” to the FHFA’s power. 12 USC 4617(19). Notably, section 12 USC 4617(19)(b) which it titled
8 “Mortgages held in trust.”

9 A mortgage is held in trust if it is “held in trust by a regulated entity.” And, the regulated entity (i.e.,
10 Freddie) holds these mortgages “for the benefit of any person other than the regulated entity.” *Id.* Further, 12
11 USC 4617(b)(ii) states that “[a]ny mortgage, pool of mortgages, or interest in a pool of mortgages described in
12 clause (i) shall be held by the conservator or receiver (FHFA) appointed under this section for the beneficial
13 owners of such mortgage, pool of mortgages, or interest in accordance with the terms of the agreement creating
14 such trust, custodial, or other agency arrangement. (parentheticals added).

15 Unlike mortgages that are succeeded to by the FHFA and thus essentially owned by the FHFA, what
16 FHFA can do to property held in trust was extremely limited by Congress. Below is a comprehensive list of the
17 actions FHFA can do to its property it succeeds versus mortgages it holds in trust.

18 ...

19 ...

20 ...

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FHFA GENERAL POWERS	EXCEPTIONS WHEN “HELD IN TRUST”
FHFA shall “ succeed to ” Enterprise assets ²⁴	Mortgages “held in trust” “shall be held ” by FHFA ²⁵
FHFA can “ sell ,” ²⁶ “ transfer ,” ²⁷ “ dispose ,” ²⁸ “ take over ,” ²⁹ “assets of” an Enterprise	FHFA “shall hold ” ³⁰ mortgages “held in trust” ³¹
FHFA can use “ assets of the regulated entity [to] pay creditor claims ” ³²	Mortgages “held in trust” “ shall not be available to satisfy the claims of creditors ” ³³
FHFA can “transfer or sell any asset . . . of the regulated entity . . . without any approval, assignment, or consent ” ³⁴	FHFA shall hold mortgages “held in trust” “ in accordance with the terms of the agreement creating such trust ” ³⁵
“Except as provided in this section [4617] . . . no court may take any action to restrain or affect the exercise of powers . . . of the Agency as a conservator or a receiver ” ³⁶	FHFA’s “ liability . . . for damages shall, in the case of any . . . claim relating to the mortgages held in trust, be estimated in accordance with ” ³⁷ the Director’s regulations
FHFA can take “authorized” action “which the Agency determines is in the best interests of the regulated entity ” ³⁸	FHFA shall hold mortgages “held in trust” “ for the benefit of any person other than the regulated entity ” ³⁹
FHFA can “take such action as may be . . . appropriate to . . . preserve and conserve the assets and property of the regulated entity ” ⁴⁰	“Any mortgage . . . held in trust” ⁴¹ “shall be held by the conservator . . . for the beneficial owners of such mortgage ” ⁴² who consist of “ any person other than ” the Enterprises ⁴³

Congress expressly and clearly mandated that FHFA shall “hold”—not “succeed to,” “transfer,” “sell,”

²⁴ 12 U.S.C. § 4617(b)(2)(A)(i) (emphasis added).

²⁵ 12 U.S.C. § 4617(b)(19)(B)(ii) (emphasis added).

²⁶ 12 U.S.C. § 4617(b)(2)(G) (emphasis added).

²⁷ *Id.* (emphasis added).

²⁸ 12 U.S.C. § 4617(b)(11)(E) (emphasis added).

²⁹ 12 U.S.C. § 4617(b)(2)(B)(i) (emphasis added).

³⁰ 12 U.S.C. § 4617(b)(19)(B)(ii) (emphasis added).

³¹ 12 U.S.C. § 4617(b)(19)(B)(i).

³² 12 U.S.C. § 4617(b)(9)(A) (emphasis added).

³³ 12 U.S.C. § 4617(b)(19)(B)(i) (emphasis added).

³⁴ 12 U.S.C. § 4617(b)(2)(G) (emphasis added).

³⁵ 12 U.S.C. § 4617(b)(19)(B)(ii) (emphasis added).

³⁶ 12 U.S.C. § 4617(f) (emphasis added).

³⁷ 12 U.S.C. § 4617(b)(19)(B)(iii) (emphasis added).

³⁸ 12 U.S.C. § 4617(b)(2)(J)(ii) (emphasis added).

³⁹ 12 U.S.C. § 4617(b)(19)(B)(i)-(ii) (emphasis added).

⁴⁰ 12 U.S.C. § 4617(b)(2)(D)(ii) (emphasis added).

⁴¹ 12 U.S.C. § 4617(b)(19)(B)(i).

⁴² 12 U.S.C. § 4617(b)(19)(B)(ii) (emphasis added).

⁴³ 12 U.S.C. § 4617(b)(19)(B)(i) (emphasis added).

1 “take over,” or “dispose”—mortgages “held in trust.” And, FHFA does so not for the Enterprises’ benefit but
2 “for the benefit of any person other than” the Enterprises (i.e., the “beneficial owners of” mortgages “held in
3 trust,” who consist “of any person other than the regulated entity”). Should FHFA ignore Congress’s intent, by
4 doing anything other than “holding” such a mortgage for the “benefit of any person other than” an Enterprise,
5 then FHFA will have subjected itself to “liability . . . for damages . . . in the case of any . . . claim relating to the
6 mortgages held in trust . . .” 4617(b)(19)(B)(iii). In contrast, when it comes to FHFA’s powers over “assets of
7 the regulated entity,” 4617(f) proclaims that no “court may take any action to restrain or affect the exercise of
8 powers or functions of” FHFA. But 4617(f) begins with this provision: “Except as provided in this section
9 [4617]” These words encompass 4617(b)(19)(B), which is “in this section” and “provide[s]” general
10 “except[ions]” pertaining to mortgages “held in trust.” In the end, 4617(b)(19)(B)’s “General Exceptions” to
11 FHFA’s powers establish that holding is an “exception” to succession. 4617(b)(19)(B).

12 Thus, even if Freddie had an interest in the mortgage, it was likely held in trust. This was confirmed
13 by Freddie itself in a letter to its borrowers:

14 Q: Who actually owns my mortgage, Freddie Mac or the trust?

15 A: **The trust indicated on your notification letter owns your mortgage.** Freddie Mac is
16 the trustee of that trust. **A trustee is an individual or organization who manages assets
for the benefit of another.**

17 Q: What does your letter mean where **it states that Freddie Mac is no longer the owner
of my mortgage** but is a trustee of the trust?

18 A: **The trust owns your mortgage**, but authorizes Freddie Mac to act on behalf of the trust
19 in certain matters.

20 Decl., **Exhibit H-7** at 2 (emphasis added).

21 Because the mortgage is not “property of” FHFA, FHFA does not have power to make a decision concerning
22 consent that supposedly “preempts” SFR’s interests. Without so-called “preemption,” the Bank cannot show
23 that it has an interest superior to SFR’s, preventing it from being “entitled to judgment as a matter of law.”
24 56(a). At bottom, 4617(b)(19)(B) precludes summary judgment.

25 ...

26 ...

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IV. CONCLUSION

SFR has come to this Court with a valid foreclosure deed. The Nevada Supreme Court has instructed this Court to evaluate both Freddie interest in the property as well as the Bank's contractual right to service this property. However, the Bank has failed to provide evidence that Freddie owns the mortgage or that it has a right to service this property on behalf of Freddie. Therefore, this Court should enter summary judgment against the Bank and in favor of SFR, stating that (1) title is quieted in SFR's name; (2) the DOT was extinguished; and (3) the Bank, and any agents, successors and assigns are permanently enjoined from interfering with SFR's possession and ownership of the Property.

Dated this 16th day of November 2017

KIM GILBERT EBRON

By: /s/ Jacqueline A. Gilbert, Esq.
JACQUELINE A. GILBERT, ESQ.
Nevada Bar No. 10593
DIANA S. EBRON, ESQ.
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7625 Dean Martin Drive, Suite 110
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Telephone: (702) 485-3300
Facsimile: (702) 485-3301
*Attorney for Defendant/Counterclaimant/
Cross-Claimant,
SFR Investments Pool 1, LLC*

CERTIFICATE OF SERVICE

I hereby certify that on the 16th day of November 2017, pursuant to NRCP 5(b)(2)(D), I caused service of a true and correct copy of the foregoing **SFR INVESTMENTS POOL 1, LLC'S MOTION FOR SUMMARY JUDGMENT** to be made electronically via the Eighth Judicial District Court's electronic filing system upon the following parties at the e-mail addresses listed below:

"Darren T. Brenner, Esq." .	darren.brenner@akerman.com
Akerman Las Vegas Office .	akermanlas@akerman.com
Diana Cline Ebron .	diana@kgelegal.com
E-Service for Kim Gilbert Ebron .	eservice@kgelegal.com
Michael L. Sturm .	mike@kgelegal.com
P. Sterling Kerr .	psklaw@aol.com
Richard J. Vilkin .	richard@vilkinlaw.com
Tomas Valerio .	staff@kgelegal.com

/s/ Zachary Clayton
an employee of
KIM GILBERT EBRON

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EXHIBIT A

**DECLARATION OF KAREN L. HANKS IN SUPPORT OF SFR INVESTMENTS POOL
1, LLC'S MOTION FOR SUMMARY JUDGMENT**

I, Karen L. Hanks, Esq., declare as follows:

1. I have personal knowledge of the facts set forth below based upon my review of the documents produced in this matter, except for those factual statements expressly made upon information and belief, and as to those facts, I believe them to be true, and I am competent to testify.

2. I make this declaration in support of SFR's Motion for Summary Judgment.

3. I am counsel for SFR Investments Pool 1, LLC in this action.

4. In connection with this litigation, I reviewed the Clark County Recorder's website for records relating to 668 Moonlight Stroll Street, Henderson, Nevada 89002 (the "Property"), as well as copies of the relevant recorded documents my office obtained through a title company.

5. Upon information and belief, attached hereto as Exhibit A-1 is a true and correct copy of the first page of the Declaration of CC&Rs.

6. Upon information and belief, attached hereto as Exhibit A-2 is a true and correct copy of the Grant Bargain Sale Deed.

7. Upon information and belief, attached hereto as Exhibit A-3 is a true and correct copy of the Deed of Trust.

8. Upon information and belief, attached hereto as Exhibit A-4 is a true and correct copy of the Notice of Delinquent Assessments.

9. Upon information and belief, attached hereto as Exhibit A-5 is a true and correct copy of the Notice of Default.

10. Upon information and belief, attached hereto as Exhibit A-6 is a true and correct copy of the Assignment of First Deed of Trust.

11. Upon information and belief, attached hereto as Exhibit A-7 is a true and correct copy of the Notice of Foreclosure Sale.

HOWARD KIM & ASSOCIATES

1055 WHITNEY RANCH DRIVE, SUITE 110

HENDERSON, NEVADA 89014

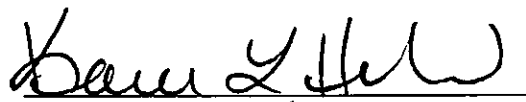
(702) 485-3300 FAX (702) 485-3301

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12. Upon information and belief, attached hereto as Exhibit A-8 is a true and correct copy of the Foreclosure Deed.

I declare under penalty of perjury that the foregoing is true and correct.

Dated this 8th day of September, 2015.


Karen L. Hanks

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EXHIBIT A-1

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02850

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APN's: 179-31-310-019
179-31-310-020
179-31-310-029 through 037
179-31-710-001 through 006, and
179-31-710-066 through 083

When Recorded Mail To:

KB Home Nevada Inc.
750 Pilot Road, Suite F
Las Vegas, NV 89119

DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS,
RESERVATIONS AND EASEMENTS
FOR
HORIZON HEIGHTS

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EXHIBIT A-2

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20050720-0004599

SPACE BE
ONLY

Fee: \$23.00 RPTT: \$1,734.00
N/C Fee: \$25.00

07/20/2005 15:25:56

T20050131524

Requestor:

FIRST AMERICAN TITLE COMPANY OF NEVADA

Frances Deane BGN

Clark County Recorder Pgs: 10

Escrow No.: 110-2189567
R.P.T.T. \$ 1,734.00
APN: 179-31-714-046

WHEN RECORDED, MAIL TO AND SEND TAX
STATEMENTS TO:

Ignacio Gutierrez

668 Moonlight Stroll Street

Henderson, NV 89015

12

GRANT, BARGAIN, SALE DEED

THIS INDENTURE WITNESSETH: That KB HOME Nevada Inc., a Nevada corporation, for valuable consideration, the receipt of which is hereby acknowledged, does hereby Grant, Bargain, Sell and Convey to Ignacio Gutierrez, AN SINGLE MAN

all that real property situated in the City of Henderson, County of Clark, State of Nevada, bounded and described as follows:

FOR COMPLETE LEGAL DESCRIPTION, SEE ATTACHED EXHIBIT 'C'

The recordation of this Deed shall further constitute and effectuate the annexation of the property described in this Deed (the "Subject Property") into the "Property" and "Project" as set forth in that certain Declaration of Covenants, Conditions, Restrictions, Reservations and Easements for Horizon Heights recorded on June 30, 2003 in Book 20030630, as Instrument No. 02850, (as may be supplemented, revised and/or amended from time to time, the "Declaration") and the Subject Property shall be subject to all provisions of the Declaration, which provisions shall fully apply to the Subject Property, and subject to the functions, powers and jurisdiction of the Horizon Heights Community Association, Inc., a Nevada non-profit corporation, as and to the extent provided in the Declaration.

RESERVING THEREFROM unto Grantor all water rights, permits, and certificates of Grantor of whatever kind or nature for ground water or surface water, and any and all other decrees, orders, or judgments affecting, adjudicating, or decreeing water rights to the end that this Deed shall not confer, grant, or transfer to Grantee any water rights whatsoever, or any claim to water or water rights.

AND FURTHER RESERVING unto Grantor all minerals, oil, gas, petroleum, other hydrocarbon substances and all geothermal energy sources in or under or which may be produced from the within-described land which lie below a plane parallel to and five hundred (500) feet below the surface of the within-described land, for the purpose of prospecting, exploration, development, production, or extraction of said substances by means of mines, wells, derricks, and/or other equipment; provided, however, that the owner of said substances shall have no right to enter the surface of the within-described land nor to use said land above said plane parallel to and five hundred (500) feet below the surface of such land.

SAID GRANT BEING FURTHER SUBJECT TO:

1. General and special real property taxes for the current fiscal year not due or delinquent and any and all taxes and assessments levied or assessed after the recording date of this document. This will include the lien of supplemental taxes, if any.
2. All assessments imposed by a duly empowered governmental entity, whether or not of record.
3. Any and all covenants, conditions, restrictions, easements, reservations (including, but not limited to, reservations and exceptions to the mineral estate), rights, and rights of way of record in the Office of the Clark County Recorder and any amendment(s), annexation(s) and/or supplement(s) thereto, including, but not limited to, those set forth in the Declaration and as otherwise described in Exhibit "B" attached hereto.
4. All of the terms and conditions of that certain Arbitration of Disputes Deed Attachment approved and agreed to by Grantor and Grantee and attached to this Deed as Exhibit "A", which Attachment, and the covenants, conditions, and restrictions therein contained, shall run with the within-described land and be binding upon, and inure to the benefit of, Grantor, Grantee, and their respective successors, assigns and successors-in-interest to any right or interest in said land, including, without limitation, all subsequent owners or lessees of any right, title, or interest in said land.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

Witness our hand this 7th day of July,
2005.

KB HOME Nevada Inc.,
a Nevada corporation

By: Linda Roller
Name: Linda Roller
Its: Authorized Agent

STATE OF NEVADA)
) SS.
COUNTY OF CLARK)

This instrument was acknowledged before me on
7-8-05 by
Linda Roller
as Authorized Agent of KB HOME Nevada Inc., a
Nevada corporation.

[Signature]
Notary Public

My commission expires: 3/10/2009

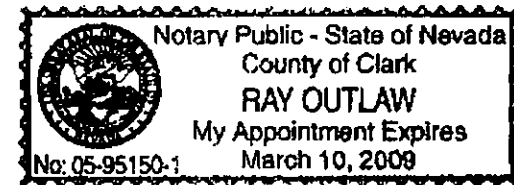


EXHIBIT "A"

ARBITRATION OF DISPUTES DEED ATTACHMENT

GRANTOR AND GRANTEE ACKNOWLEDGE, UNDERSTAND AND AGREE AS FOLLOWS:

1. For purposes of this Arbitration of Disputes Deed Attachment set forth below, the following definitions shall apply:

A. "Grantor" shall mean the entity conveying the Property referred to herein and its respective predecessors, successors, subsidiaries, and/or affiliated corporations or other entities, parent companies, sister companies, divisions, partners, joint ventures, the general contractor for the Project in which the Property is located, affiliates, owners, officers, directors, employees, shareholders, agents, and assigns.

B. "Grantee" shall mean the person or persons accepting the conveyance of the Property referred to herein and their successors, heirs, assigns, subsequent Grantees, and any third party claiming any right or interest in the Property through them; provided, however, that the term "Grantee" does not include any lender, its successors, or assigns (collectively, a "Mortgagee") whose loan is secured by a deed of trust on the Property and who takes title to the property through foreclosure of such deed of trust or through a deed in lieu of foreclosure. Any third party claiming any right or interest in Property through such a Mortgagee shall, however, be a "Grantee" for purposes of this Arbitration of Disputes provision.

C. "Property" shall mean the land and improvements described in the Deed to which this Deed Attachment is attached as Exhibit "A".

D. "Project" shall mean the tract or subdivision in which the Property is located, and, if applicable, the planned community or common-interest community in which the Property is situated, including, without limitation, any neighboring or adjacent properties.

ARBITRATION OF DISPUTES PROVISION

2. The arbitration procedures described below shall be the sole, exclusive and final means of resolving any "Dispute" between them and/or between their respective successors-in-interest. As used herein, "Dispute" shall mean any claim, cause of action (whether at law or in equity) or disagreement of any nature whatsoever ("Claim") arising from or in connection with the sale of the Property to Grantee, the Agreement, construction or installation of any improvements on the Property or Project, the grading of the Property or Project, or any work or services performed by or on behalf of Grantor on or in connection with the Property or Project, other than a claim made pursuant to Nevada Revised Statutes, Sections 38.300 to 38.360. This Arbitration of Disputes provision shall not apply to any repairs or warranty claims with respect to the Property arising after the construction is completed and shall expressly NOT control over the dispute resolution provisions in that certain New Home Limited Warranty Agreement, to be entered into between Grantor and Grantee in relation to the purchase and sale of the Property, for such repairs or warranty claims. Notwithstanding anything to the contrary set forth in this Arbitration of Disputes provision or any other agreement entered into by Grantor and Grantee or other documentation with respect to the Property, any such repairs or warranty claims shall be governed by the warranty coverage disputes provisions of the New Home Limited Warranty Agreement and any applicable State or Federal law. Disputes subject to these arbitration procedures shall include, without limitation, Claims for real and personal property damage, construction defects (whether patent or latent), including without limitation any Claim subject to the provisions of Nevada Revised Statutes, Section 40.600 to 40.695 (the "Construction

Defect Act"), bodily injury or wrongful death, nondisclosure, misrepresentation, fraud, emotional distress, monetary damages, rescission of any agreement, enforceability of this Attachment, and/or specific performance. As a condition to Grantor's obligation to arbitrate Disputes (as further set forth herein), Grantor may require in its sole discretion that any or all third parties, including without limitation, contractors, subcontractors, suppliers, consultants, partners, affiliates, or agents of Grantor (collectively, "Third Parties"), who may have liability in connection with the Dispute, including any right of contribution or indemnity Grantor may have against such Third Party, shall have agreed to be participants in and bound by the arbitration procedure described herein. Notwithstanding the foregoing, Grantor may, in its sole discretion, waive the foregoing condition.

