

**IN THE SUPREME COURT OF THE STATE OF NEVADA**

FEDERAL NATIONAL  
MORTGAGE ASSOCIATION,

Appellant,

vs.

WESTLAND LIBERTY VILLAGE,  
LLC, a Nevada limited liability  
company; and WESTLAND  
VILLAGE SQUARE, LLC, a Nevada  
limited liability company,

Respondents.

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Jun 22 2021 03:16 p.m.  
Elizabeth A. Brown  
Clerk of Supreme Court

Supreme Court Case No. 82174

District Court Case No. A-20-819412-B

**APPEAL**

**From the Eighth Judicial District Court  
The Honorable Kerry Earley/ The Honorable Mark Denton<sup>1</sup>**

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**APPELLANT'S APPENDIX**

**VOLUME XI**

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<sup>1</sup> This challenged order in this matter was issued by Judge Kerry Earley after the case had been transferred to Judge Mark Denton.

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DATED: June 22, 2021.

SNELL & WILMER L.L.P.

/s/ Kelly H. Dove

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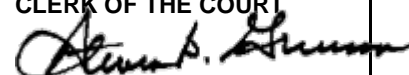
## **CERTIFICATE OF SERVICE**

I, the undersigned, declare under penalty of perjury, that I am over the age of eighteen (18) years, and I am not a party to, nor interested in, this action. On June 22, 2021, I caused to be served a true and correct copy of the foregoing **APPELLANT'S APPENDIX VOLUME XI** upon the following by the method indicated:

- ☐ **BY E-MAIL:** by transmitting via e-mail the document(s) listed above to the e-mail addresses set forth below and/or included on the Court's Service List for the above-referenced case.
- ☒ **BY ELECTRONIC SUBMISSION:** submitted to the above-entitled Court for electronic filing and service upon the Court's Service List for the above-referenced case.
- ☐ **BY U.S. MAIL:** by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Las Vegas, Nevada addressed as set forth below:

/s/ Maricris Williams

An Employee of SNELL & WILMER L.L.P.



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# DISTRICT COURT

## CLARK COUNTY, NEVADA

FEDERAL NATIONAL MORTGAGE  
ASSOCIATION,

Plaintiff,

vs.

WESTLAND LIBERTY VILLAGE, LLC, and  
WESTLAND VILLAGE SQUARE, LLC,

Defendants.

Case No. A-20-819412-B

Dept No. 13

## **FEDERAL NATIONAL MORTGAGE ASSOCIATION'S ANSWER TO COUNTERCLAIM**

AND ALL RELATED ACTIONS.

Counterdefendant Federal National Mortgage Association ("Fannie Mae"), by and through its counsel, Snell & Wilmer L.L.P., hereby submits this answer (the "Answer") to counterclaim ("Counterclaim"), filed by Westland Liberty Village, LLC ("Liberty Village") and Westland Village Square, LLC ("Village Square") (collectively, "Counterclaimants") as follows:

### **PRELIMINARY STATEMENT**

In answering the Counterclaim, Fannie Mae states that it is responding to allegations on behalf of itself only—even where the allegations pertain to alleged conduct by Fannie Mae and third-party defendants, Grandbridge Real Estate Capital, LLC ("Grandbridge")—and is not responding on behalf of any other party. To the extent allegations concern parties, individuals, or

1 entities other than Fannie Mae, a response to those allegations is not required. To the extent a  
2 response is required, Fannie Mae denies such allegations.

3 The Counterclaim contains purported excerpts from, and references to, a number of  
4 documents. Such documents speak for themselves, and Fannie Mae refers to the respective  
5 documents for the complete contents thereof. To the extent Fannie Mae responds below that a  
6 document speaks for itself, such an assertion shall not be deemed to be an admission that  
7 Counterclaimants' self-serving view of said documents are truthful, accurate, or complete.

8 Except as expressly admitted herein, Fannie Mae generally denies the allegations set forth  
9 in the Counterclaim. Paragraph numbers in this Answer correspond and respond to the allegations  
10 in the numbered paragraphs of the Counterclaim. To the extent allegations in a numbered  
11 paragraph of the Counterclaim purport to cite to, refer to, or characterize allegations in other  
12 paragraphs of the Counterclaim, Fannie Mae incorporates and reasserts its response to each such  
13 paragraph as if set forth fully therein. Any allegations contained in the Counterclaim that state a  
14 legal conclusion do not require a response and, to the extent that any response is required, such  
15 allegations are denied. Fannie Mae generally denies any averments in the Counterclaim's  
16 headings, unnumbered paragraphs, and prayer for relief.

### 17 ANSWER

18 Subject to the foregoing Preliminary Statement, Fannie Mae responds to the Counterclaim  
19 as follows:

#### 20 **I. STATEMENT OF THE CASE**

21 1. Paragraph 1 states a legal conclusion to which no response is required. To the extent  
22 a response is required, Fannie Mae denies the allegations contained therein.

23 2. Paragraph 2 states a legal conclusion to which no response is required. To the extent  
24 a response is required, Fannie Mae denies the allegations contained therein.

25 3. Paragraph 3 states a legal conclusion to which no response is required. To the extent  
26 a response is required, Fannie Mae denies the allegations contained therein.

27 4. Paragraph 4 states a legal conclusion to which no response is required. To the extent  
28 a response is required, Fannie Mae denies the allegations contained therein.

## II. PARTIES

5. Paragraph 5 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the statement and denies the allegations contained therein.

6. Paragraph 6 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the statement and denies the allegations contained therein.

7. Fannie Mae admits the allegations contained in Paragraph 7.

8. Paragraph 8 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the statement and denies the allegations contained therein.

9. Paragraph 9 states a legal conclusion to which no response is required. To the extent a response is required, Fannie Mae denies the allegations contained therein.

## III. FACTS COMMON TO ALL CAUSES OF ACTION

10. Paragraph 10 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae denies the allegations contained therein.

### **Westland's Real Estate Wherewithal**

11. Paragraph 11 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the statement and denies the allegations contained therein.

12. Paragraph 12 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the statement and denies the allegations



1 contained therein.

2 13. Paragraph 13 does not contain allegations against Fannie Mae and, thus, does not  
3 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
4 information sufficient to form a belief as to the truth of the statement and denies the allegations  
5 contained therein.

6 a. Paragraph 13(a) does not contain allegations against Fannie Mae and, thus,  
7 does not require a response. To the extent a response is required, Fannie Mae does not have  
8 knowledge or information sufficient to form a belief as to the truth of the statement and  
9 denies the allegations contained therein.

10 b. Paragraph 13(b) does not contain allegations against Fannie Mae and, thus,  
11 does not require a response. To the extent a response is required, Fannie Mae does not have  
12 knowledge or information sufficient to form a belief as to the truth of the statement and  
13 denies the allegations contained therein.

14 c. Paragraph 13(c) does not contain allegations against Fannie Mae and, thus,  
15 does not require a response. To the extent a response is required, Fannie Mae does not have  
16 knowledge or information sufficient to form a belief as to the truth of the statement and  
17 denies the allegations contained therein.

18 d. Paragraph 13(d) does not contain allegations against Fannie Mae and, thus,  
19 does not require a response. To the extent a response is required, Fannie Mae does not have  
20 knowledge or information sufficient to form a belief as to the truth of the statement and  
21 denies the allegations contained therein.

22 e. Paragraph 13(e) does not contain allegations against Fannie Mae and, thus,  
23 does not require a response. To the extent a response is required, Fannie Mae does not have  
24 knowledge or information sufficient to form a belief as to the truth of the statement and  
25 denies the allegations contained therein.

26 f. Paragraph 13(f) does not contain allegations against Fannie Mae and, thus,  
27 does not require a response. To the extent a response is required, Fannie Mae does not have  
28 knowledge or information sufficient to form a belief as to the truth of the statement and

denies the allegations contained therein.

g. Paragraph 13(g) does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the statement and denies the allegations contained therein.

h. Paragraph 13(h) does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the statement and denies the allegations contained therein.

i. Paragraph 13(i) does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the statement and denies the allegations contained therein.

14. Paragraph 14 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the statement and denies the allegations contained therein.

### **The Westland Liberty Property & Square Property Ownership**

15. Paragraph 15 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the statement and denies the allegations contained therein.

16. Paragraph 16 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the statement and denies the allegations contained therein.

17. Paragraph 17 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or

1 information sufficient to form a belief as to the truth of the statement and denies the allegations  
2 contained therein.

3 18. Paragraph 18 does not contain allegations against Fannie Mae and, thus, does not  
4 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
5 information sufficient to form a belief as to the truth of the statement and denies the allegations  
6 contained therein.

### 7 **The Shamrock Purchase**

8 19. Paragraph 19 does not contain allegations against Fannie Mae and, thus, does not  
9 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
10 information sufficient to form a belief as to the truth of the statement and denies the allegations  
11 contained therein.

12 20. Paragraph 20 does not contain allegations against Fannie Mae and, thus, does not  
13 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
14 information sufficient to form a belief as to the truth of the statement and denies the allegations  
15 contained therein.

16 21. Paragraph 21 does not contain allegations against Fannie Mae and, thus, does not  
17 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
18 information sufficient to form a belief as to the truth of the statement and denies the allegations  
19 contained therein.

20 22. Paragraph 22 does not contain allegations against Fannie Mae and, thus, does not  
21 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
22 information sufficient to form a belief as to the truth of the statement and denies the allegations  
23 contained therein.

24 23. Paragraph 23 does not contain allegations against Fannie Mae and, thus, does not  
25 require a response. To the extent a response is required, Fannie Mae denies the allegations  
26 contained therein.

27 24. Paragraph 24 does not contain allegations against Fannie Mae and, thus, does not  
28 require a response. To the extent a response is required, Fannie Mae does not have knowledge or

1 information sufficient to form a belief as to the truth of the statement and denies the allegations  
2 contained therein.

3 **The Properties' Condition During the Shamrock Years**

4 25. Paragraph 25 does not contain allegations against Fannie Mae and, thus, does not  
5 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
6 information sufficient to form a belief as to the truth of the statement and denies the allegations  
7 contained therein.

8 26. Paragraph 26 does not contain allegations against Fannie Mae and, thus, does not  
9 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
10 information sufficient to form a belief as to the truth of the statement and denies the allegations  
11 contained therein.

12 27. Paragraph 27 does not contain allegations against Fannie Mae and, thus, does not  
13 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
14 information sufficient to form a belief as to the truth of the statement and denies the allegations  
15 contained therein.

16 28. Paragraph 28 does not contain allegations against Fannie Mae and, thus, does not  
17 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
18 information sufficient to form a belief as to the truth of the statement and denies the allegations  
19 contained therein.

20 29. Paragraph 29 does not contain allegations against Fannie Mae and, thus, does not  
21 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
22 information sufficient to form a belief as to the truth of the statement and denies the allegations  
23 contained therein.

24 30. Paragraph 30 does not contain allegations against Fannie Mae and, thus, does not  
25 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
26 information sufficient to form a belief as to the truth of the statement and denies the allegations  
27 contained therein.

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1           31.       Paragraph 31 does not contain allegations against Fannie Mae and, thus, does not  
2 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
3 information sufficient to form a belief as to the truth of the statement and denies the allegations  
4 contained therein.

5           32.       Paragraph 32 does not contain allegations against Fannie Mae and, thus, does not  
6 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
7 information sufficient to form a belief as to the truth of the statement and denies the allegations  
8 contained therein.

9           33.       Paragraph 33 does not contain allegations against Fannie Mae and, thus, does not  
10 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
11 information sufficient to form a belief as to the truth of the statement and denies the allegations  
12 contained therein.

13          34.       Paragraph 34 does not contain allegations against Fannie Mae and, thus, does not  
14 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
15 information sufficient to form a belief as to the truth of the statement and denies the allegations  
16 contained therein.

17          35.       Paragraph 35 does not contain allegations against Fannie Mae and, thus, does not  
18 require a response. To the extent a response is required, Fannie Mae denies the allegations  
19 contained therein.

20          36.       Paragraph 36 does not contain allegations against Fannie Mae and, thus, does not  
21 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
22 information sufficient to form a belief as to the truth of the statement and denies the allegations  
23 contained therein.

24          37.       Paragraph 37 does not contain allegations against Fannie Mae and, thus, does not  
25 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
26 information sufficient to form a belief as to the truth of the statement and denies the allegations  
27 contained therein.

28       ///

1           38.       Paragraph 38 does not contain allegations against Fannie Mae and, thus, does not  
2 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
3 information sufficient to form a belief as to the truth of the statement and denies the allegations  
4 contained therein.

5           39.       Paragraph 39 does not contain allegations against Fannie Mae and, thus, does not  
6 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
7 information sufficient to form a belief as to the truth of the statement and denies the allegations  
8 contained therein.

9           40.       Paragraph 40 does not contain allegations against Fannie Mae and, thus, does not  
10 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
11 information sufficient to form a belief as to the truth of the statement and denies the allegations  
12 contained therein.

### 13 **Shamrock's Exit Strategy & The Loan Agreements**

14           41.       Paragraph 41 does not contain allegations against Fannie Mae and, thus, does not  
15 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
16 information sufficient to form a belief as to the truth of the statement and denies the allegations  
17 contained therein.

18           42.       Paragraph 42 does not contain allegations against Fannie Mae and, thus, does not  
19 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
20 information sufficient to form a belief as to the truth of the statement and denies the allegations  
21 contained therein.

22           43.       Paragraph 43 does not contain allegations against Fannie Mae and, thus, does not  
23 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
24 information sufficient to form a belief as to the truth of the statement and denies the allegations  
25 contained therein.

26           44.       Paragraph 44 does not contain allegations against Fannie Mae and, thus, does not  
27 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
28 information sufficient to form a belief as to the truth of the statement and denies the allegations

1 contained therein.

2 45. Paragraph 45 does not contain allegations against Fannie Mae and, thus, does not  
3 require a response. To the extent a response is required, Fannie Mae admits that the “Shamrock  
4 Entities” secured loans for the “Liberty Property” and “Square Property”. Fannie Mae does not  
5 have knowledge or information sufficient to form a belief as to the truth of the remaining  
6 statements and denies the remaining allegations contained therein.

7 46. Answering Paragraph 46, Fannie Mae admits that Grandbridge is one of Fannie  
8 Mae’s Delegated Underwriting and Servicing (“DUS”) lenders. Fannie Mae does not have  
9 knowledge or information sufficient to form a belief as to the truth of the remaining statements  
10 and denies the remaining allegations contained therein.

11 47. Answering Paragraph 47, Fannie Mae admits that certain information regarding its  
12 DUS lending practices can be found at  
13 <https://fm.fanniemae.com/powerofpartnershiparbor/index.html> and that the website speaks for  
14 itself. To the extent a further response is required, Fannie Mae denies the allegations contained  
15 therein.

16 48. Answering Paragraph 48, Fannie Mae does not have knowledge or information  
17 sufficient to form a belief as to the truth of the statement and denies the allegations contained  
18 therein.

19 49. Answering Paragraph 49, Fannie Mae does not have knowledge or information  
20 sufficient to form a belief as to the truth of the statement and denies the allegations contained  
21 therein.

22 50. Answering Paragraph 50, Fannie Mae admits that its DUS lenders must follow  
23 certain criteria for loans and that its DUS lenders are subject to review. Fannie Mae does not have  
24 knowledge or information sufficient to form a belief as to the truth of the remaining statements  
25 and denies the remaining allegations contained therein.

26 51. Answering Paragraph 51, Fannie Mae does not have knowledge or information  
27 sufficient to form a belief as to the truth of the statement and denies the allegations contained  
28 therein.

**Grandbridge's & Fannie Mae's Reserve Requirements for the Shamrock Entities**

52. Paragraph 52 states a legal conclusion to which no response is required. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the statement and denies the allegations contained therein.

53. Paragraph 53 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae admits that "CBRE" conducted property condition assessments at the Liberty Village Property and Village Square Property in 2017. Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the remaining statements and denies the remaining allegations contained therein.