3. With respect to any Dispute governed by the Construction Defect Act, after all prerequisites to initiating a civil action under the Construction Defect Act are satisfied or waived in accordance with the provisions of such act, and with respect to all other Disputes, at all times, the following procedures shall apply thereto:

A. Any Dispute between Grantee and Grantor where the claim of damage is \$7,500 or less, including Disputes governed by the provisions of the Construction Defect Act where the estimated cost of repair or replacement of the item(s) in dispute is \$7,500 or less, shall be within the sole jurisdiction of the Justice Court and arbitration (as set forth herein) shall not be applicable unless both Grantee and Grantor so agree in writing.

B. Any Dispute between Grantee and Grantor where the claim of damage is more than \$7,500, including disputes governed by the provisions of the Construction Defect Act where the estimated cost of repair or replacement of the item(s) in dispute is more than \$7,500, shall, upon request by either Grantee or Grantor, be submitted to arbitration conducted in accordance with the Rules for Residential Construction Disputes then in effect with the American Arbitration Association ("AAA") or, in the event of the non-existence or revocation of the Rules for Residential Construction by the AAA, the AAA Commercial Arbitration Rules shall apply, in either case, as such rules are expressly amended hereby.

(1) Before any Dispute may be submitted to arbitration, the party wishing to submit the Dispute must first, at least sixty (60) days prior to filing a Demand for Arbitration, give the other party written notice of the Dispute describing with reasonable specificity the actions requested to be taken by the other party to resolve the Dispute, together with any documents upon which such party intends to rely at the arbitration which support that Party's Claim.

(2) Arbitration shall be initiated by the filing by either party of a written Demand for Arbitration with the AAA and concurrently mailing a copy of the demand to the other party. Grantor shall promptly pay all fees and costs necessary to initiate the arbitration, but the fees and costs of arbitration shall ultimately be borne as determined by the arbitrator. In the absence of a determination by the arbitrator, Grantor shall remit the fees necessary to initiate the arbitration and, with respect to the remaining fees and costs, each party shall bear one-half of the fees and costs of the arbitration and all of its own attorneys' fees and other costs in connection therewith. Unless Grantee and Grantor agree otherwise, the Procedures for Large, Complex Construction Cases issued by the AAA shall apply to all cases to the extent such procedures are not in conflict with the Federal Arbitration Act or the Uniform Arbitration Act.

(3) With respect to any Dispute regulated by the Construction Defect Act, after all prerequisites to initiating a civil action under that act have been satisfied or waived, any party to a Dispute may, prior to the arbitration hearing, conduct discovery as provided in the Nevada Rules of Civil Procedure, Section V, Rules 26 to 37, inclusive.

(4) The arbitration shall be commenced in a prompt and timely manner and shall take place in the house located on the Property unless otherwise agreed by the parties at such time and date selected by the arbitrator. Any dispute regarding the scope of the arbitration or the procedures to be followed in the arbitration shall be resolved by the arbitrator. The arbitrator shall apply Nevada substantive law in rendering a final decision and only compensatory damages as recognized by Nevada law, in an amount not to exceed the original purchase price of the house, are recoverable and the arbitrator chosen for the arbitration shall have no authority to award damages for emotional distress, consequential, punitive, or any other nature of damages whatsoever. Each party shall bear its own attorney's fees and other costs. The award rendered by the arbitrator must be accompanied by a written decision of the arbitrator that contains written findings of fact and conclusions of law, including, if applicable, the arbitrator's determinations as to whether the Dispute is covered by the Warranty and whether Grantor was given an adequate opportunity and access to the house and Property to inspect and fix any alleged defect prior to arbitration. Once so rendered, the arbitrator's award shall be binding, final and non-appealable as to all parties in the arbitration to the fullest extent permitted by Nevada law. Notwithstanding the preceding sentence, an appeal may be taken if any award is based on any deviation by the arbitrator from the terms of this Attachment. In furtherance thereof, and to the fullest extent permitted by Nevada law, Grantee and Grantor waive the provisions of Nevada Revised Statutes, Section 38.145. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. Except as otherwise expressly set forth in this section, the arbitrator shall base his decision on the substantive law of Nevada.

(5) In the event of any conflict between the provisions of this Arbitration of Disputes provision and the then applicable AAA rules, the terms of this Arbitration of Disputes provision shall prevail.

(6) With the exception of contractors, subcontractors, suppliers, consultants, partners, affiliates, and agents added by Grantor as provided herein, the parties to the arbitration shall be limited to Grantee and Grantor.

(7) A Demand for Arbitration must be filed under AAA Rules for Residential Construction Disputes (or other then applicable AAA rules as provided above) within the time periods prescribed by the applicable statutes of limitations; provided, however, that any statutes of limitation and/or repose are tolled from the time Grantee provides Grantor written notice of the Dispute as provided in NRS 40.645 until thirty (30) days after the mediation is concluded or waived in writing pursuant to NRS 40.680. Notwithstanding the foregoing, in the event that Grantee fails to pursue the mediation for a period in excess of ninety (90) days, the statutes of limitation and/or repose shall recommence running as of the expiration of such ninety (90) day period.

4. Grantor may, in its sole discretion, consolidate Claims of any other person(s) who are buying or have bought houses from Grantor in the Las Vegas metropolitan area with the Dispute, in the event that such Claims are, in Grantor's opinion, similar in nature to a Dispute submitted to arbitration hereunder. Further, if Grantor elects to consolidate such Claims with a Dispute, if the aggregate amount of damage claimed by Grantee and such person(s) exceeds \$7,500, the procedures governing such consolidated matters will be those governing Disputes where the claim of damage is more than \$7,500 as set forth in Paragraph 3.B above.

5. If any provision or aspect of this Attachment is determined by a court of competent jurisdiction to be invalid or unenforceable, or if any provision or aspect of this Attachment is superseded or rendered unenforceable by any law which becomes effective after the date of this Attachment, the remaining provisions of this Attachment shall nevertheless remain in full force and effect and continue to be binding. If there is any conflict between this Attachment and the purchase agreement for Grantee's purchase of the Property, the provisions of this Attachment shall control. This Attachment shall not apply

to any Mortgagee. However, any third party claiming any right or interest in the Property through any Mortgagee shall be subject to this Attachment.

6. By signing in the space below, Grantee: (a) for Disputes for which the amount in controversy exceeds \$7,500 (including without limitation Disputes aggregated as provided in Paragraph 4 above), agrees to have any such Dispute decided by neutral, binding arbitration as set forth above and waives any rights Grantee may possess to have any such Dispute litigated in a court of law, including without limitation in a trial by jury; (b) in connection with any Dispute, waives any rights Grantee may have to recover: (i) damages for emotional distress, and (ii) any damages other than direct, compensatory damages as recognized by Nevada law in an amount not to exceed the original purchase price of the Property. By way of illustration and not limitation, the damages which Grantee waives any right to recover include: punitive, exemplary, indirect, or consequential. By signing in the space below, Grantee also waives Grantee's rights to discovery and appeal, except as those rights are expressly included in this Attachment. Grantee acknowledges that if Grantee fails or refuses to submit to arbitration as set forth herein, Grantee may be compelled by Nevada law to participate in good faith in such arbitration proceedings or may have an unfavorable and binding decision rendered by the arbitrator, notwithstanding such refusal or failure to participate in arbitration. Grantee acknowledges that Grantee's agreement to the arbitration provisions set forth above is voluntary.

GRANTEE HAS READ AND UNDERSTANDS THE FOREGOING AND AGREES TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL, BINDING ARBITRATION.

ACCEPTANCE BY GRANTEE

Grantee, by acceptance and recordation of this Deed, expressly accepts, covenants, and agrees to be bound by and to assume performance of all of the provisions and requirements set forth in (i) the Declaration of Covenants, Conditions, Restrictions, Reservations, and Easements set forth in Exhibit "B" to this Deed, which provisions and requirements are incorporated herein by this reference thereto; and (ii) the Arbitration of Disputes Deed Attachment set forth above.

The agreements of Grantee herein contained shall be covenants running with the real property granted hereby and shall be binding upon Grantee and Grantee's successors and assigns.

ACCEPTED AND AGREED:

Date: 7/7/05

"GRANTEE"


IGNACIO A GUTIERREZ

STATE OF NEVADA)
COUNTY OF CLARK) SS.

This instrument was acknowledged before me on 7/7/05 (date), by IGNACIO A GUTIERREZ

Laura E Barton
(Signature of Notarial officer)

(Title and rank (optional))

(My commission expires 3/15/08)

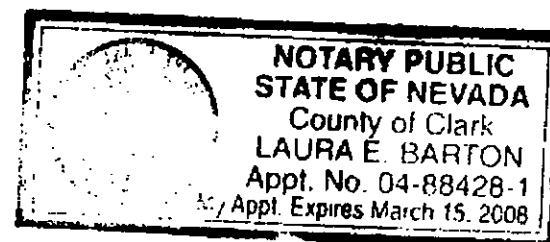


Exhibit "B"

1. Covenants, conditions, restrictions, easements, assessments, liens, charges, terms and provisions in the document recorded August 26, 2004 in Book No. 20040826 as Instrument No. 05201 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(C), of United States Codes.
- **The right to levy certain charges or assessments against the land which shall become a lien if not paid as set forth in the above declaration of restrictions, and is conferred upon Sunset Pines North Limited Homeowners Association, a Nevada non-profit corporation.**

Declaration of Annexation Provision

- The recordation of this Deed shall constitute and effectuate the annexation of the property described in this Deed (the "subject property") into the "property" and "project" as set forth in that certain Declaration of covenants, conditions, restrictions, reservations, and easements for Russell/Grand Canyon recorded on August 26, 2004, in Book 20040826, as Instrument No. 05201 (the "Declaration") and the subject property shall be subject to all provisions of the Declaration, which provisions shall fully apply to the subject property, and subject to the functions, powers, and jurisdiction of Sunset Pines North Limited Homeowners, a Nevada non-profit corporation, as and to the extent provided in the Declaration.

Rev. 08/24/2004

EXHIBIT "C"

Lot 64 of Russell/Grand Canyon, as shown by map thereof on file in Book 118 of Plats, Page 85, in the Office of the County Recorder of Clark County, Nevada.

**STATE OF NEVADA
DECLARATION OF VALUE**

1. Assessor Parcel Number(s)

a) 179-31-714-046

b)

c)

d)

FOR RECORDERS USE ONLY

Document/Instrument #

Book

Page

Date of Recording:

Notes:

2. Type of Property:

b) Single Family Res.

3. Total Value/Sales Price of Property:

\$339,548.00

Deed in Lieu of Foreclosure Only (value of property)

(\$

Transfer Tax Value

\$339,548.00

Real Property Transfer Tax Due

\$1,734.00

4. 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:

Signature:

Capacity: Buyer

Capacity: ~~Seller~~

**SELLER (GRANTOR) INFORMATION
REQUIRED**

Print Name: KB HOME Nevada Inc. a Nevada Corporation

Address: 750 Pilot Road #F

City/State/Zip: Las Vegas NV 89119

**BUYER (GRANTEE) INFORMATION
REQUIRED**

Print Name:

Address:

City/State/Zip:

COMPANY/PERSON REQUESTING RECORDING (REQUIRED IF NOT SELLER OR BUYER)

PRINT NAME: First American Title Company of Nevada

File #: 110-2189567 KB2/drh

ADDRESS: 205 E. Warm Springs, Ste. 105

CITY: Las Vegas STATE: Nevada ZIP: 89119

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

Reproduced by First American Title Company 11/2001

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EXHIBIT A-3

20050720-0004600

Assessor's Parcel Number: 179-31-714-046

Recording Requested By:
KB HOME MORTGAGE COMPANY

Fee: \$36.00
N/C Fee: \$25.00

07/20/2005 15:25:56
T20050131524

Requestor:
FIRST AMERICAN TITLE COMPANY OF NEVADA

And When Recorded Return To:

KB HOME MORTGAGE COMPANY
C/O VALENCIA CARUTH
7660 SOUTH INDUSTRIAL ROAD, SUITE 201B
LAS VEGAS, NEVADA 89139
Loan Number: 1140028613

Frances Deane BGN
Clark County Recorder Pgs: 23

110-2189567

[Space Above This Line For Recording Data]

DEED OF TRUST

MIN: 1000721-1140028613-0

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 JULY 6, 2005, together with all Riders to this document.

(B) "Borrower" is IGNACIO A GUTIERREZ, A SINGLE MAN, A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY.

Borrower is the trustor under this Security Instrument.

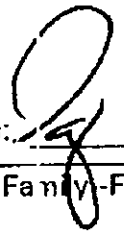
(C) "Lender" is KB HOME MORTGAGE COMPANY

Lender is a ILLINOIS CORPORATION organized
and existing under the laws of ILLINOIS
Lender's address is 7660 S. INDUSTRIAL ROAD, SUITE 201, LAS VEGAS,
NEVADA 89139

(D) "Trustee" is FIRST AMERICAN TITLE COMPANY OF NEVADA
3760 PECOS MCLEOD INTERCONNECT, SUITE#7, LAS VEGAS, NEVADA
89121-4253

(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 JULY 6, 2005

Borrower Initials: 

NEVADA--Single Family--Fannie Mae/Freddie Mac UNIFORM INSTRUMENT - MERS
Form 3029 1/01 Page 1 of 15

DocMagic eForms 800-649-1362
www.docmagic.com

The Note states that Borrower owes Lender TWO HUNDRED SEVENTY-ONE THOUSAND SIX HUNDRED THIRTY-EIGHT AND 00/100 Dollars (U.S. \$ 271,638.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than AUGUST 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 checked="" type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider | <input checked="" type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Other(s) [specify] |
| <input type="checkbox"/> 1-4 Family Rider | <input type="checkbox"/> Biweekly Payment Rider | |

(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. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to 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.

Borrower Initials: 

NEVADA--Single Family--Fannie Mae/Freddie Mac UNIFORM INSTRUMENT - MERS
Form 3029 1/01

Page 2 of 15

DocMagic eForms 800-649-1362
www.docmagic.com

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

of

CLARK

:

[Type of Recording Jurisdiction]

[Name of Recording Jurisdiction]

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT "A".
A.P.N. #: 179-31-714-046

which currently has the address of 668 MOONLIGHT STROLL STREET

[Street]

HENDERSON

, Nevada

89015

("Property Address"):

[City]

[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 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

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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 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

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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 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

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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.

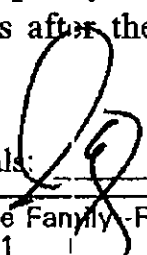
If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not 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 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

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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.

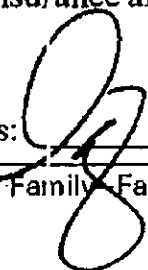
8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or 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 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

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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.

(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

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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.

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

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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.

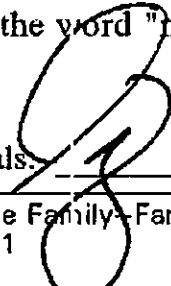
14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation 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.

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.

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Form 3029 1/01

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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 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

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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.

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 Lenders' election to cause the Property to be sold, and shall

Borrower Initials _____

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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. \$

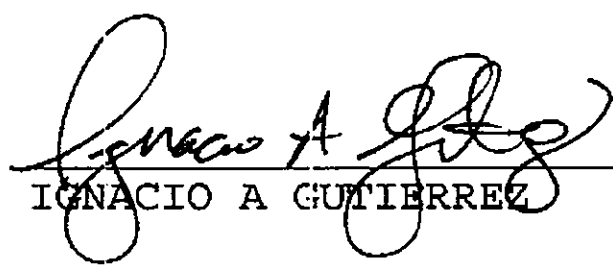
Borrower Initials: 

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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.



IGNACIO A GUTIERREZ (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

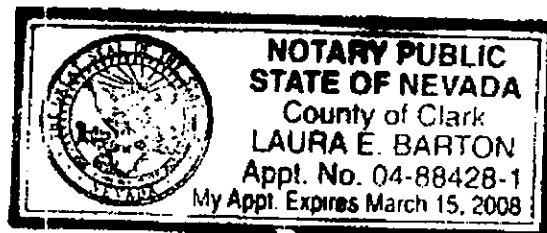
Witness:

Witness:

State of Nevada
County of CLARK

This instrument was acknowledged before me on
by IGNACIO A GUTIERREZ

7/7/05



(Seal)

Laura E. Barton

Notary Public

My commission expires: 3/15/08

EXHIBIT 'A'

**Lot 64 of Russell/Grand Canyon, as shown by map thereof on file in Book 118 of Plats,
Page 85, in the Office of the County Recorder of Clark County, Nevada.**

Assessor's Parcel Number: 179-31-714-046

After Recording Return To:
KB HOME MORTGAGE COMPANY
C/O VALENCIA CARUTH
7660 SOUTH INDUSTRIAL ROAD, SUITE 201B
LAS VEGAS, NEVADA 89139

Prepared By:

_____[Space Above This Line For Recording Data]_____

FIXED/ADJUSTABLE RATE RIDER
(LIBOR One-Year Index (As Published In *The Wall Street Journal*) - Rate Caps)

DOC ID #: 1140028613

THIS FIXED/ADJUSTABLE RATE RIDER is made this 6th day of JULY 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 ("Borrower") to secure Borrower's Fixed/Adjustable Rate Note (the "Note") to KB HOME MORTGAGE COMPANY, AN ILLINOIS CORPORATION ("Lender") of the same date and covering the property described in the Security Instrument and located at:
668 MOONLIGHT STROLL STREET, HENDERSON, NEVADA 89015
[Property Address]

THE NOTE PROVIDES FOR A CHANGE IN BORROWER'S FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE. THE NOTE LIMITS THE AMOUNT BORROWER'S ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

Conv

• MULTISTATE FIXED/ADJUSTABLE RATE RIDER - WSJ One-Year LIBOR - Single Family INTEREST ONLY
FE-4266 (0309)

Page 1 of 4

Initials: 

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

A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 6.750 %. The Note also provides for a change in the initial fixed rate to an adjustable interest rate, as follows:

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate I will pay will change to an adjustable interest rate on the first day of AUGUST, 2010, and the adjustable interest rate I will pay may change on that day every 12th month thereafter. The date on which my initial fixed interest rate changes to an adjustable interest rate, and each date on which my adjustable interest rate could change, is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the average of interbank offered rates for one year U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in *The Wall Street Journal*. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index".

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding TWO AND 250/1000 percentage points (2.250 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 11.750 % or less than 2.250 %. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than two percentage points from the rate of interest I have been paying preceding 12 months. My interest rate will never be greater than 11.750 %.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

Conv

• MULTISTATE FIXED/ADJUSTABLE RATE RIDER - WSJ One-Year LIBOR - Single Family
INTEREST ONLY
FE-4266 (0309)

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Initials: 

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my initial fixed interest rate to an adjustable interest rate and of any changes in my adjustable interest rate before the effective date of any change. The notice will include the amount of my monthly payment, any information required by law to be given to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

1. Until Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Uniform Covenant 18 of the Security Instrument shall read as follows:

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.