54. Paragraph 54 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae states that the "CBRE Property Condition Assessment Report for Liberty Village" and "CBRE Property Condition Assessment Report for Village Square" speak for themselves. Fannie Mae admits that the CBRE property condition assessments contain the quoted language in Paragraph 54 and denies any factual or legal conclusion implied by the allegations contained therein.

55. Paragraph 55 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae states that the CBRE Property Condition Assessment Report for Liberty Village and CBRE Property Condition Assessment Report for Village Square speak for themselves. Fannie Mae admits that the CBRE property condition assessments contain the quoted language in Paragraph 55 and denies any factual or legal conclusion implied by the allegations contained therein.

56. Answering Paragraph 56, Fannie Mae states that the CBRE Property Condition Assessment Report for Liberty Village and CBRE Property Condition Assessment Report for Village Square speak for themselves. Fannie Mae admits that it did not require the Shamrock Entities to immediately deposit any funds into a reserve account for unit repairs in 2017. Fannie Mae denies the remaining allegations contained therein.

57. Answering Paragraph 57, Fannie Mae states that the CBRE Property Condition Assessment Report for Liberty Village and CBRE Property Condition Assessment Report for



1 Village Square speak for themselves. Fannie Mae admits that it required the Shamrock Entities to  
2 fund the monthly replacement reserve for “down units”. Fannie Mae denies the remaining  
3 allegations contained therein.

4 58. Answering Paragraph 58, Fannie Mae states that the CBRE Property Condition  
5 Assessment Report for Liberty Village and CBRE Property Condition Assessment Report for  
6 Village Square speak for themselves. Fannie Mae admits that it required the Shamrock Entities to  
7 fund the monthly replacement reserve based on a depreciable schedule. Fannie Mae does not have  
8 knowledge or information sufficient to form a belief as to the truth of the remaining statements  
9 and denies the remaining allegations contained therein.

10 59. Paragraph 59 does not contain allegations against Fannie Mae and, thus, does not  
11 require a response. To the extent a response is required, Fannie Mae denies the allegations  
12 contained therein.

13 60. Paragraph 60 does not contain allegations against Fannie Mae and, thus, does not  
14 require a response. To the extent a response is required, Fannie Mae admits that it required the  
15 Shamrock Entities to fund reserve and repair accounts related to property improvements. Fannie  
16 Mae denies the remaining allegations contained therein.

17 61. Paragraph 61 does not contain allegations against Fannie Mae and, thus, does not  
18 require a response. To the extent a response is required, Fannie Mae states that the Liberty Village  
19 Loan Agreement and Village Square Loan Agreement speak for themselves. Fannie Mae admits  
20 that it required the Shamrock Entities to fund the initial replacement reserve and initial repair  
21 reserve accounts. Fannie Mae does not have knowledge or information sufficient to form a belief  
22 as to the truth of the remaining statements and denies the remaining allegations contained therein.

23 62. Paragraph 62 does not contain allegations against Fannie Mae and, thus, does not  
24 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
25 information sufficient to form a belief as to the truth of the statement and denies the allegations  
26 contained therein.

27 63. Answering Paragraph 63, Fannie Mae admits that CBRE performed property  
28 condition assessments on the Liberty Village Property and Village Square Property in 2017.

1 Fannie Mae denies the remaining allegations therein.

2 **Westland's Purchase of the Properties & Loan Assumption**

3 64. Paragraph 64 does not contain allegations against Fannie Mae and, thus, does not  
4 require a response. To the extent a response is required, Fannie Mae admits that Counterclaimants  
5 completed their purchases of the Liberty Square Property and Village Square Property on or about  
6 August 29, 2018.

7 65. Paragraph 65 does not contain allegations against Fannie Mae and, thus, does not  
8 require a response. To the extent a response is required, Fannie Mae states that the Purchase and  
9 Sale Agreement for Liberty Village speaks for itself. Fannie Mae does not have knowledge or  
10 information sufficient to form a belief as to the truth of the remaining statements and denies the  
11 remaining allegations contained therein.

12 66. Paragraph 66 does not contain allegations against Fannie Mae and, thus, does not  
13 require a response. To the extent a response is required, Fannie Mae states that the Purchase and  
14 Sale Agreement for Village Square speaks for itself. Fannie Mae does not have knowledge or  
15 information sufficient to form a belief as to the truth of the remaining statements and denies the  
16 remaining allegations contained therein.

17 67. Paragraph 67 does not contain allegations against Fannie Mae and, thus, does not  
18 require a response. To the extent a response is required, Fannie Mae states that the Assumption  
19 Closing Statement for Liberty Village and Assumption Closing Statement for Village Square  
20 speak for themselves. Fannie Mae does not have knowledge or information sufficient to form a  
21 belief as to the truth of the remaining statements and denies the remaining allegations contained  
22 therein.

23 68. Paragraph 68 does not contain allegations against Fannie Mae and, thus, does not  
24 require a response. To the extent a response is required, Fannie Mae states that the Assumption  
25 Closing Statement for Liberty Village and Assumption Closing Statement for Village Square  
26 speak for themselves. Fannie Mae does not have knowledge or information sufficient to form a  
27 belief as to the truth of the remaining statements and denies the remaining allegations contained  
28 therein.

69. Paragraph 69 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae states that the Liberty Square Loan Agreement and Village Square Loan Agreement speak for themselves. Fannie Mae admits that Article 13.02(a)(3)(B) of the “Loan Agreements” permits Fannie Mae to require a property condition assessment upon assignment of the Loan Agreements and that it may require additional repair or replacement reserves at the time of transfer. Fannie Mae further admits that it did not conduct a property condition assessment at the Liberty Village Property and/or Village Square Property at the time Counterclaimants’ assumed of the Loan Agreements.

70. Answering Paragraph 70, Fannie Mae admits that it did not conduct a property condition assessment at the Liberty Village Property and/or Village Square Property or require additional repair or replacement reserves at the time Counterclaimants’ assumed of the Loan Agreements and avers that it had no duty, contractual or otherwise, to conduct a property condition assessment at that time.

71. Paragraph 71 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae states that the Assumption Approval Letter for Liberty Village and Assumption Approval Letter for Village Square speak for themselves. Fannie Mae admits that it did not require additional Replacement Reserves or Repair Reserves at the time Counterclaimants’ assumed the Loan Agreements and that the total reserves for both Properties totaled \$143,319.30 at that time.

72. Paragraph 72 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae states that the Assumption Approval Letter for Liberty Village and Assumption Approval Letter for Village Square speak for themselves. Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the remaining statements and denies the remaining allegations contained therein.

73. Paragraph 73 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the statements and denies the allegations contained therein.

1           74.       Paragraph 74 does not contain allegations against Fannie Mae and, thus, does not  
2 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
3 information sufficient to form a belief as to the truth of the statements and denies the allegations  
4 contained therein.

5           75.       Paragraph 75 does not contain allegations against Fannie Mae and, thus, does not  
6 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
7 information sufficient to form a belief as to the truth of the statements and denies the allegations  
8 contained therein.

9           76.       Paragraph 76 does not contain allegations against Fannie Mae and, thus, does not  
10 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
11 information sufficient to form a belief as to the truth of the statements and denies the allegations  
12 contained therein.

13          77.       Paragraph 77 does not contain allegations against Fannie Mae and, thus, does not  
14 require a response. To the extent a response is required, Fannie Mae admits that Grandbridge is  
15 one of its DUS lenders and that Counterclaimants assumed the loans for the Properties. Fannie  
16 Mae does not have knowledge or information sufficient to form a belief as to the truth of the  
17 remaining statements and denies the remaining allegations contained therein.

18          78.       Paragraph 78 contains a legal conclusion to which no response is required. To the  
19 extent a response is required, Fannie Mae does not have knowledge or information sufficient to  
20 form a belief as to the truth of the remaining statements and denies the remaining allegations  
21 contained therein.

22          79.       Paragraph 79 does not contain allegations against Fannie Mae and, thus, does not  
23 require a response. Further, Paragraph 79 contains a legal conclusion to which no response is  
24 required. To the extent a response is required, Fannie Mae does not have knowledge or information  
25 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
26 allegations contained therein.

27          80.       Paragraph 80 does not contain allegations against Fannie Mae and, thus, does not  
28 require a response. To the extent a response is required, Fannie Mae does not have knowledge or

1 information sufficient to form a belief as to the truth of the remaining statements and denies the  
2 remaining allegations contained therein.

3 **Westland's Rehabilitation of the Properties and Community Building**

4 81. Paragraph 81 does not contain allegations against Fannie Mae and, thus, does not  
5 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
6 information sufficient to form a belief as to the truth of the remaining statements and denies the  
7 remaining allegations contained therein.

8 82. Paragraph 82 does not contain allegations against Fannie Mae and, thus, does not  
9 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
10 information sufficient to form a belief as to the truth of the remaining statements and denies the  
11 remaining allegations contained therein.

12 83. Paragraph 83 does not contain allegations against Fannie Mae and, thus, does not  
13 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
14 information sufficient to form a belief as to the truth of the remaining statements and denies the  
15 remaining allegations contained therein.

16 84. Paragraph 84 contains a legal conclusion to which no response is required. To the  
17 extent a response is required, Fannie Mae does not have knowledge or information sufficient to  
18 form a belief as to the truth of the remaining statements and denies the remaining allegations  
19 contained therein.

20 85. Paragraph 85 contains a legal conclusion to which no response is required. To the  
21 extent a response is required, Fannie Mae does not have knowledge or information sufficient to  
22 form a belief as to the truth of the remaining statements and denies the remaining allegations  
23 contained therein.

24 86. Paragraph 86 does not contain allegations against Fannie Mae and, thus, does not  
25 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
26 information sufficient to form a belief as to the truth of the remaining statements and denies the  
27 remaining allegations contained therein.

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1           87.       Paragraph 87 does not contain allegations against Fannie Mae and, thus, does not  
2 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
3 information sufficient to form a belief as to the truth of the remaining statements and denies the  
4 remaining allegations contained therein.

5           88.       Paragraph 88 does not contain allegations against Fannie Mae and, thus, does not  
6 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
7 information sufficient to form a belief as to the truth of the remaining statements and denies the  
8 remaining allegations contained therein.

9           89.       Paragraph 89 does not contain allegations against Fannie Mae and, thus, does not  
10 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
11 information sufficient to form a belief as to the truth of the remaining statements and denies the  
12 remaining allegations contained therein.

13                   a. Paragraph 89(a) does not contain allegations against Fannie Mae and, thus,  
14 does not require a response. To the extent a response is required, Fannie  
15 Mae does not have knowledge or information sufficient to form a belief as  
16 to the truth of the remaining statements and denies the remaining allegations  
17 contained therein.

18                   b. Paragraph 89(b) does not contain allegations against Fannie Mae and, thus,  
19 does not require a response. To the extent a response is required, Fannie  
20 Mae does not have knowledge or information sufficient to form a belief as  
21 to the truth of the remaining statements and denies the remaining allegations  
22 contained therein.

23                   c. Paragraph 89(c) does not contain allegations against Fannie Mae and, thus,  
24 does not require a response. To the extent a response is required, Fannie  
25 Mae does not have knowledge or information sufficient to form a belief as  
26 to the truth of the remaining statements and denies the remaining allegations  
27 contained therein.  
28

1           90. Paragraph 90 does not contain allegations against Fannie Mae and, thus, does not  
2 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
3 information sufficient to form a belief as to the truth of the remaining statements and denies the  
4 remaining allegations contained therein.

5           91. Paragraph 91 does not contain allegations against Fannie Mae and, thus, does not  
6 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
7 information sufficient to form a belief as to the truth of the remaining statements and denies the  
8 remaining allegations contained therein.

9           92. Paragraph 92 does not contain allegations against Fannie Mae and, thus, does not  
10 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
11 information sufficient to form a belief as to the truth of the remaining statements and denies the  
12 remaining allegations contained therein.

13           93. Paragraph 93 does not contain allegations against Fannie Mae and, thus, does not  
14 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
15 information sufficient to form a belief as to the truth of the remaining statements and denies the  
16 remaining allegations contained therein.

17           94. Paragraph 94 does not contain allegations against Fannie Mae and, thus, does not  
18 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
19 information sufficient to form a belief as to the truth of the remaining statements and denies the  
20 remaining allegations contained therein.

21           95. Paragraph 95 does not contain allegations against Fannie Mae and, thus, does not  
22 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
23 information sufficient to form a belief as to the truth of the remaining statements and denies the  
24 remaining allegations contained therein.

25           96. Paragraph 96 does not contain allegations against Fannie Mae and, thus, does not  
26 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
27 information sufficient to form a belief as to the truth of the remaining statements and denies the  
28 remaining allegations contained therein.

1           97. Paragraph 97 does not contain allegations against Fannie Mae and, thus, does not  
2 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
3 information sufficient to form a belief as to the truth of the remaining statements and denies the  
4 remaining allegations contained therein.

5           98. Paragraph 98 does not contain allegations against Fannie Mae and, thus, does not  
6 require a response. Further, Fannie Mae states that the Nuisance Notice speaks for itself. To the  
7 extent a response is required, Fannie Mae does not have knowledge or information sufficient to  
8 form a belief as to the truth of the remaining statements and denies the remaining allegations  
9 contained therein.

10          99. Paragraph 99 does not contain allegations against Fannie Mae and, thus, does not  
11 require a response. Further, Fannie Mae states that the Letter of Nevada State Apartment  
12 Association Executive Director and Letter of County Commissioner speak for themselves. To the  
13 extent a response is required, Fannie Mae does not have knowledge or information sufficient to  
14 form a belief as to the truth of the remaining statements and denies the remaining allegations  
15 contained therein.

16          100. Paragraph 100 does not contain allegations against Fannie Mae and, thus, does not  
17 require a response. To the extent a response is required, Fannie Mae admits that the Properties  
18 experienced a dramatic decrease in occupancy rate during Westland's management of the  
19 Properties. Fannie Mae does not have knowledge or information sufficient to form a belief as to  
20 the truth of the remaining statements and denies the remaining allegations contained therein.

21          101. Paragraph 101 does not contain allegations against Fannie Mae and, thus, does not  
22 require a response. To the extent a response is required, Fannie Mae admits that the occupancy  
23 rate at the Properties was at or around 44% in July 2019. Fannie Mae does not have knowledge or  
24 information sufficient to form a belief as to the truth of the remaining statements and denies the  
25 remaining allegations contained therein.

26          102. Paragraph 102 does not contain allegations against Fannie Mae and, thus, does not  
27 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
28 information sufficient to form a belief as to the truth of the remaining statements and denies the



1 remaining allegations contained therein.

2       103. Paragraph 103 does not contain allegations against Fannie Mae and, thus, does not  
3 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
4 information sufficient to form a belief as to the truth of the remaining statements and denies the  
5 remaining allegations contained therein.

6       104. Paragraph 104 does not contain allegations against Fannie Mae and, thus, does not  
7 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
8 information sufficient to form a belief as to the truth of the remaining statements and denies the  
9 remaining allegations contained therein.

10       105. Paragraph 105 does not contain allegations against Fannie Mae and, thus, does not  
11 require a response. To the extent a response is required, Fannie Mae states that the Westland  
12 Strategic Plan speaks for itself. Fannie Mae does not have knowledge or information sufficient to  
13 form a belief as to the truth of the remaining statements and denies the remaining allegations  
14 contained therein.

15       106. Paragraph 106 does not contain allegations against Fannie Mae and, thus, does not  
16 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
17 information sufficient to form a belief as to the truth of the remaining statements and denies the  
18 remaining allegations contained therein.

19       107. Paragraph 107 does not contain allegations against Fannie Mae and, thus, does not  
20 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
21 information sufficient to form a belief as to the truth of the remaining statements and denies the  
22 remaining allegations contained therein.

23       108. Paragraph 108 does not contain allegations against Fannie Mae and, thus, does not  
24 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
25 information sufficient to form a belief as to the truth of the remaining statements and denies the  
26 remaining allegations contained therein.