2. When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Uniform Covenant 18 of the Security Instrument described in Section B1 above shall then cease to be in effect, and the provisions of Uniform Covenant 18 of the Security Instrument shall be amended to read as follows:

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. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

Conv

• MULTISTATE FIXED/ADJUSTABLE RATE RIDER - WSJ One-Year LIBOR - Single Family
INTEREST ONLY
FE-4266 (0309)

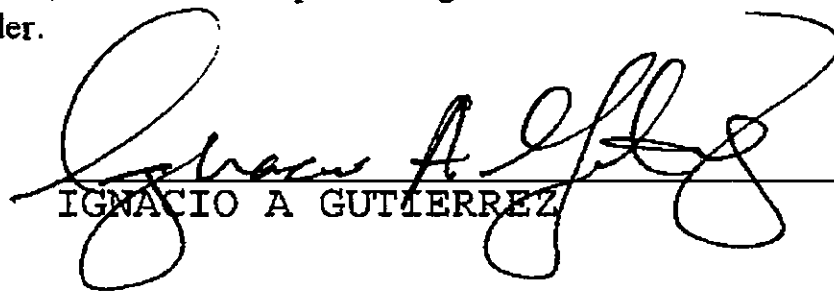
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Initials 

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, 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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.



IGNACIO A GUTIERREZ (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

Conv

• MULTISTATE FIXED/ADJUSTABLE RATE RIDER - WSJ One-Year LIBOR - Single Family
INTEREST ONLY

FE-4266 (0309)

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Loan Number: 1140028613

PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 6th day of JULY, 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 KB HOME MORTGAGE COMPANY, AN ILLINOIS CORPORATION (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

668 MOONLIGHT STROLL STREET, HENDERSON, NEVADA 89015

[Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in

CCVENANTS, CONDITIONS AND RESTRICTIONS OF RECORD

(the "Declaration"). The Property is a part of a planned unit development known as

HORIZON HEIGHTS

[Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

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

A. PUD Obligations. Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. 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 insuring the Property 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, for which Lender requires insurance, then: (i) Lender waives the provision in 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.

Borrower Initials: 

MULTISTATE PUD RIDER--Single Family
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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, or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds 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 or the common areas and facilities of the PUD, 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 PUD, 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 PUD 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.

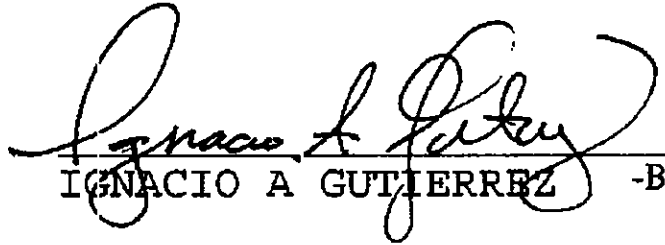
Borrower Initials: 

MULTISTATE PUD RIDER - Single Family
Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this PUD Rider.

 (Seal)
IGNACIO A GUTIERREZ -Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

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EXHIBIT A-4

Inst #: 201207100001296
Fees: \$17.00
N/C Fee: \$0.00
07/10/2012 09:24:34 AM
Receipt #: 1227729
Requestor:
NORTH AMERICAN TITLE COMPAN
Recorded By: SOL Pgs: 1
DEBBIE CONWAY
CLARK COUNTY RECORDER

APN # 179-31-714-046
N71680

Accommodation

NOTICE OF DELINQUENT ASSESSMENT LIEN

In accordance with Nevada Revised Statutes and the Association's declaration of Covenants Conditions and Restrictions (CC&Rs), recorded on March 30, 2003, as instrument number 02850 BK20030630, of the official records of Clark County, Nevada, the Horizon Heights has a lien on the following legally described property.

The property against which the lien is imposed is commonly referred to as 668 Moonlight Stroll Street Henderson, NV 89002 particularly legally described as: HORIZON HGTS PHASE 2 PLAT BOOK 119 PAGE 62 LOT 166 in the County of Clark.

The owner(s) of record as reflected on the public record as of today's date is (are):
Ignacio Gutierrez

Mailing address(es):
668 Moonlight Stroll Street Henderson, NV 89002

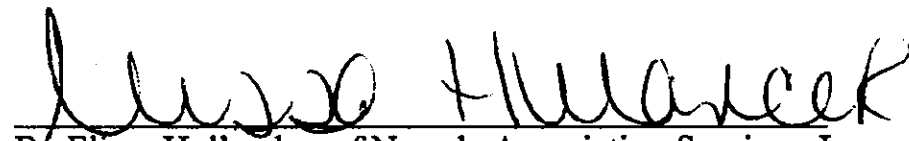
*Total amount due as of today's date is \$1,333.00.

This amount includes late fees, collection fees and interest in the amount of \$763.00

* Additional monies will accrue under this claim at the rate of the claimant's regular assessments or special assessments, plus permissible late charges, costs of collection and interest, accruing after the date of the notice.

Nevada Association Services, Inc. is a debt collector. Nevada Association Services, Inc. is attempting to collect a debt. Any information obtained will be used for that purpose.

Dated: July 8, 2012



By Elissa Hollander, of Nevada Association Services, Inc., as agent for Horizon Heights

When Recorded Mail To:
Nevada Association Services
TS # N71680
6224 W. Desert Inn Rd, Suite A
Las Vegas, NV 89146
Phone: (702) 804-8885 Toll Free: (888) 627-5544

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EXHIBIT A-5

APN # 179-31-714-046
NAS # N71680
North American Title # 37942
Property Address: 668 Moonlight Stroll Street

Inst #: 201208300002265
Fees: \$18.00
N/C Fee: \$0.00
08/30/2012 12:16:53 PM
Receipt #: 1290330
Requestor:
NORTH AMERICAN TITLE SUNSET
Recorded By: SOL Pgs: 2
DEBBIE CONWAY
CLARK COUNTY RECORDER

Accommodation

NOTICE OF DEFAULT AND ELECTION TO SELL UNDER HOMEOWNERS ASSOCIATION LIEN

IMPORTANT NOTICE

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

IF YOUR PROPERTY IS IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR PAYMENTS IT MAY BE SOLD WITHOUT ANY COURT ACTION and you may have the legal right to bring your account in good standing by paying all your past due payments plus permitted costs and expenses within the time permitted by law for reinstatement of your account. No sale date may be set until ninety (90) days from the date this notice of default was mailed to you. The date this document was mailed to you appears on this notice.

This amount is \$2,216.50 as of August 28, 2012 and will increase until your account becomes current.

While your property is in foreclosure, you still must pay other obligations (such as insurance and taxes) required by your note and deed of trust or mortgage, or as required under your Covenants Conditions and Restrictions. If you fail to make future payments on the loan, pay taxes on the property, provide insurance on the property or pay other obligations as required by your note and deed of trust or mortgage, or as required under your Covenants Conditions and Restrictions, Horizon Heights (the Association) may insist that you do so in order to reinstate your account in good standing. In addition, the Association may require as a condition to reinstatement that you provide reliable written evidence that you paid all senior liens, property taxes and hazard insurance premiums.

Upon your request, this office will mail you a written itemization of the entire amount you must pay. You may not have to pay the entire unpaid portion of your account, even though full payment was demanded, but you must pay all amounts in default at the time payment is made. However, you and your Association may mutually agree in writing prior to the foreclosure sale to, among other things, 1) provide additional time in which to cure the default by transfer of the property or otherwise; 2) establish a schedule of payments in order to cure your default; or both (1) and (2).

Following the expiration of the time period referred to in the first paragraph of this notice, unless the obligation being foreclosed upon or a separate written agreement between you and your Association permits a longer period, you have only the legal right to stop the sale of your property by paying the entire amount demanded by your Association.

To find out about the amount you must pay, or arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: Nevada Association Services, Inc. on behalf of Horizon Heights, 6224 W. Desert Inn Road, Suite A, Las Vegas, NV 89146. The phone number is (702) 804-8885 or toll free at (888) 627-5544.

If you have any questions, you should contact a lawyer or the Association which maintains the right of assessment on your property.

NAS # N71680

Notwithstanding the fact that your property is in foreclosure, you may offer your property for sale, provided the sale is concluded prior to the conclusion of the foreclosure.

**REMEMBER, YOU MAY LOSE LEGAL RIGHTS IF YOU DO NOT
TAKE PROMPT ACTION.**

**NOTICE IS HEREBY GIVEN THAT NEVADA ASSOCIATION
SERVICES, INC.**

is the duly appointed agent under the previously mentioned Notice of Delinquent Assessment Lien, with the owner(s) as reflected on said lien being Ignacio Gutierrez, dated July 8, 2012, and recorded on July 10, 2012 as instrument number 0001296 Book 20120710 in the official records of Clark County, Nevada, executed by Horizon Heights, hereby declares that a breach of the obligation for which the Covenants Conditions and Restrictions, recorded on March 30, 2003, as instrument number 02850 BK20030630, as security has occurred in that the payments have not been made of homeowner's assessments due from 5/1/2012 and all subsequent homeowner's assessments, monthly or otherwise, less credits and offsets, plus late charges, interest, trustee's fees and costs, attorney's fees and costs and Association fees and costs.

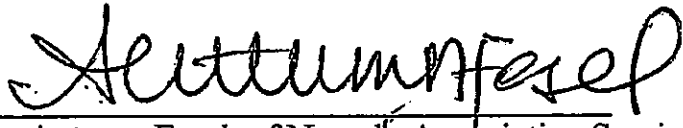
That by reason thereof, the Association has deposited with said agent such documents as the Covenants Conditions and Restrictions and documents evidencing the obligations secured thereby, and declares all sums secured thereby due and payable and elects to cause the property to be sold to satisfy the obligations.

Nevada Association Services, Inc. is a debt collector. Nevada Association Services, Inc. is attempting to collect a debt. Any information obtained will be used for that purpose.

Nevada Associations Services, Inc., whose address is 6224 W. Desert Inn Road, Suite A, Las Vegas, NV 89146 is authorized by the association to enforce the lien by sale.

Legal_Description: HORIZON HGTS PHASE 2 PLAT BOOK 119 PAGE 62 LOT 166 in the County of Clark

Dated: August 28, 2012



By: Autumn Fesel, of Nevada Association Services, Inc.
on behalf of Horizon Heights

When Recorded Mail To:
Nevada Association Services, Inc.
6224 W. Desert Inn Road, Suite A
Las Vegas, NV 89146
(702) 804-8885
(888) 627-5544

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EXHIBIT A-6

Inst #: 201211280003539
Fees: \$17.00
N/C Fee: \$0.00
11/28/2012 02:55:03 PM
Receipt #: 1398612
Requestor:
CASTLE STAWIARSKI, LLC - NE
Recorded By: MAT Pgs: 1
DEBBIE CONWAY
CLARK COUNTY RECORDER

Requested and Prepared by:
The Cooper Castle Law Firm

When Recorded Mail To:
Cooper Castle Law Firm, LLP
5275 S. Durango Drive
Las Vegas, NV 89113

A.P.N.: 179-31-714-046

MIN: 1000721-1140028613-0

TS NO: 12-10-48073-NV

MERS Telephone Number: (888) 679-6377

Property Address: 668 Moonlight Stroll Street, Henderson, NV 89015

ASSIGNMENT OF DEED OF TRUST

For Value Received, the undersigned corporation hereby grants, assigns, and transfers to: **Nationstar Mortgage LLC** all beneficial interest under that certain Deed of Trust dated: **July 6, 2005** executed by **Ignacio A Gutierrez, a single man**, as Trustor(s), **First American Title Company of Nevada** as Trustee, and recorded as **20050720-0004600** on **July 20, 2005** of Official Records, in the office of the County Recorder of **Clark County, Nevada**, with all moneys now owing or that may hereafter become due or owing in respect thereof and also all rights accrued or to accrue under said Deed of Trust.

Date of Execution: 11-21-2012

Bank of America, N.A., successor by merger to BAC Home Loans Servicing, LP FKA Countrywide Home Loans Servicing LP by Nationstar Mortgage LLC its Attorney-in-Fact

Susan Lindhorst
By: Susan Lindhorst
Title: ASST. Sec.

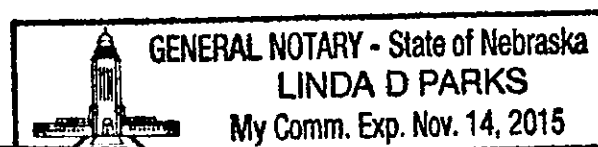
Acknowledgement:
State of Nebraska
County of Scotts Bluff

On 11-21-2012 before me Linda D Parks, personally appeared Susan Lindhorst, who provided 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 Nebraska that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Linda D Parks



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EXHIBIT A-7

Inst #: 201302200000682

Fees: \$18.00

N/C Fee: \$0.00

02/20/2013 08:59:08 AM

Receipt #: 1503451

Requestor:

NORTH AMERICAN TITLE SUNSET

Recorded By: DXI Pgs: 2

DEBBIE CONWAY

CLARK COUNTY RECORDER

APN# 129-31-714-046

11 digit number may be obtained at:
<http://sandgate.co.clark.nv.us/cicsAssessor/owner.htm>

NOTICE OF FORECLOSURE SALE

Type of Document

(Example: Declaration of Homestead, Quit Claim Deed, etc.)

Recording requested by:

NORTH AMERICAN TITLE COMPANY

Return to:

Name NORTH AMERICAN TITLE COMPANY

Address 8485 W. SUNSET, STE. 111

City/State/Zip LAS VEGAS, NV 89113

This page added to provide additional information required by NRS 111.312 Sections 1-2
(An additional recording fee of \$1.00 will apply.)

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

CS12/03

APN # 179-31-714-046
Horizon Heights

NAS # N71680

Accommodation NOTICE OF FORECLOSURE SALE

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 NEVADA ASSOCIATION SERVICES, INC. AT (702) 804-8885. IF YOU NEED ASSISTANCE, PLEASE CALL THE FORECLOSURE SECTION OF THE OMBUDSMAN'S OFFICE, NEVADA REAL ESTATE DIVISION, AT 1-877-829-9907 IMMEDIATELY.

YOU ARE IN DEFAULT UNDER A DELINQUENT ASSESSMENT LIEN, July 8, 2012. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER.

NOTICE IS HEREBY GIVEN THAT on 3/8/2013 at 10:00 am at the front entrance to the Nevada Association Services, Inc. 6224 West Desert Inn Road, Las Vegas, Nevada, under the power of sale pursuant to the terms of those certain covenants conditions and restrictions recorded on March 30, 2003 as instrument number 02850 BK20030630 of official records of Clark County, Nevada Association Services, Inc., as duly appointed agent under that certain Delinquent Assessment Lien, recorded on July 10, 2012 as document number 0001296 Book 20120710 of the official records of said county, will sell at public auction to the highest bidder, for lawful money of the United States, all right, title, and interest in the following commonly known property known as: 668 Moonlight Stroll Street, Henderson, NV 89002. Said property is legally described as: HORIZON HGTS PHASE 2 PLAT BOOK 119 PAGE 62 LOT 166, official records of Clark County, Nevada.

The owner(s) of said property as of the date of the recording of said lien is purported to be: Ignacio Gutierrez

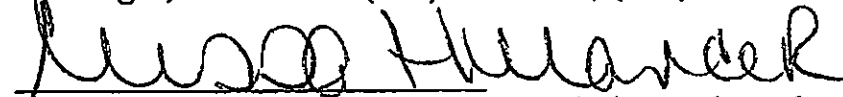
The undersigned agent disclaims any liability for incorrectness of the street address and other common designations, if any, shown herein. The sale will be made without covenant or warranty, expressed or implied regarding, but not limited to, title or possession, or encumbrances, or obligations to satisfy any secured or unsecured liens. The total amount of the unpaid balance of the obligation secured by the property to be sold and reasonable estimated costs, expenses and advances at the time of the initial publication of the Notice of Sale is \$3,757.49. Payment must be in cash or a cashier's check drawn on a state or national bank, check drawn on a state or federal savings and loan association, savings association or savings bank and authorized to do business in the State of Nevada. The Notice of Default and Election to Sell the described property was recorded on 8/30/2012 as instrument number 0002265 Book 20120830 in the official records of Clark County.

Nevada Association Services, Inc. is a debt collector. Nevada Association Services, Inc. is attempting to collect a debt. Any information obtained will be used for that purpose.

February 11, 2013

When Recorded Mail To:
Nevada Association Services, Inc.
6224 W. Desert Inn Road, Suite A
Las Vegas, NV 89146

Nevada Association Services, Inc.
6224 W. Desert Inn Road, Suite A
Las Vegas, NV 89146 (702) 804-8885, (888) 627-5544



By: Elissa Hollander, Agent for Association and employee of
Nevada Association Services, Inc.

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EXHIBIT A-8

3-1

Inst #: 201304080001036
Fees: \$18.00 N/C Fee: \$0.00
RPTT: \$617.10 Ex: #
04/08/2013 10:13:00 AM
Receipt #: 1565409
Requestor:
SFR INVESTMENTS POOL I LLC
Recorded By: GILKS Pgs: 3
DEBBIE CONWAY
CLARK COUNTY RECORDER

Please mail tax statement and
when recorded mail to:
S F R Investments Pool 1, LLC
5030 Paradise Road, B-214
Las Vegas, NV 89119

FORECLOSURE DEED

APN # 179-31-714-046
North American Title #37942

NAS # N71680

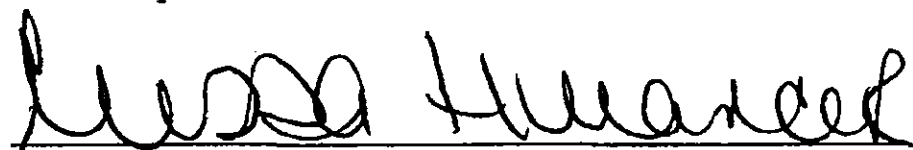
The undersigned declares:

Nevada Association Services, Inc., herein called agent (for the Horizon Heights), was the duly appointed agent under that certain Notice of Delinquent Assessment Lien, recorded July 10, 2012 as instrument number 0001296 Book 20120710, in Clark County. The previous owner as reflected on said lien is Ignacio Gutierrez. Nevada Association Services, Inc. as agent for Horizon Heights does hereby grant and convey, but without warranty expressed or implied to: S F R Investments Pool 1, LLC (herein called grantee), pursuant to NRS 116.31162, 116.31163 and 116.31164, all its right, title and interest in and to that certain property legally described as: HORIZON HGTS PHASE 2 PLAT BOOK 119 PAGE 62 LOT 166 Clark County

AGENT STATES THAT:

This conveyance is made pursuant to the powers conferred upon agent by Nevada Revised Statutes, the Horizon Heights governing documents (CC&R's) and that certain Notice of Delinquent Assessment Lien, described herein. Default occurred as set forth in a Notice of Default and Election to Sell, recorded on 8/30/2012 as instrument # 0002265 Book 20120830 which was recorded in the office of the recorder of said county. Nevada Association Services, Inc. has complied with all requirements of law including, but not limited to, the elapsing of 90 days, mailing of copies of Notice of Delinquent Assessment and Notice of Default and the posting and publication of the Notice of Sale. Said property was sold by said agent, on behalf of Horizon Heights at public auction on 4/5/2013, at the place indicated on the Notice of Sale. Grantee being the highest bidder at such sale, became the purchaser of said property and paid therefore to said agent the amount bid \$11,000.00 in lawful money of the United States, or by satisfaction, pro tanto, of the obligations then secured by the Delinquent Assessment Lien.

Dated: April 5, 2013



By Elissa Hollander, Agent for Association and Employee of Nevada Association Services

STATE OF NEVADA)
COUNTY OF CLARK)

On April 5, 2013, before me, M. Blanchard, personally appeared Elissa Hollander personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same in his/her authorized capacity, and that by signing his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.
WITNESS my hand and seal.