27       109. Paragraph 109 does not contain allegations against Fannie Mae and, thus, does not  
28 require a response. To the extent a response is required, Fannie Mae denies that the Properties

1 have been “restored”. Fannie Mae does not have knowledge or information sufficient to form a  
2 belief as to the truth of the remaining statements and denies the remaining allegations contained  
3 therein.

4 110. Paragraph 110 does not contain allegations against Fannie Mae and, thus, does not  
5 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
6 information sufficient to form a belief as to the truth of the remaining statements and denies the  
7 remaining allegations contained therein.

8 111. Paragraph 111 does not contain allegations against Fannie Mae and, thus, does not  
9 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
10 information sufficient to form a belief as to the truth of the remaining statements and denies the  
11 remaining allegations contained therein.

12 112. Paragraph 112 does not contain allegations against Fannie Mae and, thus, does not  
13 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
14 information sufficient to form a belief as to the truth of the remaining statements and denies the  
15 remaining allegations contained therein.

16 113. Paragraph 113 does not contain allegations against Fannie Mae and, thus, does not  
17 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
18 information sufficient to form a belief as to the truth of the remaining statements and denies the  
19 remaining allegations contained therein.

20 114. Paragraph 114 does not contain allegations against Fannie Mae and, thus, does not  
21 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
22 information sufficient to form a belief as to the truth of the remaining statements and denies the  
23 remaining allegations contained therein.

24 115. Paragraph 115 does not contain allegations against Fannie Mae and, thus, does not  
25 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
26 information sufficient to form a belief as to the truth of the remaining statements and denies the  
27 remaining allegations contained therein.

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116. Paragraph 116 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the remaining statements and denies the remaining allegations contained therein.

117. Paragraph 117 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the remaining statements and denies the remaining allegations contained therein.

118. Paragraph 118 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the remaining statements and denies the remaining allegations contained therein.

119. Paragraph 119 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the remaining statements and denies the remaining allegations contained therein.

120. Paragraph 120 does not contain allegations against Fannie Mae and, thus, does not require a response. Further, Paragraph 120 contains a legal conclusion to which no response is required. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the remaining statements and denies the remaining allegations contained therein.

#### **Grandbridge's Servicing of the Loans since the Assumption**

121. Answering Paragraph 121, Fannie Mae denies that it modified its level of scrutiny for Grandbridge's underwriting in connection with this matter. Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the remaining statements and denies the remaining allegations contained therein.

122. Answering Paragraph 122, Fannie Mae denies the allegations therein.

123. Answering Paragraph 123, Fannie Mae denies the allegations therein.

1           124.       Answering Paragraph 124, Fannie Mae admits that, after it conducted property  
2 inspections and after its expert, f3 Inc., performed property condition assessments due to the  
3 deteriorating condition of the Properties from the time Counterclaimants assumed the loans, that  
4 Fannie Mae directed Grandbridge to obtain additional reserve and repair funding from  
5 Counterclaimants pursuant to its rights under the Loan Agreements. Fannie Mae denies the  
6 remaining allegations therein.

7           125.       Paragraph 125 does not contain allegations against Fannie Mae and, thus, does not  
8 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
9 information sufficient to form a belief as to the truth of the remaining statements and denies the  
10 remaining allegations contained therein.

11          126.       Paragraph 126 contains a legal conclusion to which no response is required. To the  
12 extent a response is required, Fannie Mae admits that the Loan Agreements provide Fannie Mae  
13 the right to “adjust the deposits required from Westland” and that Counterclaimants assumed those  
14 terms when they signed the assumption and assignment agreements referenced therein. Fannie  
15 Mae denies the remaining allegations therein.

16       **The Loan Agreements’ Requirements for Adjustments to Deposits**

17          127.       Paragraph 127 does not contain allegations against Fannie Mae and, thus, does not  
18 require a response. Further, Paragraph 127 contains a legal conclusion to which no response is  
19 required. To the extent a response is required, Fannie Mae states that the Loan Agreements speak  
20 for themselves. Fannie Mae admits that Section 13.02(a)(3) permits Fannie Mae to adjust deposits  
21 under certain circumstances. Fannie Mae denies the remaining allegations therein.

22          128.       Paragraph 128 does not contain allegations against Fannie Mae and, thus, does not  
23 require a response. Further, Paragraph 128 contains a legal conclusion to which no response is  
24 required. To the extent a response is required, Fannie Mae states that the Loan Agreements speak  
25 for themselves. Fannie Mae admits that the loan terms were for 84 months and that Section  
26 13.02(a)(3)(A) permits adjustments based on mandatory property condition assessments set forth  
27 therein. Fannie Mae denies the inference that Section 13.02(a)(3)(A) is determinative or relevant  
28 to the facts of this matter.

1           129.       Paragraph 129 does not contain allegations against Fannie Mae and, thus, does not  
2 require a response. Further, Paragraph 129 contains a legal conclusion to which no response is  
3 required. To the extent a response is required, Fannie Mae states that the Loan Agreements speak  
4 for themselves. Fannie Mae admits that Section 13.02(a)(3)(A) requires a property condition  
5 assessment between the sixth and ninth month of the tenth year of a loan for non-affordable  
6 housing properties. Fannie Mae denies the remaining allegations therein.

7           130.       Paragraph 130 does not contain allegations against Fannie Mae and, thus, does not  
8 require a response. Further, Paragraph 130 contains a legal conclusion to which no response is  
9 required. To the extent a response is required, Fannie Mae states that the Loan Agreements speak  
10 for themselves. Fannie Mae denies the allegations contained therein.

11           131.       Answering Paragraph 131, Fannie Mae denies the allegations contained therein.

12           132.       Answering Paragraph 132, Fannie Mae denies the allegations contained therein.

13       **The Loan Terms for Property Condition Assessments**

14           133.       Paragraph 133 does not contain allegations against Fannie Mae and, thus, does not  
15 require a response. Further, Paragraph 133 contains a legal conclusion to which no response is  
16 required. To the extent a response is required, Fannie Mae states that the Loan Agreements speak  
17 for themselves. Fannie Mae admits that it may conduct property condition assessments when it  
18 determines that the condition of the Properties has deteriorated. Fannie Mae denies the remaining  
19 allegations contained therein.

20           134.       Answering Paragraph 134, Fannie Mae denies the allegations contained therein.

21           135.       Paragraph 135 contains a legal conclusion to which no response is required. To the  
22 extent a response is required, Fannie Mae admits that it has authority to—but is not required to—  
23 conduct property condition assessments upon any transfer of the Properties and assignment and  
24 assumption of the Loan Agreements. Fannie Mae denies the remaining allegations contained  
25 therein.

26           136.       Answering Paragraph 136, Fannie Mae denies the allegations contained therein.

27           137.       Answering Paragraph 137, Fannie Mae admits that Grandbridge requested access  
28 to conduct property condition assessments through f3, Inc. in mid-2019 and that Counterclaimants

1 consented to the property condition assessment. Fannie Mae denies the remaining allegations  
2 contained therein.

3 138. Answering Paragraph 138, Fannie Mae denies the allegations contained therein.

4 139. Paragraph 139 does not contain allegations against Fannie Mae and, thus, does not  
5 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
6 information sufficient to form a belief as to the truth of the remaining statements and denies the  
7 remaining allegations contained therein.

8 140. Paragraph 140 does not contain allegations against Fannie Mae and, thus, does not  
9 require a response. To the extent a response is required, Fannie Mae admits that Counterclaimants  
10 provided f3, Inc. access to conduct property condition assessments in 2019. Fannie Mae does not  
11 have knowledge or information sufficient to form a belief as to the truth of the remaining  
12 statements and denies the remaining allegations contained therein.

13 141. Paragraph 141 does not contain allegations against Fannie Mae and, thus, does not  
14 require a response. Further, Paragraph 141 contains a legal conclusion to which no response is  
15 required. To the extent a response is required, Fannie Mae denies that it has not “been honest about  
16 their intentions”. Fannie Mae further denies that Counterclaimants are not required to permit  
17 Fannie Mae to inspect the Properties pursuant to the Loan Agreements. Fannie Mae does not have  
18 knowledge or information sufficient to form a belief as to the truth of the remaining statements  
19 and denies the remaining allegations contained therein.

20 142. Answering Paragraph 142, Fannie Mae admits that f3, Inc. is one of its vendors  
21 used to determine the deteriorating nature of multifamily properties. Fannie Mae denies the  
22 remaining allegations contained therein.

23 143. Paragraph 143 does not contain allegations against Fannie Mae and, thus, does not  
24 require a response. To the extent a response is required, Fannie Mae denies the allegations  
25 contained therein.

26 144. Paragraph 144 does not contain allegations against Fannie Mae and, thus, does not  
27 require a response. Further, Paragraph 144 contains a legal conclusion to which no response is  
28 required. To the extent a response is required, Fannie Mae does not have knowledge or information

1 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
2 allegations contained therein.

3 145. Answering Paragraph 145, Fannie Mae admits that CBRE inspected approximately  
4 10% of the open units at the Properties. Fannie Mae denies the remaining allegations contained  
5 therein.

6 146. Paragraph 146 does not contain allegations against Fannie Mae and, thus, does not  
7 require a response. To the extent a response is required, Fannie Mae states that f3, Inc.'s property  
8 condition assessments speak for themselves. Fannie Mae further admits that f3 inspected 352 units  
9 at the Liberty Village Property and 211 units at the Village Square Property. Fannie Mae does not  
10 have knowledge or information sufficient to form a belief as to the truth of the remaining  
11 statements and denies the remaining allegations contained therein.

12 147. Paragraph 147 does not contain allegations against Fannie Mae and, thus, does not  
13 require a response. To the extent a response is required, Fannie Mae states that f3, Inc.'s property  
14 condition assessments speak for themselves. Fannie Mae admits that f3, Inc.'s property condition  
15 assessments highlighted the ongoing deterioration at the Properties, which required additional  
16 monthly fees per unit based on depreciation.

17 148. Paragraph 148 does not contain allegations against Fannie Mae and, thus, does not  
18 require a response. To the extent a response is required, Fannie Mae states that f3, Inc.'s property  
19 condition assessments speak for themselves. Fannie Mae admits that f3, Inc.'s property condition  
20 assessments highlighted the ongoing deterioration at the Properties, which required additional  
21 monthly fees per unit based on depreciation.

22 149. Paragraph 149 does not contain allegations against Fannie Mae and, thus, does not  
23 require a response. Further, Paragraph 149 contains a legal conclusion to which no response is  
24 required. To the extent a response is required, Fannie Mae denies the allegations contained therein.

25 150. Paragraph 150 does not contain allegations against Fannie Mae and, thus, does not  
26 require a response. To the extent a response is required, Fannie Mae denies that it "changed the  
27 rules after the fact" or changed the standard for conducting property condition assessments at any  
28 time. Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth

1 of the remaining statements and denies the remaining allegations contained therein.

2 151. Answering Paragraph 151, Fannie Mae admits that it demanded that  
3 Counterclaimants deposit an additional \$2,706,150.00 into the Liberty Village and Village Square  
4 replacement and repair reserve accounts to cover the cost of the damages listed in the f3, Inc.  
5 property condition assessments.

6 152. Paragraph 152 does not contain allegations against Fannie Mae and, thus, does not  
7 require a response. To the extent a response is required, Fannie Mae states that the f3, Inc. property  
8 condition assessments speak for themselves. Fannie Mae admits that the f3, Inc. property condition  
9 assessments identified repairs and replacements totaling over \$2.7 million dollars at the Properties.  
10 Fannie Mae denies the remaining allegations therein, including those incorporated by footnote 10.

11 153. Answering Paragraph 153, Fannie Mae states that the December 2019 default  
12 notices speak for themselves. Fannie Mae denies that the default notices were “non-specific”.  
13 Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of  
14 the remaining statements and denies the remaining allegations contained therein.

15 154. Paragraph 154 does not contain allegations against Fannie Mae and, thus, does not  
16 require a response. Further, Paragraph 154 contains a legal conclusion to which no response is  
17 required. To the extent a response is required, Fannie Mae denies that Counterclaimants have  
18 continued to fully perform on the loans. Fannie Mae does not have knowledge or information  
19 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
20 allegations contained therein.

21 155. Paragraph 155 contains a legal conclusion to which no response is required. To the  
22 extent a response is required, Fannie Mae denies that it engaged in deceptive practices and that the  
23 f3, Inc. property condition assessments were “improperly obtained” because Fannie Mae based its  
24 request to conduct those assessments on deterioration observed during visual inspections and  
25 because Counterclaimants permitted access to the Properties, as they were required to do under  
26 the Loan Agreements. Fannie Mae denies the remaining allegations contained therein.

27 **The Loan Terms for Additional Lender Reserves and Replacements**

28 156. Paragraph 156 contains legal conclusions to which no response is required. To the



1 extent a response is required, Fannie Mae states that the Loan Agreements speak for themselves.  
2 Fannie Mae further admits that it asserted a default, in part, based on Counterclaimants' failure to  
3 fund reserve accounts as required and that Fannie Mae could request additional reserves pursuant  
4 to Section 13.02(a)(4) of the Loan Agreements. Fannie Mae denies the remaining allegations  
5 contained therein.

6 157. Paragraph 157 contains legal conclusions to which no response is required. To the  
7 extent a response is required, Fannie Mae states that the Loan Agreements speak for themselves.  
8 Fannie Mae denies the allegations contained therein.

9 158. Paragraph 158 contains legal conclusions to which no response is required. To the  
10 extent a response is required, Fannie Mae states that the Loan Agreements speak for themselves.  
11 Fannie Mae further admits that Section 13.02(a)(4) permits Fannie Mae to request additional  
12 reserve deposits to cover the cost of Replacement Reserves, Required Repairs, Additional Lender  
13 Repairs, Additional Lender Replacements and Borrower Requested Replacements. Fannie Mae  
14 denies the remaining allegations contained therein.

15 159. Paragraph 159 does not contain allegations against Fannie Mae and, thus, does not  
16 require a response. To the extent a response is required, Fannie Mae states that the Loan  
17 Agreements speak for themselves. Fannie Mae does not have knowledge or information sufficient  
18 to form a belief as to the truth of the remaining statements and denies the remaining allegations  
19 contained therein.

20 160. Paragraph 160 contains legal conclusions to which no response is required. To the  
21 extent a response is required, Fannie Mae states that the Assumption Approval Letter for Liberty  
22 Village and Assumption Approval Letter for Village Square speak for themselves. Fannie Mae  
23 admits that it did not require additional Required Repairs Escrow funds at the time  
24 Counterclaimants assumed the loans. Fannie Mae denies the remaining allegations contained  
25 therein.

26 161. Paragraph 161 does not contain allegations against Fannie Mae and, thus, does not  
27 require a response. Paragraph 161 contains a legal conclusion to which no response is required.  
28 To the extent a response is required, Fannie Mae denies the allegations contained therein.

1           162.       Paragraph 162 does not contain allegations against Fannie Mae and, thus, does not  
2 require a response. Paragraph 162 contains legal conclusions to which no response is required. To  
3 the extent a response is required, Fannie Mae states that the Loan Agreements speak for  
4 themselves. Fannie Mae admits that Schedule 1 of the Loan Agreements states, in part, that  
5 “Additional Lender Repairs” are “repairs of the type listed on the Required Repair Schedule but  
6 not otherwise identified thereon that are determined advisable by Lender to keep the Mortgaged  
7 Property in good order and repair (ordinary wear and tear excepted) and in good marketable  
8 condition or to prevent deterioration of the Mortgaged Property.” Fannie Mae denies the remaining  
9 allegations contained therein.

10           163.       Paragraph 163 does not contain allegations against Fannie Mae and, thus, does not  
11 require a response. To the extent a response is required, Fannie Mae states that the f3, Inc. property  
12 condition assessments speak for themselves. Fannie Mae denies that the f3, Inc. property condition  
13 assessments demand a deposit of approximately \$2.7 million dollars for “immediate repairs”.