(Seal)

(Signature)



M. Blanchard

STATE OF NEVADA
DECLARATION OF VALUE

1. Assessor Parcel Number(s)

a. 179-31-714-046
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

\$ 120,703

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

c. Transfer Tax Value:

\$ 120,703

d. Real Property Transfer Tax Due

\$ 617.10

4. If Exemption Claimed:

a. Transfer Tax Exemption per NRS 375.090, Section _____

b. Explain Reason for Exemption: _____

5. Partial Interest: Percentage being transferred: 100 %

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

Signature

Russa Huamach

Capacity: Agent

Signature _____

Capacity: _____

SELLER (GRANTOR) INFORMATION
(REQUIRED)

Print Name: Nevada Association Services, AGENT

Address: 6224 W. Desert Inn Rd.

City: Las Vegas

State: NV Zip: 89146

BUYER (GRANTEE) INFORMATION
(REQUIRED)

Print Name: S F R Investments Pool 1, LLC

Address: 5030 Paradise Road, B-214

City: Las Vegas

State: NV Zip: 89119

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

Print Name: _____

Escrow # _____

Address: _____

City: _____

State: _____ Zip: _____

AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED

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EXHIBIT B

**DECLARATION OF CHRISTOPHER HARDIN IN SUPPORT OF SFR INVESTMENTS
POOL 1, LLC'S MOTION FOR SUMMARY JUDGMENT**

I, Christopher Hardin, declare as follows:

1. I am over the age of eighteen years old and competent to testify.
2. I am a resident of Clark County, Nevada.
3. Unless otherwise stated, I have personal knowledge of the facts set forth in this declaration, and for those facts stated on information and belief, I believe them to be true.
4. I am the manager of SFR Investments Pool 1, LLC ("SFR").
5. I make this declaration in support of SFR's Motion for Summary Judgment.
6. Based on my research, there were no lis pendens recorded by Nationstar Mortgage, LLC ("Nationstar") against the property located at 668 Moonlight Stroll Street, Henderson, Nevada 89002 (the "Property") prior to SFR purchasing the Property.
7. SFR has no reason to doubt the recitals in the Foreclosure Deed. If there were any issues with delinquency or noticing, none of these were communicated to SFR before the sale.
8. Neither SFR nor I, have any relationship or interest in the Association other than now owning property within the community.
9. Neither SFR nor I have any relationship or interest in Nevada Association Services ("NAS"), outside of their attendance at auctions, bidding and, occasionally, purchasing properties at publically-held auctions conducted by NAS.
10. Based on my research, no release of the super-priority lien was recorded against the Property prior to SFR purchasing the Property.

I declare under penalty of perjury that the foregoing is true and correct.

Dated this 8TH day of September, 2015.



Christopher Hardin

EXHIBIT C

1 IN THE EIGHTH JUDICIAL DISTRICT COURT
2 OF THE STATE OF NEVADA
3 IN AND FOR THE COUNTY OF CLARK

3 IGNACIO GUTIERREZ, an)
4 individual,)
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VS.) CASE NO.: A-13-684715-C
) DEPT. NO: XVII

SFR INVESTMENTS POOL 1,)
LLC; NEVADA ASSOCIATION)
SERVICES, INC., HORIZON)
HEIGHTS HOMEOWNERS)
ASSOCIATION, KB HOME)
MORTGAGE COMPANY, a)
foreign corporation; DOE)
Individuals I through X,)
ROE Corporations and)
Organizations I through X,)
Defendants.)

14 *****

15 ORAL DEPOSITION OF

16 NORTHSTART MORTGAGE, LLC BY AND THROUGH

17 KEITH KOVALIC

18 SEPTEMBER 22, 2017

19 *****

20 ORAL DEPOSITION OF NORTHSTART MORTGAGE, LLC BY AND

21 THROUGH KEITH KOVALIC, produced as a witness at the

22 instance of the SFR Investments Pool 1, LLC, and duly

23 sworn, was taken in the above-styled and numbered cause

24 on September 22, 2017, from 11:34 a.m. to 1:31 p.m., via

25 telephone, before Lisa C. Hundt, CSR, RPR, CLR in and

1 for the State of Texas, reported by machine shorthand,
2 at the law offices of Akerman, located at 2001 Ross
3 Avenue, Suite 3600, Dallas, Texas, in accordance with
4 the Nevada Rules of Civil Procedure and the provisions
5 stated on the record or attached hereto.

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1 A P P E A R A N C E S

2 FOR THE PLAINTIFF:

3 Ms. Melanie D. Morgan
4 AKERMAN
5 1160 Town Center Drive
6 Suite 330
7 Las Vegas, Nevada 89144
8 702.634.5000
9 702.380.8572 (Fax)
10 melanie.morgan@akerman.com

11 FOR DEFENDANT/COUNTERCLAIMANT/THIRD-PARTY PLAINTIFF, SFR
12 INVESTMENTS POOL 1, LLC:

13 Ms. Diana S. Ebron (via videoconference)
14 KIM GILBERT EBRON
15 7625 Dean Martin Drive
16 Suite 110
17 Las Vegas, Nevada 89139
18 702.485.3300
19 702.485.3301 (Fax)
20 diana@kgelegal.com
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1	EXHIBITS		
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Ignacio Gutierrez vs. SFR Investments Pool 1, LLC, et al.

<p>1 PROCEEDINGS</p> <p>2 (Exhibit Number 1 was marked.)</p> <p>3 (Witness sworn.)</p> <p>4 (Sotto voce conversation.)</p> <p>5 NORTHSTART MORTGAGE, LLC BY AND THROUGH KEITH KOVALIC,</p> <p>6 having been first duly sworn, testified as follows:</p> <p>7 EXAMINATION</p> <p>8 BY MS. EBRON:</p> <p>9 Q. Good morning. I'm Diana Ebron. I represent</p> <p>10 SFR Investments Pool, LLC in this matter. Will you</p> <p>11 please state your full name for the record?</p> <p>12 A. First name is Keith, K-E-I-T-H. My last name</p> <p>13 is Kovalic, K-O-V, as in Victor, A-L-I-C.</p> <p>14 Q. And who's your employer?</p> <p>15 A. NationStar Mortgage, LLC doing business as</p> <p>16 Mr. Cooper.</p> <p>17 Q. It's been a while since we've gone through all</p> <p>18 of your work history but we won't do that again. But</p> <p>19 just to confirm, you have never worked for Freddie Mac</p> <p>20 before, have you?</p> <p>21 A. That's correct.</p> <p>22 Q. Have you ever worked for FHFA?</p> <p>23 A. No.</p> <p>24 Q. Have you ever worked for Fannie Mae?</p> <p>25 A. No.</p> <p style="text-align: right;">Page 6</p>	<p>1 Association unless otherwise specified, okay?</p> <p>2 A. Okay.</p> <p>3 Q. When we talk about the association foreclosure</p> <p>4 sale, we'll be referring to the public auction held on</p> <p>5 April 5, 2013, by Nevada Association Services, Inc. on</p> <p>6 behalf of the association, okay?</p> <p>7 A. Okay.</p> <p>8 Q. I may refer to Nevada Association Services as</p> <p>9 NAS, okay?</p> <p>10 A. Okay.</p> <p>11 Q. When we talk about the borrower, we'll be</p> <p>12 referring to Ignacio Gutierrez, okay?</p> <p>13 A. Okay.</p> <p>14 Q. Did you have a chance to thoroughly review</p> <p>15 each of the topics listed on pages 3 through 6 of the</p> <p>16 deposition notice?</p> <p>17 A. Yes.</p> <p>18 Q. And are you the person at NationStar Mortgage,</p> <p>19 LLC that's been designated to testify on behalf of these</p> <p>20 topics?</p> <p>21 A. Yes.</p> <p>22 Q. Just for the record, I previously took the</p> <p>23 deposition of Faye Janati from NationStar on July 14,</p> <p>24 2015. We'll be going over many of the normal topics we</p> <p>25 would have covered in these types of cases dealing with</p> <p style="text-align: right;">Page 8</p>
<p>1 Q. Can you take a look at the document that was</p> <p>2 marked as Exhibit 1. It's Federal Notice of 30(b)(6)</p> <p>3 Deposition of NationStar Mortgage, LLC.</p> <p>4 A. Okay.</p> <p>5 Q. Is this a document that you have seen before</p> <p>6 today?</p> <p>7 A. Yes.</p> <p>8 Q. During the deposition, you will be talking</p> <p>9 about the property, which refers to the real property</p> <p>10 located at 668 Moonlight Stroll Street, Henderson,</p> <p>11 Nevada 89002, Parcel Number 179-31-714-046.</p> <p>12 Whenever we talk about the first deed of</p> <p>13 trust, we're going to be referring to the document</p> <p>14 recorded in the official records of the Clark County</p> <p>15 Recorder as Instrument Number 200507200004600 on or</p> <p>16 about July 20, 2005. And then re-recorded in the</p> <p>17 official records of the Clark County Recorder as</p> <p>18 instrument number 201302110001798 on or about</p> <p>19 February 11, 2013. Okay?</p> <p>20 A. Yes.</p> <p>21 Q. Is it your understanding that's a description</p> <p>22 of the deed of trust you're here to talk about today?</p> <p>23 A. Yes.</p> <p>24 Q. Whenever we talk about The Association, we're</p> <p>25 referencing specifically the Horizon Heights Homeowners</p> <p style="text-align: right;">Page 7</p>	<p>1 NRS 16 quiet-title litigation. We're not going to go</p> <p>2 over all of the same information that we generally do</p> <p>3 when I depose you, Mr. Kovalic, but we'll just go over</p> <p>4 the topics that are in the notice.</p> <p>5 A. I'm sorry, you broke up for a second, that are</p> <p>6 what?</p> <p>7 Q. We'll just go over the topics in this</p> <p>8 particular notice of deposition.</p> <p>9 A. Okay.</p> <p>10 Q. What did you do to prepare for topic number 1?</p> <p>11 It's "evidence contained in your business records</p> <p>12 showing that you and your predecessor in interest</p> <p>13 notified the association that Freddie Mac or FHFA may</p> <p>14 have an interest in the first deed of trust" [as read].</p> <p>15 A. I reviewed NationStar's system of record to</p> <p>16 see if there were any communications either from</p> <p>17 NationStar or the documentation I had from Bank of</p> <p>18 America to see if there were any communications between</p> <p>19 the association and one of the servicers, servicers</p> <p>20 being NationStar or Bank of America, the prior servicer.</p> <p>21 Q. Anything else?</p> <p>22 A. No.</p> <p>23 Q. What -- which systems of record did you</p> <p>24 review?</p> <p>25 A. I reviewed LSAMS, L-S-A-M-S, and I reviewed</p> <p style="text-align: right;">Page 9</p>

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<p>1 File Net which is -- which contains image -- I'm sorry 2 let me start that over -- which contains image copies of 3 the documentation we received from the prior servicer, 4 which is where I obtained the Bank of America servicing 5 notes. 6 Q. Did NationStar ever notify the association 7 that Freddie Mac may have an interest in the first deed 8 of trust? 9 A. No. 10 Q. Did Bank of America, based on a review of the 11 documents you have within your file, ever notify the 12 association that Freddie Mac may have an interest in the 13 deed of trust? 14 A. Not that I saw in the records. 15 Q. Did NationStar ever notify the association 16 that the FHFA may have an interest in the first deed of 17 trust? 18 A. Not that I saw in my review. 19 Q. Did Bank of America, based on a review of the 20 records that you have from Bank of America, ever notify 21 the association that the FHFA may have an interest in 22 the first deed of trust? 23 A. Not that I saw. 24 Q. Did you see any communications to NAS about 25 Freddie Mac's interest in the first deed of trust?</p> <p style="text-align: right;">Page 10</p>	<p>1 A. I don't recall. There are a lot of them. So 2 I -- 3 Q. Are there any that you recall? 4 A. I believe I found an article on the Wall 5 Street Times. I believe I found something on 6 Bankrate.com. But I mean, it was an extensive search, 7 and in terms of what I found, I'm going to testify to 8 generalities because of discrepancies and information I 9 found. 10 But I think I found a happy medium in 11 terms of the statistics I found because statistics can 12 be manipulated. 13 Q. What was the range of -- of the amounts that 14 you found? 15 A. Well, essentially, that -- the reason I even 16 went to these websites was to find out how many loans 17 were Freddie Mac loans to decide whether there was a 18 reasonable expectation that the loan might be a Freddie 19 Mac loan. 20 And I found anywhere between 27 and about 21 35 percent, so I, kind of, just met in the middle at 22 30 percent and erred on the side of caution, which still 23 would show that the loan was a one-in-three chance of 24 being a Freddie Mac loan. And I feel that -- well, 25 based on the way the topic's worded, "evidence of which</p> <p style="text-align: right;">Page 12</p>
<p>1 A. No, I did not. 2 Q. Did you see any communications to NAS 3 regarding FHFA's interest in the first deed of trust to 4 NAS? 5 A. No, I did not. 6 Q. What did you do to prepare for topic number 2, 7 which is "evidence of which you are aware that suggests 8 SFR Investments Pool, LLC knew or should have known that 9 Freddie Mac or FHFA may have an interest in the first 10 deed of trust prior to the association foreclosure sale" 11 [as read]? 12 A. I did the same actions that I did for 13 number 1, topic number 1. I also researched 14 approximately how many loans around that time -- around 15 the time of origination rather, of this loan the deed of 16 trust that was recorded where Freddie Mac loans, or GSE 17 loans in general, and that's it. 18 Q. Where did you research the approximate number 19 of loans that were Freddie Mac loans and general at the 20 time of origination? 21 A. I reviewed several what I would call reputable 22 banking and mortgage origination websites that provided 23 statistics that were sourced from valid places. I 24 wasn't going to random blogs or any opinion articles. 25 Q. What were those websites?</p> <p style="text-align: right;">Page 11</p>	<p>1 you are aware that suggests SFR Investments Pool 1, LLC 2 knew or should have known that Freddie Mac or FHFA may 3 have an interest in the first deed of trust prior to the 4 association foreclosure sale, [as read]" I think a 5 one-in-three chance is a -- applies to this should have 6 known that Freddie Mac or FHFA may have had an interest, 7 I think one-in-three is a fair number. 8 And like I said, that applies to all GSE 9 loans. 10 Q. Okay. So not just Freddie Mac, but also 11 Fannie Mae would be included in that line 3? 12 A. Yes. 13 Q. Would that include any other entities -- 14 A. No. 15 Q. -- besides Fannie Mae or Freddie Mac? 16 A. No. I -- based on my independent research, I 17 didn't include any FHA or VA loans or anything like 18 that. Ginnie Mae was not included. 19 Q. Did you find any other -- or are you aware of 20 any other evidence that suggests SFR knew or should have 21 known that Freddie Mac or FHFA may have an interest in 22 the first deed of trust? 23 A. No, I did not. 24 Q. So am I correct to understand that there's 25 nothing publicly recorded against the property before</p> <p style="text-align: right;">Page 13</p>

<p>1 the association foreclosure sale that indicates that</p> <p>2 Freddie Mac may have an interest in the deed of trust?</p> <p>3 A. As I've stated in previous depositions, I</p> <p>4 can't talk to what your understanding personally is, but</p> <p>5 I didn't see anything that was recorded prior to the</p> <p>6 sale that would have indicated -- or that did indicate</p> <p>7 Freddie Mac was an owner, investor, or had an interest</p> <p>8 in the property.</p> <p>9 Q. Did anyone representing the beneficiary of the</p> <p>10 deed of trust make an announcement at the association</p> <p>11 foreclosure sale that Freddie Mac had an interest in the</p> <p>12 deed of trust?</p> <p>13 A. Not that I'm aware of.</p> <p>14 Q. You said that you were researching the number</p> <p>15 of approximate loans that were GSE loans at the time of</p> <p>16 origination. Is it correct to state that the loan was</p> <p>17 originated in July of 2005?</p> <p>18 A. Yes. I believe we addressed that in the</p> <p>19 second definition of -- on page 3 of Exhibit 1 it states</p> <p>20 that the first deed of trust was recorded on or about</p> <p>21 July 20 -- July 20, 2005.</p> <p>22 Q. And that's consistent with your documents in</p> <p>23 your file?</p> <p>24 A. Yes.</p> <p>25 Q. What did you do to prepare for topic number 3,</p> <p style="text-align: right;">Page 14</p>	<p>1 information about what NationStar could --</p> <p>2 A. I'm sorry, you cut off -- the rest of your</p> <p>3 question cut off.</p> <p>4 Q. Sorry. Is there a title to the document that</p> <p>5 contained the information about what NationStar could do</p> <p>6 as the servicer?</p> <p>7 A. Once again, you kind of broke up, but did you</p> <p>8 say could and could not do as the servicer?</p> <p>9 Q. Right. I think you mentioned a document that</p> <p>10 contained information that NationStar could and could</p> <p>11 not do as the servicer as something you reviewed from</p> <p>12 SharePoint?</p> <p>13 A. That's correct.</p> <p>14 Q. Is there a title to that document?</p> <p>15 A. Well, the document in there is a document that</p> <p>16 points NationStar to go look at the Freddie Mac single</p> <p>17 family servicing guide.</p> <p>18 Q. So the document says go look at the Freddie</p> <p>19 Mac single family servicing guide?</p> <p>20 A. Yes.</p> <p>21 Q. And was the title of the document the single</p> <p>22 family servicing guide or was the title of the document</p> <p>23 something different?</p> <p>24 A. The title of the document was "please read," I</p> <p>25 believe.</p> <p style="text-align: right;">Page 16</p>
<p>1 which is "your knowledge of the contractual/servicer</p> <p>2 relationship between you" -- meaning NationStar -- "and</p> <p>3 Freddie Mac or FHFA including the contracts, other</p> <p>4 documents reflecting the relationship, terms of the</p> <p>5 contracts, loan schedules, timing of the relationship,</p> <p>6 and if the contractual relationship ever ended" [as</p> <p>7 read]?</p> <p>8 A. I reviewed a SharePoint site that is -- that</p> <p>9 NationStar uses to keep records regarding the investors</p> <p>10 on specific loans, and the files are coded in a certain</p> <p>11 way within LSAMS, which as, stated was, one of</p> <p>12 NationStar's systems of record. And I reviewed the</p> <p>13 documentation in those SharePoint sites.</p> <p>14 Q. Anything else?</p> <p>15 A. No.</p> <p>16 Q. What documents did you review from the</p> <p>17 SharePoint site?</p> <p>18 A. I reviewed a document that pointed to what</p> <p>19 NationStar could/could not do as a servicer. And I also</p> <p>20 reviewed three different powers of attorney that --</p> <p>21 limited powers of attorney that NationStar had on behalf</p> <p>22 of Freddie Mac.</p> <p>23 Q. Anything else?</p> <p>24 A. No.</p> <p>25 Q. Is there a name of the document that contained</p> <p style="text-align: right;">Page 15</p>	<p>1 Q. Okay. How do you know -- how did you identify</p> <p>2 that that document would relate to the first -- trust in</p> <p>3 this case?</p> <p>4 THE REPORTER: I'm sorry, you cut out.</p> <p>5 Would relate to what?</p> <p>6 MS. EBRON: The first deed of trust in</p> <p>7 this case.</p> <p>8 A. As I stated, in LSAMS, there is an investor</p> <p>9 code on every file, so I went onto the SharePoint site</p> <p>10 and found that investor code. And every investor code</p> <p>11 has a folder, and I opened the folder to see what it</p> <p>12 contained. And it contained a document that said</p> <p>13 "please read."</p> <p>14 When I opened that up, it said, please</p> <p>15 see -- and that's normally with the pooling and</p> <p>16 servicing agreement would be, but as Freddie Mac doesn't</p> <p>17 have a pooling and servicing agreement, they use what's</p> <p>18 called the single family servicing guide -- we have</p> <p>19 multiple servicing guides, but that's what would apply</p> <p>20 to this loan and that's what I looked at.</p> <p>21 The document just said "please read," or</p> <p>22 something along those lines. And when I opened it,</p> <p>23 there was a single sentence that said, "please see</p> <p>24 Freddie Mac single family servicing guide."</p> <p>25 And I believe Faye Janati, in her</p> <p style="text-align: right;">Page 17</p>