14           164.       Paragraph 164 does not contain allegations against Fannie Mae and, thus, does not  
15 require a response. To the extent a response is required, Fannie Mae states that the f3, Inc. property  
16 condition assessments speak for themselves. Fannie Mae admits that approximately \$1,908,760 of  
17 the “immediate repairs” detailed in the f3, Inc. property condition assessments related to critical  
18 issues in vacant apartments. Fannie Mae denies the remaining allegations contained therein.

19           165.       Paragraph 165 does not contain allegations against Fannie Mae and, thus, does not  
20 require a response. To the extent a response is required, Fannie Mae states that the CBRE Property  
21 Condition Assessment Report for Liberty Village and CBRE Property Condition Assessment  
22 Report for Village Square speak for themselves. Fannie Mae denies the remaining allegations  
23 contained therein.

24           166.       Paragraph 166 does not contain allegations against Fannie Mae and, thus, does not  
25 require a response. To the extent a response is required, Fannie Mae states that the f3, Inc. property  
26 condition assessments speak for themselves. Fannie Mae denies the remaining allegations  
27 contained therein.

28           167.       Paragraph 167 does not contain allegations against Fannie Mae and, thus, does not

1 require a response. Paragraph 167 contains legal conclusions to which no response is required. To  
2 the extent a response is required, Fannie Mae states that the Loan Agreements speak for  
3 themselves. Fannie Mae does not have knowledge or information sufficient to form a belief as to  
4 the truth of the remaining statements and denies the remaining allegations contained therein.

5 168. Paragraph 168 contains legal conclusions to which no response is required. To the  
6 extent a response is required, Fannie Mae denies the allegations contained therein.

7 169. Paragraph 169 contains legal conclusions to which no response is required. To the  
8 extent a response is required, Fannie Mae states that the Loan Agreements speak for themselves.  
9 Fannie Mae admits that Schedule 1 of the Loan Agreements states, in part, that “Additional Lender  
10 Repairs” are “repairs of the type listed on the Required Repair Schedule but not otherwise  
11 identified thereon that are determined advisable by Lender to keep the Mortgaged Property in good  
12 order and repair (ordinary wear and tear excepted) and in good marketable condition or to prevent  
13 deterioration of the Mortgaged Property.” Fannie Mae denies the remaining allegations contained  
14 therein.

15 170. Paragraph 170 does not contain allegations against Fannie Mae and, thus, does not  
16 require a response. Paragraph 170 contains legal conclusions to which no response is required. To  
17 the extent a response is required, Fannie Mae denies the allegations contained therein.

18 171. Paragraph 171 does not contain allegations against Fannie Mae and, thus, does not  
19 require a response. Paragraph 171 contains legal conclusions to which no response is required. To  
20 the extent a response is required, Fannie Mae denies the allegations contained therein.

21 172. Paragraph 172 does not contain allegations against Fannie Mae and, thus, does not  
22 require a response. Paragraph 172 contains legal conclusions to which no response is required. To  
23 the extent a response is required, Fannie Mae states that the Loan Agreements speak for  
24 themselves. Fannie Mae denies the remaining allegations contained therein.

25 173. Paragraph 173 does not contain allegations against Fannie Mae and, thus, does not  
26 require a response. Paragraph 173 contains legal conclusions to which no response is required. To  
27 the extent a response is required, Fannie Mae states that the Loan Agreements speak for  
28 themselves. Fannie Mae denies the remaining allegations contained therein.

1           174.       Paragraph 174 does not contain allegations against Fannie Mae and, thus, does not  
2 require a response. Paragraph 174 contains legal conclusions to which no response is required. To  
3 the extent a response is required, Fannie Mae states that the Loan Agreements speak for  
4 themselves. Fannie Mae denies the remaining allegations contained therein.

5           175.       Paragraph 175 does not contain allegations against Fannie Mae and, thus, does not  
6 require a response. Paragraph 175 contains legal conclusions to which no response is required. To  
7 the extent a response is required, Fannie Mae denies the allegations contained therein.

8           176.       Paragraph 176 contains legal conclusions to which no response is required. To the  
9 extent a response is required, Fannie Mae denies the allegations contained therein.

#### 10   **The Abandoned Default**

11           177.       Paragraph 177 contains legal conclusions to which no response is required. To the  
12 extent a response is required, Fannie Mae states that the December 2019 default notices speak for  
13 themselves. Fannie Mae admits that Counterclaimants defaulted under the Loan Agreements, in  
14 part, by failing to maintain the Properties in accordance with Article 6 of the Loan Agreements.  
15 Fannie Mae denies the remaining allegations contained therein.

16           178.       Paragraph 178 contains legal conclusions to which no response is required. To the  
17 extent a response is required, Fannie Mae denies the allegations contained therein.

18           179.       Paragraph 179 contains legal conclusions to which no response is required. To the  
19 extent a response is required, Fannie Mae denies the allegations contained therein.

20           180.       Paragraph 180 contains legal conclusions to which no response is required. To the  
21 extent a response is required, Fannie Mae denies the allegations contained therein.

#### 22   **The Purported Default**

23           181.       Paragraph 181 does not contain allegations against Fannie Mae and, thus, does not  
24 require a response. To the extent a response is required, Fannie Mae states that the October 2019  
25 notices of demand speak for themselves. Fannie Mae admits that Grandbridge forwarded a letter  
26 to Counterclaimants regarding the f3, Inc. property condition assessments conducted from  
27 September 9 through 11, 2019, which included a “schedule of needed repairs” as an attachment.

28           182.       Paragraph 182 does not contain allegations against Fannie Mae and, thus, does not

1 require a response. To the extent a response is required, Fannie Mae states that the October 2019  
2 notices of demand speak for themselves. Fannie Mae admits that the notices identified various  
3 defects in the physical conditions at the Properties amounting to, in part, Additional Lender  
4 Repairs and Additional Lender Replacements under the Loan Agreements and that the notices  
5 informed Grandbridge that it would be required to “execute an Amendment to the Loan Agreement  
6 reflecting the amendment and restatement of Schedules 5 and 6 thereto with the repairs and  
7 replacements identified on Exhibit A hereto.”

8 183. Paragraph 183 does not contain allegations against Fannie Mae and, thus, does not  
9 require a response. To the extent a response is required, Fannie Mae states that the October 2019  
10 notices of demand speak for themselves. Fannie Mae admits the allegations contained therein.

11 184. Paragraph 184 does not contain allegations against Fannie Mae and, thus, does not  
12 require a response. To the extent a response is required, Fannie Mae states that the October 2019  
13 notices of demand speak for themselves. Fannie Mae admits that the notices agreed “to allow the  
14 Borrower to transfer 75% of the current balance in the Replacement Reserve (after Lender’s  
15 receipt of the Borrower’s 10/01/2019 loan payment) in the total amount of \$246,047.00 to the  
16 Repairs Escrow Account and to credit such amount to the Demand Amount.” Fannie Mae denies  
17 the remaining allegations therein.

18 185. Paragraph 185 does not contain allegations against Fannie Mae and, thus, does not  
19 require a response. Paragraph 185 contains legal conclusions to which no response is required. To  
20 the extent a response is required, Fannie Mae denies the allegations contained therein.

21 186. Answering Paragraph 186, Fannie Mae denies the allegations contained therein.

22 187. Paragraph 187 does not contain allegations against Fannie Mae and, thus, does not  
23 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
24 information sufficient to form a belief as to the truth of the statement and denies the allegations  
25 contained therein.

26 188. Answering Paragraph 188, Fannie Mae admits that it refused Counterclaimants’  
27 untimely request for more time to cure their defaults and/or to respond to the October 2019 notices  
28 of demand.

1           189.       Paragraph 189 does not contain allegations against Fannie Mae and, thus, does not  
2 require a response. To the extent a response is required, Fannie Mae states that the Letter of John  
3 Hofsaess, dated November 13, 2019, speaks for itself. Fannie Mae admits the allegations contained  
4 therein.

5           190.       Paragraph 190 does not contain allegations against Fannie Mae and, thus, does not  
6 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
7 information sufficient to form a belief as to the truth of the statement and denies the allegations  
8 contained therein.

9           191.       Paragraph 191 does not contain allegations against Fannie Mae and, thus, does not  
10 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
11 information sufficient to form a belief as to the truth of the statement and denies the allegations  
12 contained therein.