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<p>1 testimony, testified to some sort of PSA. And I think</p> <p>2 that if you look at it in context of that deposition, it</p> <p>3 was just a semantics issue. I think based on that --</p> <p>4 based on that --</p> <p>5 (Sotto voce conversation.)</p> <p>6 MS. MORGAN: Let's go off the record real</p> <p>7 quick.</p> <p>8 (Off the record for less than one minute.</p> <p>9 A. So as I was talking about, I believe it was</p> <p>10 just a semantics issue whenever Faye mentioned a pooling</p> <p>11 and servicing agreement that existed between Freddie Mac</p> <p>12 NationStar. I believe she was talking about the single</p> <p>13 family servicing guide. She was just using a different</p> <p>14 terminology.</p> <p>15 Q. (MS. EBRON) Did you speak to Faye Janati in</p> <p>16 preparation for your deposition?</p> <p>17 A. No, I did not. I read her deposition.</p> <p>18 Q. She's not -- I'm sorry, is she still employed</p> <p>19 by NationStar?</p> <p>20 A. As far as I know, yes. As of yesterday, yes.</p> <p>21 Q. Or Mr. Cooper?</p> <p>22 A. Mr. Cooper, yes.</p> <p>23 Q. Is there a reason why you didn't speak to her</p> <p>24 about what she meant by the --</p> <p>25 A. Just to clarify because you cut out at the</p> <p style="text-align: right;">Page 18</p>	<p>1 MS. EBRON: We can if you want.</p> <p>2 Go ahead and mark that as Exhibit 2.</p> <p>3 (Exhibit Number 2 was marked.)</p> <p>4 A. Okay.</p> <p>5 Q. (BY MS. EBRON) Will you look at the page</p> <p>6 Bates stamped NSM00475. Is this what's described in the</p> <p>7 disclosure as NationStar's servicer screen shot?</p> <p>8 A. That's correct.</p> <p>9 Q. Is this a document that can refresh your</p> <p>10 recollection as to the investor code?</p> <p>11 A. Yes. The investor code is 472 as stated in</p> <p>12 the top middle of the screen next to INV.</p> <p>13 Q. So when you went to SharePoint, you went to a</p> <p>14 folder named 472; is that right?</p> <p>15 A. Without getting into how the system itself</p> <p>16 works, essentially, yes.</p> <p>17 Q. Okay. What does the text after 472 on the</p> <p>18 page Bates stamped NSM00475, what does that text</p> <p>19 represent?</p> <p>20 A. It says FHLMC SCH/ACT GANESHA. In this case,</p> <p>21 it tells you it's a Freddie Mac loan. I don't know what</p> <p>22 the remainder -- well, SCH is for schedule. ACT, is for</p> <p>23 actual. I don't know what GANESHA means in the context</p> <p>24 of the investor code.</p> <p>25 Q. Is that all --</p> <p style="text-align: right;">Page 20</p>
<p>1 end: You said what she meant by the pooling and</p> <p>2 servicing agreement?</p> <p>3 Q. Yes.</p> <p>4 A. Because I felt that it didn't really apply to</p> <p>5 the topics at hand, and I think the deposition itself,</p> <p>6 if you look at it, speaks for itself. And I didn't</p> <p>7 think there was any additional information I could have</p> <p>8 received from Faye other than what was already in that</p> <p>9 deposition as she testified to it in July of 2015.</p> <p>10 Q. Okay. So am I correct to understand that the</p> <p>11 investor code within LSAMS is 472?</p> <p>12 A. I don't recall. There's multiple Freddie Mac</p> <p>13 codes. If I had a document in front of me with the main</p> <p>14 screen of -- the collection history profile in LSAMS, I</p> <p>15 could verify that, but that's not something I normally</p> <p>16 commit to memory.</p> <p>17 Q. Okay. I think your counsel may have a copy of</p> <p>18 NationStar's Fourth Supplement to Initial Disclosure of</p> <p>19 Documents and Witnesses.</p> <p>20 MS. MORGAN: I do.</p> <p>21 MS. EBRON: Thank you.</p> <p>22 Q. (BY MS. EBRON) If you could turn to page</p> <p>23 Bates stamp --</p> <p>24 MS. MORGAN: Are we going to mark it or</p> <p>25 no?</p> <p style="text-align: right;">Page 19</p>	<p>1 A. Investor name.</p> <p>2 Q. -- investor code?</p> <p>3 A. No. That's the investor name. The investor</p> <p>4 code, in this case, because it's a Freddie Mac loan, is</p> <p>5 just 472.</p> <p>6 Q. Okay. So FHLMC stands for Federal Home Loans</p> <p>7 Mortgage Corporation --</p> <p>8 A. Correct.</p> <p>9 Q. -- right?</p> <p>10 A. Correct.</p> <p>11 Q. And that's Freddie Mac?</p> <p>12 A. Yes.</p> <p>13 Q. Okay. So do you know why there's SCH/ACT?</p> <p>14 A. I know that Freddie Mac has different ways of</p> <p>15 categorizing different types of loans, however, I don't</p> <p>16 know the methodology behind it off the top of my head.</p> <p>17 But there's -- it can be -- there's -- if</p> <p>18 you think of it as a fraction, there's an numerator and</p> <p>19 a denominator. And one could be -- there's two options</p> <p>20 for each. It can be schedule or actual on the top and</p> <p>21 schedule/actual at the bottom. I don't know what the</p> <p>22 methodology is or what makes a loan scheduled or actual.</p> <p>23 That's what it stands for.</p> <p>24 Q. Is GANESHA a person?</p> <p>25 A. I have no idea.</p> <p style="text-align: right;">Page 21</p>

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<p>1 Q. Okay. Do you know who input the information</p> <p>2 into LSAMS that we're looking at on this page Bates</p> <p>3 stamped NSM00475?</p> <p>4 MS. MORGAN: Objection; scope.</p> <p>5 A. What information?</p> <p>6 Q. (BY MS. EBRON) Just at the investor code.</p> <p>7 A. No, I do not know specifically.</p> <p>8 Q. Do you know of a department that would have</p> <p>9 input that information?</p> <p>10 MS. MORGAN: Same objection.</p> <p>11 A. I do not.</p> <p>12 Q. (BY MS. EBRON) All right. And I know that</p> <p>13 this document wasn't one of the specific ones that I</p> <p>14 included on the deposition notice, and that's because it</p> <p>15 wasn't disclosed at the time that I sent out the</p> <p>16 deposition notice. It was just disclosed earlier this</p> <p>17 week.</p> <p>18 MS. EBRON: So I'm not sure, Counsel, if</p> <p>19 you think that we should postpone the deposition --</p> <p>20 like, just continue it to another time so that there's</p> <p>21 more time to --</p> <p>22 THE REPORTER: I'm sorry, you cut out.</p> <p>23 There's more time...?</p> <p>24 MS. MORGAN: No. I'm confident Keith can</p> <p>25 testify as to his knowledge and in his preparation for</p> <p style="text-align: right;">Page 22</p>	<p>1 borrower 001, and then there's a series of notes.</p> <p>2 Q. Yes, I see.</p> <p>3 Just out of curiosity, what does</p> <p>4 behavioral score mean in the middle of the page just to</p> <p>5 the top right of -- or top left of credit score?</p> <p>6 A. I don't know and I've never -- I think it's an</p> <p>7 outdated field that's no longer used, because most of</p> <p>8 the time when I see it, it's either 0 or 700. There's</p> <p>9 really -- I just think it's an outdated field just</p> <p>10 like -- for instance, if you see below target in the</p> <p>11 body of the -- of the screen shot of the notes, that</p> <p>12 target field is an outdated field that's no longer used.</p> <p>13 So I think it's just a field that is part of the LSAMS</p> <p>14 system, but doesn't have any bearing on anything.</p> <p>15 Q. Okay. Do you know what LPR stands for and</p> <p>16 there's a -- looks like a date of January 30, 2012?</p> <p>17 A. Last payment received.</p> <p>18 Q. So would it be accurate to say that the last</p> <p>19 time that the borrower sent in any money towards the</p> <p>20 loan, that was received on January 30, 2012?</p> <p>21 A. Without having the full payment history in</p> <p>22 front of me, I don't know if that's when the last</p> <p>23 payment was actually sent in or if that's when the last</p> <p>24 payment was applied, because funds had been allocated in</p> <p>25 different ways and there was money in the expense</p> <p style="text-align: right;">Page 24</p>
<p>1 the topics that -- well, I think he did testify already</p> <p>2 that he looked at this screen shots, so I think we can</p> <p>3 proceed.</p> <p>4 MS. EBRON: Okay. I'm just concerned</p> <p>5 because you keep objecting to scope --</p> <p>6 MS. MORGAN: I'm just preserving --</p> <p>7 MS. EBRON: -- and I --</p> <p>8 MS. MORGAN: I'm just preserving my</p> <p>9 objections for the record.</p> <p>10 MS. EBRON: Right. And I think that topic</p> <p>11 number 3 would cover --</p> <p>12 MS. MORGAN: Okay, I see that.</p> <p>13 MS. EBRON: -- this document as well. Do</p> <p>14 you know what I'm saying?</p> <p>15 MS. MORGAN: Yeah, I see that. "The</p> <p>16 documents reflecting the relationship," so I think</p> <p>17 you're correct. So I withdraw my objections to the</p> <p>18 question.</p> <p>19 MS. EBRON: Okay.</p> <p>20 Q. (BY MS. EBRON) Do you know when this screen</p> <p>21 shot was made?</p> <p>22 A. I don't know the exact date, but it was</p> <p>23 sometime on September 12, 2017, or after, as that's the</p> <p>24 most recent note in the, what I would call the actual</p> <p>25 body of the screen shot under where it says Brand, NSM</p> <p style="text-align: right;">Page 23</p>	<p>1 account, and then that was applied as a payment. So to</p> <p>2 say that that's the last time the homeowner sent funds</p> <p>3 in, I don't know if that's accurate.</p> <p>4 Q. Okay. Up from the -- up on the second line</p> <p>5 from the top by, it says, next due April 1, 2010.</p> <p>6 A. Yes.</p> <p>7 Q. Is that the date for which the next payment is</p> <p>8 due?</p> <p>9 A. Yes. That means the loan is paid through the</p> <p>10 actual payment is for March of 2010 has been made and</p> <p>11 the payment for April of 2010 is due. It applies to the</p> <p>12 actual payment, not the interest.</p> <p>13 Q. Okay. Going down to the -- at the top, it</p> <p>14 starts with September 12, 2017.</p> <p>15 A. Okay.</p> <p>16 Q. Does MIS in the next column stand for the</p> <p>17 person who entered the information?</p> <p>18 A. MIS is normally a system-generated note. It's</p> <p>19 normally a task-based note. So if a action is performed</p> <p>20 by a certain department, certain notes will generate in</p> <p>21 here. And so MIS is an identifier for an automated note</p> <p>22 that takes place after an action is completed.</p> <p>23 Q. Do you know what the CL in the class column</p> <p>24 stands for?</p> <p>25 A. Collections, the department that -- go ahead.</p> <p style="text-align: right;">Page 25</p>

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<p>1 Q. Sorry. So collections in the department that</p> <p>2 would have performed the default reporting mentioned in</p> <p>3 the comment?</p> <p>4 A. Correct.</p> <p>5 Q. How is that reporting to Freddie Mac done by</p> <p>6 NationStar?</p> <p>7 MS. MORGAN: Objection; form.</p> <p>8 A. In -- in what sense? A global scale or as it</p> <p>9 applies to this loan?</p> <p>10 Q. (BY MS. EBRON) This loan.</p> <p>11 A. If you look, that happened on 9/12/17. If</p> <p>12 you'll look back, you'll see on 8/9/17 the same note.</p> <p>13 On a monthly basis, loans that are in default -- so</p> <p>14 loans that are 30 days past due -- are reported to --</p> <p>15 well, loans that are in default -- and I don't know if</p> <p>16 the system logic has it at 30 days or at 40 days or at</p> <p>17 60 days, but if a loan's in default, those loans are all</p> <p>18 batched and reported to Freddie Mac.</p> <p>19 Q. Do you know how that reporting is done?</p> <p>20 A. It's a -- well, what do you mean by how that</p> <p>21 reporting is done?</p> <p>22 Q. Does somebody at NationStar call somebody at</p> <p>23 Freddie Mac and say the loans are all in default? Is</p> <p>24 there an email sent? Is there an automatic transfer</p> <p>25 from system to system?</p> <p style="text-align: right;">Page 26</p>	<p>1 A. No. I would have to see -- if you notice,</p> <p>2 that note has a identifier next to it in the "by"</p> <p>3 column, so that note was actually entered in by a person</p> <p>4 and the -- there's generic titles for notes that are</p> <p>5 used, but then there may be additional information that</p> <p>6 that person entered, and I would have to see what</p> <p>7 information they entered, if any.</p> <p>8 Q. Okay. So from this screen shot, you can tell</p> <p>9 that there was default reporting to Freddie Mac on</p> <p>10 September 12, 2017, as well as August 9, 2017; is that</p> <p>11 correct?</p> <p>12 A. That is correct.</p> <p>13 Q. Are there any other places that you saw</p> <p>14 communications with Freddie Mac within your business</p> <p>15 records?</p> <p>16 A. No, there were not.</p> <p>17 Q. You have reviewed limited powers of attorney,</p> <p>18 right?</p> <p>19 A. That is correct.</p> <p>20 Q. How many?</p> <p>21 A. There were three in the system that I could</p> <p>22 find.</p> <p>23 Q. Were those stored within the same SharePoint</p> <p>24 folder as the document pointing you to the Freddie Mac</p> <p>25 single family servicing guide?</p> <p style="text-align: right;">Page 28</p>
<p>1 A. I don't know -- I mean, I know it's not done</p> <p>2 by an individual person. I know a report is run which</p> <p>3 is why you'll see the MIS in there. So it will pull all</p> <p>4 the Freddie Mac investor codes and run a script on the</p> <p>5 system for -- for instance, if you see the top, there's</p> <p>6 a -- right below where it says investor, if you go down</p> <p>7 three lines, it says number of payments delinquent. And</p> <p>8 that's not a life of the loan that's in the current</p> <p>9 period. So if you -- if a person's nine -- 90 days</p> <p>10 delinquent, it will show a 3 there. If they're brought</p> <p>11 current, it's back to zero. It's not a running total</p> <p>12 how many times you've been delinquent. It's how many</p> <p>13 times you're currently delinquent, how many payments.</p> <p>14 So once there's a number in that field, the script is</p> <p>15 run and it pulls all the loans and batches those. I</p> <p>16 don't know how it's transmitted to Franny -- Franny? --</p> <p>17 to Freddie Mac.</p> <p>18 Q. Okay. So are you saying that the borrower's</p> <p>19 been delinquent 90 months as of the time of this?</p> <p>20 A. That's correct.</p> <p>21 Q. As of the time of this screen shot?</p> <p>22 A. That's correct.</p> <p>23 Q. Okay. Do you know what the foreclosure title</p> <p>24 audit pass means within the note dated -- or sorry, the</p> <p>25 comment dated August 16, 2017?</p> <p style="text-align: right;">Page 27</p>	<p>1 A. No. There's a separate SharePoint for powers</p> <p>2 of attorney.</p> <p>3 Q. How do you know which powers of attorney are</p> <p>4 applicable to the deed of trust in this case?</p> <p>5 A. Because based on -- for Freddie Mac -- for the</p> <p>6 GSE investors -- Freddie Mac, Fannie Mae, Ginnie Mae, I</p> <p>7 guess you could throw in there HUD -- it applies to all</p> <p>8 of their loans that NationStar services. And there are</p> <p>9 a couple other investors, what I would call</p> <p>10 private-label investors -- that are -- not that are,</p> <p>11 that utilize NationStar as a servicer that only would</p> <p>12 have one power of attorney, whereas some other investors</p> <p>13 may have a power attorney for every single investor code</p> <p>14 that NationStar -- sorry, Mr. Cooper -- utilizes.</p> <p>15 Q. So how do you know which of the three limited</p> <p>16 powers of attorney apply to this particular loan?</p> <p>17 A. By when they're dated.</p> <p>18 Q. Okay. What were the dates of the powers of</p> <p>19 attorney?</p> <p>20 A. I believe they're all in November/December,</p> <p>21 there towards the end of the year, and it was annually</p> <p>22 renewed. I saw one from 2014, 2015, and 2016.</p> <p>23 Q. So the limited powers of attorney that you</p> <p>24 reviewed or identified were from the end of 2014, the</p> <p>25 end of 2015, and the end of 2016?</p> <p style="text-align: right;">Page 29</p>

<p>1 A. Correct.</p> <p>2 Q. Are there any other limited powers that may</p> <p>3 apply to this deed of trust?</p> <p>4 A. Not that I saw. Doesn't mean there isn't one</p> <p>5 that exists, but based on what I could find, those were</p> <p>6 the three years that I found.</p> <p>7 Q. Did you look in all of the places that you</p> <p>8 would expect to see powers of attorney applicable to</p> <p>9 this particular deed of trust?</p> <p>10 A. Yes, I did. However, it's a repository that</p> <p>11 documents can be, quote, checked out of similar to a</p> <p>12 library, so -- and there's no way to tell if something</p> <p>13 is checked out other than continually checking back. So</p> <p>14 there could have been one from, say, 2013, 2012, that</p> <p>15 somebody else was utilizing the few times that I looked</p> <p>16 at this SharePoint site.</p> <p>17 Q. So when a document is checked out of</p> <p>18 SharePoint, there's no -- if somebody doesn't put it</p> <p>19 back, it does not exist on the system, nobody will know</p> <p>20 that it's missing?</p> <p>21 A. No. I believe there's a script that's run</p> <p>22 every so often to pull the information back. It's</p> <p>23 highly monitored and it's a very restricted access</p> <p>24 system. But given the nature of the topics in the</p> <p>25 deposition and seeing that we still have a valid power</p> <p style="text-align: right;">Page 30</p>	<p>1 behalf of Freddie Mac and lists those actual loans?</p> <p>2 A. Once again, we're going into Freddie Mac as</p> <p>3 a -- as a global entity as opposed to this one loan, and</p> <p>4 this one loan has a unique Freddie Mac identifier of</p> <p>5 472. And there are multiple Freddie Mac investor codes.</p> <p>6 Some have schedules, some don't.</p> <p>7 However, seeing as how Freddie Mac default</p> <p>8 reporting is being done on this every month, the loan</p> <p>9 has always been listed as a Freddie Mac loan in</p> <p>10 NationStar's system in multiple places, within LSAMS</p> <p>11 especially, I have no reason to believe that it's not a</p> <p>12 Freddie Mac loan. And I have seen where we've attempted</p> <p>13 to -- on other files -- report to Freddie Mac for the</p> <p>14 default reporting and it'll say default reporting</p> <p>15 rejected because it's not actually a Freddie Mac loan,</p> <p>16 and I don't see that comment in here on the two</p> <p>17 instances we have on the screen, so that means it went</p> <p>18 through and was valid. So I have no reason to believe</p> <p>19 this isn't a Freddie Mac loan.</p> <p>20 Q. So you're saying there were -- there have been</p> <p>21 instances where NationStar attempted to report</p> <p>22 information about loans to Freddie Mac and it was</p> <p>23 rejected because it wasn't a Freddie Mac loan?</p> <p>24 A. Correct. It's -- that's usually due to an</p> <p>25 error in the script that I said is run to batch the</p> <p style="text-align: right;">Page 32</p>
<p>1 of attorney, I felt that that was the most important</p> <p>2 power of attorney was to show that -- that we still have</p> <p>3 power of attorney over -- for these Freddie Mac loans.</p> <p>4 Q. Are there any loan schedules attached to the</p> <p>5 power --</p> <p>6 THE REPORTER: I'm sorry, attached to</p> <p>7 what?</p> <p>8 THE WITNESS: The power of attorney.</p> <p>9 A. Not in this case.</p> <p>10 Q. (BY MS. EBRON) Have you seen that in other</p> <p>11 cases?</p> <p>12 A. Not on GSE files.</p> <p>13 Q. Besides the number in the system that we</p> <p>14 looked at, number 472, was there any other indication</p> <p>15 that this loan was part of a loan serviced by NationStar</p> <p>16 for Freddie Mac?</p> <p>17 A. Could you rephrase that? I don't understand</p> <p>18 what you're asking.</p> <p>19 Q. Okay. So I know in other depositions we</p> <p>20 talked about pooling and servicing agreements and how</p> <p>21 sometimes there's loan schedules attached to those so</p> <p>22 that you can tell which loans are actually part of that</p> <p>23 pool of loans.</p> <p>24 Is there some similar type of document</p> <p>25 that indicates that NationStar is servicing a loan on</p> <p style="text-align: right;">Page 31</p>	<p>1 delinquencies. It's not common by any stretch but it --</p> <p>2 Q. But you're saying -- sorry. You're saying</p> <p>3 that because you don't see a rejection, that it's your</p> <p>4 belief that it was accepted by Freddie Mac?</p> <p>5 A. Correct. And it's -- it's always -- I've only</p> <p>6 seen it a couple of times, and as you know, I deal with</p> <p>7 multiple hundreds of files. It's always -- after the</p> <p>8 default reporting completed, it'll say default reporting</p> <p>9 rejected and it will be on the same date, be the</p> <p>10 immediate note following.</p> <p>11 So it's basically like an immediate error.</p> <p>12 And I don't see this here, and I see two instances --</p> <p>13 two instances of it being reported in two months without</p> <p>14 incident or without fail.</p> <p>15 Q. You said that the loan has always been listed</p> <p>16 as a Freddie Mac loan. How do you know that?</p> <p>17 A. There's no references to any other investors.</p> <p>18 Freddie Mac default reporting was completed on this</p> <p>19 fairly -- well, within 30 days of NationStar receiving</p> <p>20 the loan from the prior servicer. There's no</p> <p>21 indications in the prior servicer notes that it wasn't a</p> <p>22 Freddie Mac loan when it came over to NationStar. There</p> <p>23 were no other investor codes. I can see the investor</p> <p>24 code history.</p> <p>25 There's no -- there were no other investor</p> <p style="text-align: right;">Page 33</p>

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<p>1 codes on this that pointed to it being anything but</p> <p>2 Freddie Mac.</p> <p>3 Q. On what screen do you look at to see the</p> <p>4 investor code history?</p> <p>5 A. I don't recall the exact name. But I believe</p> <p>6 it's investor code history.</p> <p>7 MS. EBRON: Counsel, I don't think that's</p> <p>8 something that was disclosed. Do you know if I just</p> <p>9 missed it?</p> <p>10 MS. MORGAN: What is it?</p> <p>11 THE WITNESS: Investor code history.</p> <p>12 MS. EBRON: Investor code history.</p> <p>13 MS. MORGAN: Investor code history?</p> <p>14 (Sotto voce conversation.)</p> <p>15 MS. MORGAN: Yeah, I don't think that's</p> <p>16 ever come up -- or at least from me, at least, but</p> <p>17 that's something we can look into.</p> <p>18 MS. EBRON: Okay.</p> <p>19 Q. (BY MS. EBRON) When did NationStar begin</p> <p>20 servicing?</p> <p>21 A. July 16th, I believe, 2012.</p> <p>22 Q. Who was the servicer before NationStar?</p> <p>23 A. Bank of America.</p> <p>24 Q. How do you know that?</p> <p>25 A. The prior servicer documents are all from Bank</p> <p style="text-align: right;">Page 34</p>	<p>1 A. Yes.</p> <p>2 Q. Did any of the documents transferred from Bank</p> <p>3 of America to NationStar include contracts or written</p> <p>4 agreements with Freddie Mac and Bank of America?</p> <p>5 A. Not that I recall seeing, but I was --</p> <p>6 normally, we don't get contracts between other entities</p> <p>7 as part of a servicing transfer. That's a business</p> <p>8 record from another company that's not transferred over.</p> <p>9 Q. Have you seen the original limited powers of</p> <p>10 attorney from 2014, 2015, or 2016?</p> <p>11 A. I saw digital representations of them.</p> <p>12 Q. But not the originals?</p> <p>13 A. No.</p> <p>14 Q. Do you know who has the original?</p> <p>15 A. No, I do not.</p> <p>16 Q. Does the most recent limited power of attorney</p> <p>17 contain a provision that allows NationStar to</p> <p>18 subordinate the deed of trust?</p> <p>19 A. I don't recall if I -- I don't know, rather.</p> <p>20 I would need a copy of it in front of me to refresh my</p> <p>21 memory.</p> <p>22 Q. Okay. I -- I haven't seen them and I don't</p> <p>23 believe they've been disclosed.</p> <p>24 MS. EBRON: Did I miss those, Counsel?</p> <p>25 MS. MORGAN: What is it?</p> <p style="text-align: right;">Page 36</p>
<p>1 of America. The screen that precedes this, that tells</p> <p>2 you who the prior servicer was and it says Bank of</p> <p>3 America.</p> <p>4 Q. Did you ever work on this particular loan when</p> <p>5 you worked with Bank of America?</p> <p>6 A. Not that I recall.</p> <p>7 Q. Have you seen any powers of attorney between</p> <p>8 Bank of America and Freddie Mac applicable to this loan?</p> <p>9 A. No. NationStar doesn't maintain powers of</p> <p>10 attorney for previous servicers.</p> <p>11 Q. Are there any contracts between NationStar and</p> <p>12 Freddie Mac other than the limited power of attorney --</p> <p>13 or attorneys -- that you referenced that are applicable</p> <p>14 to this loan?</p> <p>15 A. Not that I could find in my review.</p> <p>16 Q. Did you look in all the places that you'd</p> <p>17 expect to see those types of contracts between</p> <p>18 NationStar and Freddie Mac that will be applicable to</p> <p>19 this loan?</p> <p>20 A. To the best of my knowledge.</p> <p>21 Q. In the documents -- well, let me start over.</p> <p>22 Is it safe to say that Bank of America</p> <p>23 transferred at least a portion of its loan file</p> <p>24 applicable to the deed of trust to NationStar when</p> <p>25 NationStar began servicing?</p> <p style="text-align: right;">Page 35</p>	<p>1 THE WITNESS: The powers -- the power of</p> <p>2 attorney.</p> <p>3 MS. MORGAN: No. We haven't disclosed</p> <p>4 those, but we can get them. And what was that other</p> <p>5 thing called, investor history...?</p> <p>6 THE WITNESS: The investor code --</p> <p>7 history.</p> <p>8 (Sotto voce conversation.)</p> <p>9 MS. MORGAN: Let's go off real quick.</p> <p>10 (Off the record for less than one minute.)</p> <p>11 Q. (BY MS. EBRON) Do you know if there is a</p> <p>12 limited power of attorney that would have been in effect</p> <p>13 between NationStar and Freddie Mac on the date of the</p> <p>14 association foreclosure sale?</p> <p>15 A. I didn't see one, but like I stated, it could</p> <p>16 be, quote, checked out of the system or it might have</p> <p>17 been listed under something other than Freddie Mac or</p> <p>18 the investor code. There's literally thousands of</p> <p>19 investor codes so there's thousands of powers of</p> <p>20 attorney.</p> <p>21 Based on the limited time I had to review</p> <p>22 this information, I wasn't able to find something from</p> <p>23 that time period. I was only able to identify the three</p> <p>24 that I've spoken about.</p> <p>25 Q. Okay. Do you know who signed the 2014 power</p> <p style="text-align: right;">Page 37</p>

<p>1 of attorney?</p> <p>2 A. I don't -- I don't know without having it in</p> <p>3 front of me.</p> <p>4 Q. Do you know who signed the 2015 power of</p> <p>5 attorney?</p> <p>6 A. I don't know without having it in front of me.</p> <p>7 Q. Who signed the 2016 power of attorney?</p> <p>8 A. I don't know without having it in front of me.</p> <p>9 Q. Have you seen any agreement or document that</p> <p>10 contained a loan schedule identifying this loan where</p> <p>11 the contractor agreement was between NationStar and</p> <p>12 Freddie Mac?</p> <p>13 A. Could you -- could you --</p> <p>14 THE WITNESS: I'm sorry, can you read that</p> <p>15 back?</p> <p>16 (Requested portion was read.)</p> <p>17 MS. MORGAN: Objection; form.</p> <p>18 A. I didn't see any loan schedules that had this</p> <p>19 loan -- I didn't see any loan schedules as it applied to</p> <p>20 this loan.</p> <p>21 Q. (BY MS. EBRON) Is it accurate to say that the</p> <p>22 Freddie Mac single family servicing guide is available</p> <p>23 online?</p> <p>24 A. Yes.</p> <p>25 Q. And that you don't have to be a servicer for a</p> <p style="text-align: right;">Page 38</p>	<p>1 interest in the loan, did it exchange certificates in a</p> <p>2 trust --</p> <p>3 MS. MORGAN: Objection; calls for</p> <p>4 speculation.</p> <p>5 Q. (BY MS. EBRON) -- for its interest?</p> <p>6 A. I don't know. That would be a question for</p> <p>7 Freddie Mac.</p> <p>8 Q. Is there anywhere within NationStar's business</p> <p>9 records that indicates who Freddie Mac purchased the</p> <p>10 loan from?</p> <p>11 A. That would be a question for Freddie Mac.</p> <p>12 MS. EBRON: Okay. Let's take a break.</p> <p>13 THE WITNESS: Okay. Thank you.</p> <p>14 (Break taken from 12:36 p.m. to</p> <p>15 12:43 p.m.)</p> <p>16 Q. (BY MS. EBRON) Is there a document that</p> <p>17 governs the relationship between NationStar and Freddie</p> <p>18 Mac other than the Freddie Mac single family servicing</p> <p>19 guide as far as this particular deed of trust goes?</p> <p>20 A. The power of attorney from 2016, if we're</p> <p>21 talking about today.</p> <p>22 Q. What about at the time of the foreclosure</p> <p>23 sale?</p> <p>24 A. Based on my review, it would be the single</p> <p>25 family servicing guide. But as I also stated, there's</p> <p style="text-align: right;">Page 40</p>
<p>1 particular loan to access it?</p> <p>2 A. That's correct. Anybody can access it.</p> <p>3 Q. Did NationStar pay anything to be the servicer</p> <p>4 of this loan underlying the first deed of trust?</p> <p>5 A. Not that I could find in my review.</p> <p>6 Q. Is there anywhere in NationStar's business</p> <p>7 records that indicates the date on which Freddie Mac</p> <p>8 obtained its interest in the first deed of trust?</p> <p>9 A. Not in NationStar's system of record.</p> <p>10 Q. Is there anywhere else in NationStar's</p> <p>11 business records that you would look to find that</p> <p>12 information?</p> <p>13 A. No. That would be a question for Freddie Mac.</p> <p>14 Q. Okay.</p> <p>15 THE WITNESS: Can -- can we take a break</p> <p>16 whenever you get to a stopping point?</p> <p>17 MS. EBRON: Yeah; let me ask two more</p> <p>18 questions.</p> <p>19 Q. (BY MS. EBRON) When Freddie Mac purchased the</p> <p>20 loan, did it pay any money?</p> <p>21 MS. MORGAN: Objection; calls for</p> <p>22 speculation.</p> <p>23 A. I -- I don't know. That would be a question</p> <p>24 for Freddie Mac.</p> <p>25 Q. (BY MS. EBRON) When Freddie Mac obtained its</p> <p style="text-align: right;">Page 39</p>	<p>1 no reason to believe that Freddie Mac was not the</p> <p>2 investor on the loan at that time, which was April 2013.</p> <p>3 Q. Is there a document between NationStar and</p> <p>4 Freddie Mac that would have been applicable at the time</p> <p>5 of the association foreclosure sale that indicates that</p> <p>6 NationStar's required to follow the Freddie Mac single</p> <p>7 family servicing guide?</p> <p>8 A. The same investor code that we've talked about</p> <p>9 already and the document that that points to in the</p> <p>10 SharePoint.</p> <p>11 Q. So the investor code requires you to follow</p> <p>12 the Freddie Mac single family servicing guide?</p> <p>13 A. No. The investor code -- without going into</p> <p>14 the machinations of how the SharePoint works, the</p> <p>15 investor codes drives how I utilize that system to find</p> <p>16 out what servicing agreement -- in this case, the single</p> <p>17 family servicing guide -- needs to be applied to this</p> <p>18 loan.</p> <p>19 Q. Besides NationStar and Bank of America, have</p> <p>20 there been any other servicers of this loan?</p> <p>21 MS. MORGAN: Objection to the extent it</p> <p>22 calls for speculation.</p> <p>23 A. If you're -- the only notes I saw were Bank of</p> <p>24 America, but based on some other evidence I saw, it</p> <p>25 appears that Countrywide may have serviced the loan, but</p> <p style="text-align: right;">Page 41</p>

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<p>1 as we all know, Countrywide merged with Bank of America, 2 so, essentially, Bank of America has -- is the only 3 other servicer that I could see.</p> <p>4 Q. (BY MS. EBRON) Did you -- I apologize if I 5 already asked this, but did you see any other -- sorry. 6 Did you see any written agreements between 7 Bank of America and Freddie Mac that identified this 8 particular loan as being part of a group that Bank of 9 America was servicing for Freddie Mac?</p> <p>10 A. No. As I -- I don't mind repeating the 11 answer. That would be a question for Freddie Mac or 12 Bank of America. We don't receive contracts like that 13 from prior servicers.</p> <p>14 Q. Does NationStar have any written agreements 15 with the FHFA as it relates to this deed of trust? 16 MS. MORGAN: Objection to the extent it 17 calls for a legal conclusion.</p> <p>18 A. And not that -- not that I saw overtly.</p> <p>19 Q. (BY MS. EBRON) Did you see any powers of 20 attorney between NationStar and the FHFA?</p> <p>21 A. No. I was primarily looking for Freddie Mac 22 powers of attorney as they're listed as the investor on 23 the screen we looked at earlier in Exhibit 2, Bates 24 stamped NSM00475.</p> <p>25 Q. Have you ever seen any written agreements</p> <p style="text-align: right;">Page 42</p>	<p>1 out there.</p> <p>2 MS. MORGAN: "From the time the contract 3 was entered until the time of the association 4 foreclosure sale" [as read]?</p> <p>5 MS. EBRON: Correct. I'm sorry, I'm just 6 reading number 5, topic number 5. 7 (Sotto voce conversation.) 8 MS. EBRON: I'll start over. 9 THE WITNESS: Are we good? 10 THE REPORTER: I think we're good.</p> <p>11 A. I mean, I know what you're -- 12 Q. (BY MS. EBRON) We're good? 13 A. Yeah. 14 Q. Okay. 15 A. The same as number 4. I reviewed our systems 16 of record. And we also talked about this when we were 17 talking about the screen shot on Exhibit 2, number -- 18 the page Bates stamped NSM00475, you can see in here 19 where there's monthly Freddie Mac default reporting. 20 Then there's -- I believe, there's other Freddie Mac 21 reporting done periodically in terms of the entire 22 portfolio Freddie Mac loans that would be part of this. 23 But other than that, there is not -- based 24 on what the single family servicing guide says, there's 25 not a lot of communication other than sending reports to</p> <p style="text-align: right;">Page 44</p>
<p>1 between NationStar and the FHFA for any file that you've 2 ever looked at?</p> <p>3 A. Not that I can recall.</p> <p>4 Q. What did you do to prepare for topic number 4, 5 which is "your knowledge, if any, of the 6 contractual/servicer relationship between or FHFA" -- 7 sorry -- "FHFA and any other entity including the 8 contracts, other documents reflecting the relationship, 9 terms of the contract, loan schedules, timing of the 10 relationship, and if the contractual relationship ever 11 ended" [as read]?</p> <p>12 A. I mean, I reviewed the business records on 13 this file and systems of record in conjunction with my 14 knowledge of being with NationStar and Mr. Cooper for 15 over three years. And as I just stated a couple 16 questions ago, NationStar -- that would be a question 17 for Freddie Mac. We wouldn't have any documentation on 18 hand reflecting the relationship with other entities 19 other than NationStar.</p> <p>20 Q. Okay. What did you do to prepare for topic 21 number 5, which is "evidence contained in your business 22 records reflecting communication with Freddie Mac or 23 FHFA generally about servicing the loan from the time 24 the contract was entered -- 25 THE REPORTER: I'm sorry, you really cut</p> <p style="text-align: right;">Page 43</p>	<p>1 Freddie Mac.</p> <p>2 Q. Have there been any communications, before the 3 date of the association foreclosure sale, between 4 NationStar and Freddie Mac regarding the association's 5 need for foreclosure?</p> <p>6 A. Not that I saw any record of.</p> <p>7 Q. Did you see any indication from the documents 8 that were forwarded from Bank of America that Bank of 9 America communicated with Freddie Mac regarding this 10 loan?</p> <p>11 A. Not that I could -- not that I saw any 12 evidence of in the documentation I reviewed.</p> <p>13 Q. Did you see any indication in your business 14 record of communications with the FHFA about this loan?</p> <p>15 A. No.</p> <p>16 Q. Did you see any indication in the documents 17 forwarded from Bank of America that it had communicated 18 with the FHFA regarding this loan?</p> <p>19 A. No.</p> <p>20 Q. What did you do to prepare for topic number 6, 21 which is "communications between you and Freddie Mac or 22 FHFA after receiving the association's notice -- and/or 23 notice of sale" [as read]?</p> <p>24 MS. MORGAN: Let's get the court reporter 25 the topic so she can...</p> <p style="text-align: right;">Page 45</p>

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<p>1 A. I was going to say, can I just read the topic 2 in so -- because you seem to be breaking up when you 3 read the topics? 4 Q. (BY MS. EBRON) Sure. 5 A. The topic reads "communications between you 6 and Freddie Mac or FHFA after receiving the 7 association's notice of default and/or notice of sale" 8 [as read]. 9 There were none. 10 Q. You looked at all of the places you would 11 expect to see such communications and did not see any? 12 A. That's correct. 13 Q. Did you see any -- strike that. I've already 14 asked that. I was going to ask you about topic number 15 7, but it's one that I already asked. 16 Is there any process or procedure for an 17 association to obtain consent from the FHFA to proceed 18 with the association foreclosure sale at the time that 19 the association foreclosure sale took place in this 20 case? 21 MS. MORGAN: Objection; calls for 22 speculation. 23 A. That would be a question for FHFA. 24 Q. (BY MS. EBRON) Have you ever heard of a 25 policy or procedure -- sorry -- process or procedure for</p> <p style="text-align: right;">Page 46</p>	<p>1 preparation for any of the deposition topics? 2 A. No, I did not. 3 Q. What did you do to prepare for topic number 9, 4 which is your knowledge of the documents Bates stamped 5 NSM00102 through NSM00153, which is identified as the 6 funding report; NSM00215, which is identified as the TOS 7 summary report; NSM00216, which is identified as the 8 securities and pool information; NSM00217 through -221, 9 which is identified as the mortgage payment history 10 report; and NSM00222 through -223, which is identified 11 as MIDAS report? 12 A. That would be a question for Freddie Mac as 13 those are all their documents that are created and 14 maintained by them. NationStar's not involved in 15 creating or maintaining any of those. 16 Q. So would it be accurate to say that NationStar 17 does not have knowledge of any of those documents listed 18 in topic number 9? 19 A. NationStar, as I sit here today -- these 20 aren't documents that NationStar maintains in their 21 system of record in the normal course of business. And 22 the topic reads "the policies and procedures for 23 creating and maintaining the business records" [as read] 24 and that's not -- 25 Q. I'm on 9.</p> <p style="text-align: right;">Page 48</p>
<p>1 anyone to obtain consent from the FHFA to proceed with 2 an association foreclosure sale? 3 A. No, I -- no, I'm not. 4 Q. What did you do with number 8 -- 5 THE REPORTER: I'm sorry, you cut out. 6 MS. MORGAN: What did you do to prepare 7 for topic 8? 8 Q. (BY MS. EBRON) Sorry. What did you do to 9 prepare for topic number 8, which is "your knowledge of 10 procedure, if any, put in place by you, Freddie Mac, 11 and/or FHFA for the association to consent from the FHFA 12 to proceed with the association foreclosure sale" [as 13 read]? 14 A. I reviewed NationStar's policies and 15 procedures to find mention of communications between 16 FHFA and NationStar in terms of HOA foreclosure sales 17 and did not find any. 18 Q. Did you speak to anyone at Freddie Mac in 19 preparation for topic number 8? 20 A. No, I did not. 21 Q. Did you speak to anyone at Freddie Mac in 22 preparation for any of the topics listed in the 23 deposition notice? 24 A. No, I did not. 25 Q. Did you speak to anyone at the FHFA in</p> <p style="text-align: right;">Page 47</p>	<p>1 A. I'm sorry -- 2 Q. I just -- 3 A. -- I was looking at number 10. I apologize. 4 Q. Maybe what we should do is put the Third 5 Supplemental Disclosure as an Exhibit Number 3? 6 THE REPORTER: Yes. 7 (Exhibit Number 3 was marked.) 8 A. I mean, these are documents I saw in my 9 review. I mean, other than that, my knowledge of 10 them -- 11 Q. (BY MS. EBRON) Let me just go through them -- 12 A. Okay. 13 Q. Let me just go through them with you and you 14 can tell me if they're part of your business records 15 first. 16 A. Okay. 17 Q. Okay. So for the document that starts at 18 NSM00102 and goes through NSM00153, which has been 19 identified as funding report, is this a document that is 20 contained in NationStar's business records? 21 A. No, it is not. 22 Q. Did NationStar input any of the information 23 into this document? 24 A. No. 25 Q. Does NationStar have knowledge of the policies</p> <p style="text-align: right;">Page 49</p>

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<p>1 and procedures for creating and maintaining this funding 2 report?</p> <p>3 A. No.</p> <p>4 Q. Let's turn to the page that is Bates stamped 5 NSM00215, which is identified as the TOS summary report.</p> <p>6 A. Okay.</p> <p>7 Q. Is this a document that is contained in 8 NationStar's business records?</p> <p>9 A. No, it is not.</p> <p>10 Q. Did NationStar input any of the information 11 into the TOS summary report?</p> <p>12 A. No, they did not.</p> <p>13 Q. Does NationStar have any knowledge of the 14 policies or procedures for creating or maintaining the 15 TOS summary report?</p> <p>16 A. No.</p> <p>17 Q. Can you look at the page Bates NSM000216, 18 which is identified as securities and pool information?</p> <p>19 A. Okay.</p> <p>20 Q. Is this document part of NationStar's business 21 records?</p> <p>22 A. No, it is not.</p> <p>23 Q. Did NationStar input any information into this 24 securities and pool information page?</p> <p>25 A. No.</p> <p style="text-align: right;">Page 50</p>	<p>1 NSM00222 through -223. This has been identified in the 2 disclosure as MIDAS report.</p> <p>3 A. Okay.</p> <p>4 Q. Are these -- these look like screen shots. 5 Are these part of NationStar's business records?</p> <p>6 A. No, they're not.</p> <p>7 Q. Did NationStar enter any of the information 8 into what's been identified as the MIDAS report?</p> <p>9 A. No, they did not.</p> <p>10 Q. Does NationStar have knowledge of the 11 policies, practices, or procedures used to create or 12 maintain the MIDAS report?</p> <p>13 A. No.</p> <p>14 Q. What did you do to prepare for topic number 15 11, which is --</p> <p>16 A. You want me to read it?</p> <p>17 Q. -- your knowledge -- "your knowledge of the 18 Freddie Mac single family seller/servicing guide in 19 effect currently and at the time of the association 20 foreclosure sale including the portions Bates stamped 21 NSM00154 to NSM00214" [as read]?</p> <p>22 A. I reviewed this document.</p> <p>23 Q. Anything else?</p> <p>24 A. No.</p> <p>25 Q. Did you speak to anyone in preparation for</p> <p style="text-align: right;">Page 52</p>
<p>1 Q. Does NationStar have any knowledge about the 2 policies/procedures for creating and maintaining this 3 securities/pool information?</p> <p>4 A. I'm sorry, just for the clarity of the record 5 because you broke up, securities and pool information, 6 is that what you said?</p> <p>7 Q. Right. That's what this document on the page 8 Bates stamped NSM216 has been identified as in the 9 disclosures.</p> <p>10 A. No, to answer your question.</p> <p>11 Q. Thank you.</p> <p>12 Can you turn to the page Bates stamped 13 NSM00217 through -221, which has been identified as the 14 mortgage payment history report.</p> <p>15 A. Okay.</p> <p>16 Q. Is this a document that NationStar has in its 17 business records?</p> <p>18 A. No, it is not.</p> <p>19 Q. Did NationStar pull this report?</p> <p>20 A. Not that I'm aware of.</p> <p>21 Q. Is NationStar aware of the policies, 22 practices, or procedures used for creating and 23 maintaining this mortgage payment history report?</p> <p>24 A. No.</p> <p>25 Q. Can you look at the page Bates stamped</p> <p style="text-align: right;">Page 51</p>	<p>1 topic number 11?</p> <p>2 A. Other than internal and counsel present here 3 today, no.</p> <p>4 Q. Is there any portion of the Freddie Mac single 5 family seller/servicing guide that would have been in 6 effect leading up to the association foreclosure sale 7 that required NationStar to pay the association 8 assessments that were delinquent?</p> <p>9 MS. MORGAN: Objection; calls for legal 10 conclusion.</p> <p>11 A. Not that I recall seeing.</p> <p>12 Q. (BY MS. EBRON) Does the Freddie Mac single 13 family seller/servicing guide that was in effect at the 14 time of the association foreclosure sale require 15 reporting of the foreclosure sale to Freddie Mac?</p> <p>16 A. I don't know.</p> <p>17 Q. What did you do to prepare for topic number 18 12, which is "your knowledge of any purchase agreement 19 or other contract applicable to the first deed of trust 20 between you and the entity from which you obtained your 21 interest in the loan underlying the first deed of trust" 22 [as read]?</p> <p>23 A. Nation -- I reviewed NationStar's system for 24 where a purchasing agreement would be found if it was 25 there; and, then, same thing with the contracts,</p> <p style="text-align: right;">Page 53</p>

<p>1 NationStar's interest is solely as the servicer of the 2 loan. So as I've stated multiple times where the 3 pooling and servicing agreement on a nonGSE coded loan, 4 would be found -- I found a document that pointed me to 5 the single family seller and servicing guide and then 6 the power of attorney. Those combined tell me that 7 those are the servicing interest. 8 Q. Anything else? 9 A. No. 10 Q. So am I correct to understand that there is no 11 purchase agreement between NationStar and any other 12 entity separate and apart from just the seller/servicing 13 guide? 14 A. That's not -- 15 MS. MORGAN: I object to form. 16 A. That's not what I stated. I didn't see one. 17 That doesn't mean that one doesn't exist. However, in 18 my review, I wasn't able to find the purchasing 19 agreement. 20 Q. (BY MS. EBRON) What did you do to prepare for 21 topic number 13, which is "your knowledge of any 22 purchase agreement applicable to the first deed of trust 23 between the originating lender and the entity that you 24 allege sold its interest to the Freddie Mac" [as read]? 25 A. That's --</p> <p style="text-align: right;">Page 54</p>	<p>1 covered topic number 14, which is "your knowledge of any 2 powers of attorney applicable to the first deed of trust 3 in effect at the time of the association foreclosure 4 sale" [as read]. 5 So what did you do to prepare for topic 6 number 15, which is "your knowledge of the facts and 7 circumstances surrounding the sale of the loan 8 underlying the first deed of trust to any other entity" 9 [as read]? 10 A. I reviewed NationStar's system of record for 11 the time period surrounding the -- I apologize. That 12 would be -- I'm sorry; that would be a question for 13 Freddie Mac. 14 Q. Okay. So you reviewed your business records 15 and did not see anything; is that right? 16 A. That's correct. Any -- anything to do with 17 any other entities would be a question for Freddie Mac 18 or whatever entity that might be, NationStar wouldn't 19 have any of those records from Freddie Mac or other 20 entities. 21 Q. Topic number 16 is "your knowledge of the 22 transfer of servicing rights for the loans underlying 23 the first" -- [as read]. What did you do to prepare for 24 that topic? 25 A. I reviewed NationStar's system of record for</p> <p style="text-align: right;">Page 56</p>
<p>1 MS. MORGAN: Object; calls for 2 speculation. 3 A. That's a question that would be for Freddie 4 Mac or the originating lender. NationStar was not the 5 originating lender on this. I believe KB Mortgage 6 Company was the originating lender. NationStar wasn't 7 the original servicer either, so that would be 8 information that Freddie Mac would have to provide you. 9 Q. (BY MS. EBRON) Okay. So is it accurate to 10 say that NationStar doesn't have knowledge of any 11 purchasing agreement applicable to the first deed of 12 trust between the originating lender and the entity that 13 sold its interest to Freddie Mac? 14 A. Could you say the very -- the first few words 15 of that again? You broke up. Could you repeat your 16 question basically? 17 Q. Okay. Would it be accurate to say that 18 NationStar does not have knowledge of the purchase 19 agreement applicable to the first deed of trust between 20 the originating lender and the entity that sold its 21 interest to Freddie Mac? 22 A. That's correct. 23 MS. MORGAN: Objection; form. 24 A. That's correct. 25 Q. (BY MS. EBRON) I believe we've already</p> <p style="text-align: right;">Page 55</p>	<p>1 when the servicing rights were transferred, and I 2 reviewed the single family seller and servicing guide. 3 Q. Anything else? 4 A. Other than just generally reviewing the system 5 from the time of the servicing transfer in July of 2012, 6 no. 7 Q. Is NationStar a subservicer for Freddie Mac? 8 A. Not that I could find any evidence of. 9 Q. If NationStar were a subservicer for Freddie 10 Mac, would the investor code indicate that or would your 11 records indicate that there was a subservicing 12 relationship? 13 MS. MORGAN: Objection; calls for 14 speculation. 15 A. It depends on loan to loan and what policy was 16 in place when the servicing rights transferred, or when 17 subserving rights transferred. But in this situation, 18 on this loan, I didn't see any evidence to support 19 NationStar being a subservicer. 20 Q. (BY MS. EBRON) Have you seen that in other 21 files? So what type of evidence would you look for to 22 see if there was a subservicer relationship? 23 MS. MORGAN: Objection; scope. 24 A. It's situational to the investor and the file. 25 There may be notes -- I mean, there's a multitude of --</p> <p style="text-align: right;">Page 57</p>

<p>1 of ways that one could ascertain that information out of</p> <p>2 LSAMS alone, let alone the pooling and servicing</p> <p>3 agreement SharePoint.</p> <p>4 Q. (BY MS. EBRON) Okay. I'm just asking because</p> <p>5 I deposed someone the other day -- not from</p> <p>6 NationStar -- who said that from within their system, it</p> <p>7 would -- the master servicer as the investor within</p> <p>8 their system. So that's just why I was asking that of</p> <p>9 you for NationStar.</p> <p>10 A. Gotcha.</p> <p>11 Q. Okay. What did you do to prepare for topic</p> <p>12 number 17, which is "your knowledge of any pooling and</p> <p>13 services agreements applicable to the first deed of</p> <p>14 trust" [as read]?</p> <p>15 A. I think we've gone over this multiple times,</p> <p>16 but I reviewed the coding on the main page of the</p> <p>17 collection history profile in LSAMS, which is in</p> <p>18 Exhibit 2 on page NSM00475. And I went to the pooling</p> <p>19 and servicing agreement SharePoint site, and by using</p> <p>20 that code, I was able to find that -- because this is a</p> <p>21 Freddie Mac loan and there is no pooling and servicing</p> <p>22 agreement, there is a -- it points us, instead, to the</p> <p>23 single family seller and servicing guide, which is in</p> <p>24 acting in place of a pooling and servicing agreement.</p> <p>25 And as I also stated, I believe in the prior deposition</p> <p style="text-align: right;">Page 58</p>	<p>1 the dates it was within a securitized trust, and</p> <p>2 documents or other evidence contained in your business</p> <p>3 records supporting this testimony" [as read]?</p> <p>4 A. There was -- I didn't -- well, I reviewed the</p> <p>5 SharePoint site, which would normally have a loan</p> <p>6 schedule if it's part of a securitized trust. Also, it</p> <p>7 would have a more nuanced investor code on page</p> <p>8 NSM00475. It wouldn't just say Freddie Mac.</p> <p>9 It would have -- it would be more of a</p> <p>10 code. It would be less obvious if it was in a</p> <p>11 securitized trust. It would normally have the number of</p> <p>12 certificates at a minimum. So I didn't see any evidence</p> <p>13 that it was part of a securitized trust.</p> <p>14 Q. Can you state with 100 percent certainty that</p> <p>15 at the time of the association foreclosure sale, that</p> <p>16 the loan was not contained within a securitized trust?</p> <p>17 A. That would be a question for Freddie Mac. As</p> <p>18 I sit here today, no, I cannot say with 100 percent</p> <p>19 certainty whether it was or was not. Freddie Mac has</p> <p>20 their own policies and procedures for when loans are in</p> <p>21 securitized trusts and when they're not, but I don't</p> <p>22 know those guidelines or policies and procedures.</p> <p>23 Q. So it's possible, even though you did not see</p> <p>24 any indication within your business records that the</p> <p>25 loan was within a securitized trust at the time of the</p> <p style="text-align: right;">Page 60</p>
<p>1 on this, that that was a semantics issue, because, in a</p> <p>2 sense, even though it's not titled a pooling and</p> <p>3 servicing agreement, the single family seller/servicing</p> <p>4 guide is the servicing agreement.</p> <p>5 Q. Right. So the difference between -- one of</p> <p>6 the differences between a pooling and servicing</p> <p>7 agreement and the Freddie Mac single family</p> <p>8 seller/servicing guide is that there's signature pages</p> <p>9 for the servicer and for the investor on the pooling and</p> <p>10 services agreement, right?</p> <p>11 MS. MORGAN: Objection; scope.</p> <p>12 A. Typically.</p> <p>13 Q. (BY MS. EBRON) Okay. Is there anything</p> <p>14 within NationStar's business records that indicates</p> <p>15 that, at the time of the association foreclosure sale,</p> <p>16 NationStar agreed to be the servicer and Freddie Mac</p> <p>17 agreed that NationStar would be the servicer?</p> <p>18 A. As I've already answered, I didn't see</p> <p>19 anything like that, but I have no reason to believe that</p> <p>20 Freddie Mac wasn't the servicer from when NationStar</p> <p>21 received the loan in July of 2012 until we sit here</p> <p>22 today, they're still the investor on the loan.</p> <p>23 Q. Okay. So what did you do to appear for topic</p> <p>24 number 18, which is "whether the loan underlying the</p> <p>25 first deed of trust was pulled into a securitized trust,</p> <p style="text-align: right;">Page 59</p>	<p>1 association foreclosure sale?</p> <p>2 A. I'm just saying that there's -- I can't say</p> <p>3 with certainty one way or the other. I can only say</p> <p>4 where it's at right now.</p> <p>5 Q. What do you mean where it's at right now?</p> <p>6 A. Right now, it doesn't appear in our system to</p> <p>7 be a part of a securitized trust. That's not to say it</p> <p>8 was or it was not at the time of the association sale.</p> <p>9 I don't know. That would be a question for Freddie Mac.</p> <p>10 Q. Okay. So when you were looking -- when we</p> <p>11 were looking at the screen shot from NationStar's system</p> <p>12 in Exhibit 2, Bates stamped NSM00475, there was no</p> <p>13 information after the number 472, and then also have</p> <p>14 FHLMC, that you weren't quite sure what it meant?</p> <p>15 A. Correct.</p> <p>16 Q. Okay. How do you know that doesn't mean that</p> <p>17 it was in a securitized trust?</p> <p>18 A. That's what I --</p> <p>19 MS. MORGAN: Objection; form.</p> <p>20 A. And as I've stated, I don't know one way or</p> <p>21 the other if it was in a securitized trust at the time</p> <p>22 of the sale. I've never claimed to know one way or the</p> <p>23 other throughout this deposition.</p> <p>24 Q. (BY MS. EBRON) Okay. You mentioned that you</p> <p>25 had read through Ms. Janati's deposition transcript; is</p> <p style="text-align: right;">Page 61</p>

<p>1 that correct?</p> <p>2 A. Yes.</p> <p>3 Q. Besides her mentioning of the pooling and</p> <p>4 servicing agreement that was applicable to this loan,</p> <p>5 did you see any other testimony that stood out to you as</p> <p>6 being potentially misleading or inaccurate, not quite</p> <p>7 right?</p> <p>8 MS. MORGAN: Objection; form and exceeds</p> <p>9 the scope.</p> <p>10 A. And I would need to have the deposition in</p> <p>11 front of me in order to begin to give you an answer to</p> <p>12 that.</p> <p>13 Q. (BY MS. EBRON) Okay. I just was wondering if</p> <p>14 there was anything else that you recalled besides the</p> <p>15 pooling and servicing agreement, which you brought up.</p> <p>16 A. And based on the topics provided to me, that</p> <p>17 seemed to be the -- the part of her testimony that</p> <p>18 applied to what these topics are about.</p> <p>19 Q. Okay. Around that same testimony, she had</p> <p>20 also suggested that the loan had been securitized, so</p> <p>21 that's why I was asking.</p> <p>22 MS. MORGAN: Objection; form, and to the</p> <p>23 extent that it may misstate Ms. Janati's testimony.</p> <p>24 A. Yeah, I don't -- I don't have that.</p> <p>25 Q. (BY MS. EBRON) I'll just read the testimony</p> <p style="text-align: right;">Page 62</p>	<p>1 in the pooling and services agreement?</p> <p>2 MS. MORGAN: I just object to the extent</p> <p>3 that he's already provided testimony in response to his</p> <p>4 knowledge of the securitization or lack thereof.</p> <p>5 A. Yeah, I mean...</p> <p>6 Q. (BY MS. EBRON) I just asked if you -- if it</p> <p>7 stood out to you?</p> <p>8 A. It -- it did not.</p> <p>9 Q. Okay. That's all.</p> <p>10 I'm going to reserve the right to recall</p> <p>11 to the extent that additional documents are disclosed.</p> <p>12 MS. MORGAN: And we'll reserve the right</p> <p>13 to object to that.</p> <p>14 MS. EBRON: Right. I'm just -- I think</p> <p>15 that there's some testimony that was given that</p> <p>16 documents were not produced for, but that -- powers of</p> <p>17 attorney, the investor, et cetera.</p> <p>18 Actually, I do have one another question.</p> <p>19 Q. (BY MS. EBRON) Have you seen the milestones</p> <p>20 for this loan?</p> <p>21 A. No, I have not.</p> <p>22 MS. EBRON: That is all for now.</p> <p>23 Can I please get a copy of the transcript.</p> <p>24 THE REPORTER: Yes, ma'am.</p> <p>25 MS. MORGAN: I have two quick questions.</p> <p style="text-align: right;">Page 64</p>
<p>1 really quick.</p> <p>2 It's page 57, starting line 8, I asked the</p> <p>3 question: "And what in your system specifically lets</p> <p>4 you know that it's a Freddie Mac loan?"</p> <p>5 Answer: "In the servicing system that we</p> <p>6 use, LSAMS, when you go into account, it does say up on</p> <p>7 the screen, FHLMC, which means securitized by Freddie.</p> <p>8 We call it Freddie loans" [as read].</p> <p>9 That's -- that's what I was referring to.</p> <p>10 A. I mean, there's --</p> <p>11 MS. MORGAN: I'll object that that doesn't</p> <p>12 indicate a time frame.</p> <p>13 A. I also think that that may be an issue of --</p> <p>14 MS. MORGAN: Well, don't --</p> <p>15 A. I --</p> <p>16 MS. MORGAN: I don't want you to</p> <p>17 speculate.</p> <p>18 A. Yeah, I don't want to talk -- because that</p> <p>19 wasn't one of the topics here, that's something -- I</p> <p>20 don't want to state what she was thinking when she</p> <p>21 answered that.</p> <p>22 Q. (BY MS. EBRON) Okay. So whether the loan was</p> <p>23 securitized is actually topic number 18. But would I be</p> <p>24 correct to understand that her testimony about the loan</p> <p>25 being securitized is not something that stood out to you</p> <p style="text-align: right;">Page 63</p>	<p>1 EXAMINATION</p> <p>2 BY MS. MORGAN:</p> <p>3 Q. Keith, in your review of NationStar system of</p> <p>4 record, did you find anything at all leading you to</p> <p>5 believe that this loan is not currently owned by Freddie</p> <p>6 Mac?</p> <p>7 A. No, I did not.</p> <p>8 Q. And in your review of NationStar system of</p> <p>9 record, did you find anything at all that would lead you</p> <p>10 to believe that the loan was not owned by Freddie Mac in</p> <p>11 April of 2013?</p> <p>12 A. No, I did not.</p> <p>13 MS. MORGAN: Okay. That's all I have.</p> <p>14 MS. EBRON: Thank you.</p> <p>15 Do you have --</p> <p>16 THE REPORTER: Are we off? Are we done?</p> <p>17 MS. EBRON: No.</p> <p>18 THE REPORTER: I'm sorry.</p> <p>19 FURTHER EXAMINATION</p> <p>20 BY MS. EBRON:</p> <p>21 Q. Do you have a list of notes that you took</p> <p>22 before the deposition today?</p> <p>23 A. Yeah, but I've taken a significant amount of</p> <p>24 notes on them. I mean, they're just handwritten notes</p> <p>25 that I --</p> <p style="text-align: right;">Page 65</p>

1 Q. Right.

2 **A. I don't know how I would --**

3 Q. So am I correct to understand that the notes
4 that you took in preparation for today's deposition
5 would include dates of servicing, dates of origination,
6 that type of thing?

7 **A. I mean, I have the date of origination. I**
8 **have the date of servicing transfer, the date of**
9 **assignment, another servicing transfer, another**
10 **assignment, the date that the deed of trust was**
11 **re-recorded, the HOA sale, and the HOA foreclosure deed**
12 **being recorded.**

13 Q. Okay. Anything else?

14 **A. The homeowner's name, the loan number, Freddie**
15 **Mac is the investor, today's date, and endorsements on**
16 **the note.**

17 Q. Okay. Thank you.

18 MS. MORGAN: Are we done?

19 MS. EBRON: Yes.

20 MS. MORGAN: Okay.

21 (Proceedings concluded at 1:31 p.m.)

22

23

24

25

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1 CHANGES AND SIGNATURE

2 WITNESS NAME: NORTHSTART MORTGAGE, LLC BY AND THROUGH

3 KEITH KOVALIC DATE: SEPTEMBER 22, 2017

4 PAGE LINE CHANGE REASON

5 _____

6 _____

7 _____

8 _____

9 _____

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12 _____

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14 _____

15 _____

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18 _____

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25 _____

I, NORTHSTART MORTGAGE, LLC BY AND THROUGH
KEITH KOVALIC, have read the foregoing deposition and
hereby affix my signature that same is true and correct,
except as noted above.

NORTHSTART MORTGAGE, LLC BY AND
THROUGH KEITH KOVALIC

THE STATE OF _____)

COUNTY OF _____)

Before me, _____, on
this day personally appeared NORTHSTART MORTGAGE, LLC BY
AND THROUGH KEITH KOVALIC, known to me (or proved to me
under oath or through _____)
(description of identity card or other document)) to be
the person whose name is subscribed to the foregoing
instrument and acknowledged to me that they executed the
same for the purposes and consideration therein
expressed.

Given under my hand and seal of office this
 _____ day of _____, 2017.

NOTARY PUBLIC IN AND FOR
THE STATE OF _____
COMMISSION EXPIRES:

1 STATE OF TEXAS)

2 COUNTY OF DALLAS)

3 I, LISA C. HUNDT, a Certified Shorthand Reporter in
4 and for the State of Texas, hereby certify that,
5 pursuant to the agreement hereinbefore set forth, there
6 came before me on the 22nd day of September, A.D, 2017,
7 at 11:34 a.m., at the office of Akerman, located at 2001
8 Ross Avenue, Suite 3600, in the City of Dallas, State of
9 Texas, the following named person, to-wit: NORTHSTART
10 MORTGAGE, LLC BY AND THROUGH KEITH KOVALIC, who was by
11 me duly cautioned and sworn to testify to the truth, the
12 whole truth, and nothing but the truth of his knowledge
13 touching and concerning the matters in controversy in
14 this cause; and that he was thereupon carefully examined
15 upon his oath and his examination reduced to writing
16 under my supervision; that the deposition is a true
17 record of the testimony given by the witness, same to be
18 sworn and subscribed by said witness before any Notary
19 Public, pursuant to the agreement of the parties; and
20 that the amount of time used by each party at the
21 deposition is as follows:

22 Ms. Melanie D. Morgan - 0 hours, 1 minute,

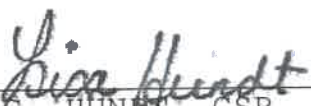
23 Ms. Diana S. Ebron - 1 hour, 50 minutes;

24 I further certify that I am neither attorney nor
25 counsel for, nor related to or employed by, any of the

1 parties to the action in which this deposition is taken,
2 and further, that I am not a relative or employee of any
3 attorney or counsel employed by the parties hereto, or
4 financially interested in the action.

5 I further certify that before the completion of the
6 deposition, ___X___ the Deponent, and/or _____ the
7 Plaintiff/Defendant, ___X___ did _____ did not request
8 to review the transcript.

9 In witness whereof, I have hereunto set my hand and
10 affixed my seal this 16th day of October, A.D. 2017.

11
12
13
14
15 
16 LISA C. HUNST, CSR, RPR, CLR
17 Texas CSR No. 6533
18 Expiration Date: 12/31/18
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EXHIBIT D

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*Attorneys for Countrywide Home Loans, Inc. and
Nationstar Mortgage, LLC*

**DISTRICT COURT
CLARK COUNTY, NEVADA**

IGNACIO GUTIERREZ, an individual,
Plaintiff,

v.

SFR INVESTMENTS POOL 1, LLC; NEVADA
ASSOCIATION SERVICES, INC., HORIZON
HEIGHTS HOMEOWNERS ASSOCIATION, KB
HOME MORTGAGE COMPANY, a foreign
corporation, DOE Individuals I through X; ROE
Corporations and Organizations I through X,

Defendants.

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

Counter-Claimant and Third Party Plaintiff,

v.

IGNACIO GUTIERREZ, an individual;
NATIONSTAR MORTGAGE, LLC, a Delaware
limited liability company; COUNTRYWIDE
HOME LOANS, INC., a foreign corporation;
DOES I-X; AND ROES 1-10, inclusive,

Counter-Defendant and Third Party Defendants

Case No.: A-13-684715-C
Dept.: XVII

**FOURTH SUPPLEMENT TO INITIAL
DISCLOSURE OF DOCUMENTS AND
WITNESSES**

Nationstar Mortgage LLC hereby makes the following Fourth Supplement to Initial
Disclosures of documents and witnesses pursuant to NRCP 16.1. (All newly identified information
is in bold herein).



1 **I. LIST OF WITNESSES**

2 The following persons are known or reasonably believed to have knowledge of facts relevant
3 to the allegations of any pleading filed by any party to this action, including persons having
4 knowledge of rebuttal or impeachment evidence:

- 5 1. Corporate Representative for Nationstar Mortgage, LLC
6 c/o AKERMAN LLP
7 1160 Town Center Drive, Suite 330
8 Las Vegas, Nevada 89144
9 Telephone: (702) 634-5000

10 This witness will testify regarding relevant facts and information relating to the third-party
11 defendants' lien on the subject property and Freddie Mac's ownership.

- 12 2. Corporate Representative for Bank of America, NA
13 c/o AKERMAN LLP
14 1160 Town Center Drive, Suite 330
15 Las Vegas, Nevada 89144
16 Telephone: (702) 634-5000

17 This witness will testify regarding relevant facts and information relating to the third-party
18 defendants' lien on the subject property

- 19 3. Kathrine Appell, and/or other Corporate Representative for
20 Horizon Heights HOA
21 c/o THE LAW OFFICES OF DAVID M. JONES
22 7455 Arroyo Crossing Parkway, Suite 200
23 Las Vegas, NV 89113

24 This witness is expected to testify regarding relevant facts and information relating to the
25 non-judicial foreclosure sale relevant to this litigation.

- 26 4. Susan Moses, Christopher Yergensen, David Stone and/or other Corporate
27 Representative for Nevada Association Services, Inc.
28 6224 W. Desert Inn Road, Suite A
Las Vegas, Nevada 89146
Telephone: (702) 804-8885

This witness is expected to testify regarding relevant facts and information relating to the
non-judicial foreclosure sale relevant to this litigation.

5. Elissa Hollander
c/o Nevada Association Services, Inc.
6224 W. Desert Inn Road, Suite A
Las Vegas, Nevada 89146
Telephone: (702) 804-8885

1 This witness is expected to testify regarding relevant facts and information relating to the
2 non-judicial foreclosure sale relevant to this litigation.

- 3 6. Autumn Fesel
4 c/o Nevada Association Services, Inc.
5 6224 W. Desert Inn Road, Suite A
6 Las Vegas, Nevada 89146
7 Telephone: (702) 804-8885

8 This witness is expected to testify regarding relevant facts and information relating to the
9 non-judicial foreclosure sale relevant to this litigation

- 10 7. Ignacio Gutierrez
11 P. Sterling Kerr, Esq.
12 LAW OFFICES OF P. STERLING KERR
13 2450 St. Rose Parkway, Suite 120
14 Henderson, NV 89074

15 This witness is expected to testify regarding the allegations asserted in the complaint/third
16 party complaint.

- 17 8. Paulina Kelso, Christopher Hardin, and/or other Corporate Representative
18 for SFR Investments Pool 1, LLC
19 c/o Kim Gilbert Ebron
20 7625 Dean Martin Drive, Suite 110
21 Las Vegas, NV 89139

22 This witness is expected to testify regarding the allegations asserted in the complaint/third
23 party complaint.

- 24 9. Custodian of Records for FirstService Residential
25 c/o CSC Services of Nevada, Inc.
26 2215-B Renaissance Drive
27 Las Vegas, Nevada 89119

28 This witness is expected to testify concerning the Purchase and Sale Agreement between
White Lake Ranch Association, Inc. and SFR Investments Pool 1, LLC.

10. Custodian of Records or other representative for
White Lake Ranch Association, Inc.
c/o FirstService Residential Nevada, LLC
8290 Arville Street
Las Vegas, Nevada 89139

This witness is expected to testify concerning the Purchase and Sale Agreement between
White Lake Ranch Association, Inc. and SFR Investments Pool 1, LLC.

11. **Robert Diamond**
1468 Dragon Rock Drive
Henderson, Nevada 89052

Mr. Diamond is expected to testify regarding relevant facts and information relating to the HOA's non-judicial foreclosure sale relevant to this litigation, as well as his relationship and involvement with SFR Investments Pool 1, LLC.

Discovery is ongoing, and Nationstar reserves the right to supplement this disclosure as more persons with knowledge of information relevant to this litigation become known.

II. DOCUMENTS

Nationstar discloses the following documents. Any redacted portions of these documents contain information such as dates of birth, banking information, and social security number.

<u>BATES NUMBER</u>	<u>DOCUMENT</u>
NSM00001-NSM00002	Notice of Completion
NSM00003-NSM00012	Grant Bargain Sale Deed
NSM00013-NSM00035	Deed of Trust
NSM00036-NSM00043	Deed of Trust
NSM00044-NSM00047	Grant Bargain Sale Deed
NSM00048	Assignment
NSM00049	Assignment
NSM00050-NSM00051	Assignment of Deed of Trust
NSM00052	Notice of Lien (HOA)
NSM00053-NSM00054	Notice of Default (HOA)
NSM00055	Assignment of Deed of Trust
NSM00056	Substitution of Trustee
NSM00057-NSM00082	Deed of Trust
NSM00083	Deed of Trust
NSM00084-NSM00093	Deed of Trust
NSM00094-NSM00095	Notice of Foreclosure Sale
NSM00096-NSM00098	Foreclosure Deed

BATES NUMBER	DOCUMENT
NSM00099- NSM00101	Notice of Lis Pendens
NAS000001 – NAS000173	Documents produced responsive to subpoena duces tecum. served upon by Nevada Association Services, Inc.
LUBAWY 000001- LUBAWY 000027	Expert Report of Matthew Lubawy, Valbridge Property Advisors Lubawy & Associates, Inc. previously produced by Third-Party Defendants Nationstar Mortgage, LLC and Bank of America, N.A.'s in their Disclosure of Expert Witness dated May 14, 2015.
HORIZON 000001- HORIZON 000404	Documents produced responsive to Subpoena Duces Tecum served upon Horizon Heights Homeowners Association on July 22, 2015.
NSM00102- NSM00153	Funding Report
NSM00154- NSM00175	Current sections of the Freddie Mac Single Family Seller/Servicing Guide
NSM00176- NSM00214	Sections of the Freddie Mac Single Family Seller/Servicing Guide in effect at the time of the HOA foreclosure sale
NSM00215- NSM00215	TOS Summary Report
NSM00216- NSM00216	Securities and Pool Information
NSM00217- NSM00221	Mortgage Payment History Report
NSM00222- NSM00223	MIDAS Report
NSM00224- NSM00225	Letter from Nevada Association Services, Inc. dated November 19, 2010
NSM00226- NSM00226	Affidavit of Custodian of Records of Nevada Association Services, Inc. in Rick Salomon vs. Tam A. Dao, Case No. A-13-675213-C
NSM00227- NSM00372	Portion of Bench Trial Transcript in TRP Fund IV, LLC v. Bank of America, N.A., Case No. A-14-695770-C
NSM00373- NSM00427	Deposition of David Stone in Bank of America, N.A. v. One Queensridge Place Homeowner's Association, Inc., Case No. 2:13-CV-01221-GMN-NJK
NSM00428- NSM00428	Certificate of Custodian of Records of White Lake Ranch Association
NSM00429- NSM00432	Purchase and Sale Agreement between White Lake Ranch Association and SFR Investments Pool 1, LLC
NSM00433- NSM00433	Letter from Michael H. Singer, Ltd. to Akerman LLP dated March 18, 2016
NSM00434- NSM00472	Deposition of Robert W. Diamond in SFR Investments Pool 1, LLC v. First Horizon Home Loans, a division of First Tennessee Bank, N.A., Case No. A-13-685826-C
NSM00473- NSM00474	MERS online min summary
NSM00475	Nationstar servicer screenshot
NSM00476- NSM00495	First American Commitment for Title Insurance
NSM00496- NSM00505	Correspondence
NSM00506- NSM00509	Adjustable Rate Note

1 Nationstar reserves the right to rely on any document produced by any other party to this
2 litigation, and to supplement their disclosures as further documents become available through
3 discovery.

4
5 **III. COMPUTATION OF DAMAGES**

6 Nationstar's damages are the unpaid balance of the loan. Nationstar specifically reserves the
7 right to supplement this disclosure to add relevant information, if subsequent information and
8 investigation so warrant. Nationstar also claims attorneys' fees as damages.

9 **IV. INSURANCE AGREEMENTS**

10 Nationstar is not aware of any insurance agreements at this time, and specifically reserves the
11 right to supplement this disclosure to add relevant information, if subsequent information and
12 investigation so warrant.

13 DATED this 19th day of September, 2017.

14 **AKERMAN LLP**

15 /s/Tenesa S. Scaturro

16 MELANIE D. MORGAN, ESQ.

17 Nevada Bar No. 8215

18 TENESA S. SCATURRO, ESQ.

19 Nevada Bar No. 12488

20 1160 Town Center Drive, Suite 330

21 Las Vegas, Nevada 89144

22 *Attorneys for Nationstar Mortgage, LLC*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of Akerman LLP, and that on this 19th day of September, 2017 I caused to be served a true and correct copy of foregoing **FOURTH SUPPLEMENT TO INITIAL DISCLOSURE OF DOCUMENTS AND WITNESSES**, in the following manner:

(ELECTRONIC SERVICE) Pursuant to Administrative Order 14-2, the above-referenced document was electronically filed on the date hereof and served through the Notice of Electronic Filing automatically generated by the Court's facilities to those parties listed on the Court's Master Service List.

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Nevada Association Services, Inc.*

(UNITED STATES MAIL) By depositing a copy of the above-referenced document for mailing in the United States Mail, first-class postage prepaid, at Las Vegas, Nevada, to the parties listed below at their last-known mailing addresses, on the date above written:

Anthony L. Ashby, Esq.
THE LAW OFFICES OF DAVID M. JONES
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Las Vegas, NV 89113

Attorney for Defendant Horizon Heights HOA

/s/Jill Sallade

An employee of AKERMAN LLP



The Mortgage Industry's Utility

www.mersonl
1003972

Min Summary

Member is not associated with MIN

Summary

1000721-1140028613-0		Inactive
668 MOONLIGHT STROLL STREET		MOM
HENDERSON, NV 89015-3305		First Lien
Reg Date	08/02/2005	
County/Place	Clark County	Owner Occupied Yes
Primary Borrower	GUTIERREZ, IGNACIO	
Note Amount	\$271,638.00	Note Date 07/06/2005
Servicer	9999999 - Non-MERS Member	
Investor	<u>1000106</u> - Federal Home Loan Mortgage Corporation	
Subservicer	N/A	
Originating Organization	N/A	
Property Preservation Co.	N/A	