13           192.       Answering Paragraph 192, Fannie Mae denies the allegations contained therein.

14           193.       Paragraph 193 does not contain allegations against Fannie Mae and, thus, does not  
15 require a response. To the extent a response is required, Fannie Mae states that Counterclaimants'  
16 "Strategic Plan" speaks for itself. Fannie Mae admits that Counterclaimants sent Fannie Mae their  
17 Strategic Plan, which included, among other things, a budget for repairs and a self-serving  
18 declaration that Counterclaimants completed repairs identified in the f3, Inc. property condition  
19 assessments. Fannie Mae does not have knowledge or information sufficient to form a belief as to  
20 the truth of the remaining statements and denies the remaining allegations contained therein.

21           194.       Paragraph 194 does not contain allegations against Fannie Mae and, thus, does not  
22 require a response. To the extent a response is required, Fannie Mae states that the December 2019  
23 notices of default speak for themselves. Fannie Mae does not have knowledge or information  
24 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
25 allegations contained therein.

26           195.       Paragraph 195 does not contain allegations against Fannie Mae and, thus, does not  
27 require a response. To the extent a response is required, Fannie Mae states that Counterclaimants'  
28 Letter of John Hofsaess, dated December 23, 2019, speaks for itself. Fannie Mae admits that

1 Counterclaimants forwarded a letter to Fannie Mae requesting additional details of their defaults  
2 under the Loan Agreements after the time default cure period had lapsed. Fannie Mae denies the  
3 remaining allegations contained therein.

4 196. Paragraph 196 does not contain allegations against Fannie Mae and, thus, does not  
5 require a response. To the extent a response is required, Fannie Mae states that Counterclaimants'  
6 Letter of John Hofsaess, dated January 6, 2020 speaks for itself. Fannie Mae admits that  
7 Counterclaimants forwarded a letter to Fannie Mae. Fannie Mae denies the remaining allegations  
8 contained therein.

9 197. Answering Paragraph 197, Fannie Mae admits a pre-negotiation letter was sent to  
10 Counterclaimants and states that the pre-negotiation letter speaks for itself. Fannie Mae denies the  
11 allegations contained therein.

12 198. Answering Paragraph 198, Fannie Mae admits that it declined to agree to  
13 Counterclaimants' request for adjustments to Fannie Mae's demand after Counterclaimants  
14 defaulted on their obligations in the Loan Agreements. Fannie Mae denies the remaining  
15 allegations contained therein.

16 199. Answering Paragraph 199, Fannie Mae admits that Counterclaimants defaulted on  
17 their obligations in the Loan Agreement. Fannie Mae further admits that Grandbridge accepted an  
18 ACH payment from Counterclaimants to pay their January 2020 loan obligations.

19 200. Paragraph 200 contains a legal conclusion to which no response is required. To the  
20 extent a response is required, Fannie Mae admits that Grandbridge acted properly when it did not  
21 withdraw an ACH payment in February 2020. Fannie Mae denies the remaining allegations  
22 contained therein.

23 201. Paragraph 201 does not contain allegations against Fannie Mae and, thus, does not  
24 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
25 information sufficient to form a belief as to the truth of the remaining statements and denies the  
26 remaining allegations contained therein.

27 202. Paragraph 202 does not contain allegations against Fannie Mae and, thus, does not  
28 require a response. To the extent a response is required, Fannie Mae does not have knowledge or

1 information sufficient to form a belief as to the truth of the remaining statements and denies the  
2 remaining allegations contained therein.

3 203. Paragraph 203 does not contain allegations against Fannie Mae and, thus, does not  
4 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
5 information sufficient to form a belief as to the truth of the statement and denies the allegations  
6 contained therein.

7 204. Paragraph 204 does not contain allegations against Fannie Mae and, thus, does not  
8 require a response. To the extent a response is required, Fannie Mae states that the non—waiver  
9 letters speak for themselves. Fannie Mae admits that it confirmed receipt of the payments  
10 references in a series of non-waiver letters. Fannie Mae does not have knowledge or information  
11 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
12 allegations contained therein.

13 205. Paragraph 205 contains a legal conclusion to which no response is required. To the  
14 extent a response is required, Fannie Mae admits that it agreed to discuss Counterclaimants'  
15 defaults under the Loan Agreements upon certain conditions, including Counterclaimants'  
16 agreement to pay for the costs associated with their defaults, as provided for in the Loan  
17 Agreements. Fannie Mae denies the remaining allegations contained therein.

18 206. Answering Paragraph 206, Fannie Mae admits that it agreed to discuss  
19 Counterclaimants' defaults under the Loan Agreements upon certain conditions, including  
20 Counterclaimants' agreement to provide Fannie Mae with an update regarding the Properties'  
21 conditions and subject to Counterclaimants meeting their obligations in the Loan Agreements.  
22 Fannie Mae denies the remaining allegations contained therein.

23 207. Answering Paragraph 207, Fannie Mae admits that it agreed to discuss  
24 Counterclaimants' defaults under the Loan Agreements upon certain conditions, including  
25 Counterclaimants' agreement to provide Fannie Mae with an update regarding the Properties'  
26 conditions and subject to Counterclaimants meeting their obligations in the Loan Agreements.  
27 Fannie Mae also admits that Counterclaimants produced work orders showing alleged work  
28 performed at the Properties. Fannie Mae denies the remaining allegations contained therein.



1           208.       Paragraph 208 contains legal conclusions to which no response is required. To the  
2 extent a response is required, Fannie Mae states that the July 2020 Notice of Defaults and Elections  
3 to Sell the Properties speak for themselves. Fannie Mae admits that it sent proper Notices of  
4 Default and Elections to Sell the Properties to Counterclaimants based on their continuing defaults  
5 of the Loan Agreements. Fannie Mae further admits that Counterclaimants continued to make  
6 partial payments. Fannie Mae denies that Counterclaimants' actions rendered their defaults moot.  
7 Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of  
8 the remaining statements and denies the remaining allegations contained therein.

9           209.       Paragraph 209 does not contain allegations against Fannie Mae and, thus, does not  
10 require a response. To the extent a response is required, does not have knowledge or information  
11 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
12 allegations contained therein.

13           210.       Paragraph 210 does not contain allegations against Fannie Mae and, thus, does not  
14 require a response. To the extent a response is required, does not have knowledge or information  
15 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
16 allegations contained therein.

17           211.       Paragraph 211 does not contain allegations against Fannie Mae and, thus, does not  
18 require a response. To the extent a response is required, does not have knowledge or information  
19 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
20 allegations contained therein.

21           212.       Paragraph 212 does not contain allegations against Fannie Mae and, thus, does not  
22 require a response. To the extent a response is required, does not have knowledge or information  
23 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
24 allegations contained therein.

25           213.       Paragraph 213 does not contain allegations against Fannie Mae and, thus, does not  
26 require a response. To the extent a response is required, does not have knowledge or information  
27 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
28 allegations contained therein.

1           **IV. COUNTERCLAIMS**

2                   **a. FIRST CAUSE OF ACTION (BREACH OF CONTRACT – LIBERTY**  
3                   **LOAN – BY WESTLAND LIBERTY VILLAGE, LLC)**

4           214.       Answering Paragraph 214, Fannie Mae incorporates by reference the statements,  
5 responses, and allegations previously set forth in this Answer as if fully set forth herein.

6           215.       Answering Paragraph 215, the document referenced therein speaks for itself and,  
7 thus, no response is required. To the extent the Counterclaim misquotes, misstates, or otherwise  
8 mischaracterizes the contents of said document or legal obligations contained therein, the  
9 allegations are denied.

10          216.       Answering Paragraph 216, the document referenced therein speaks for itself, and  
11 thus, no response is required. To the extent the Counterclaim misquotes, misstates, or otherwise  
12 mischaracterizes the contents of said document or legal obligations contained therein, the  
13 allegations are denied.

14          217.       Answering Paragraph 217, Fannie Mae admits that Grandbridge assigned its  
15 interest in the Loan Agreements to Fannie Mae and that Grandbridge continued to act Fannie  
16 Mae's servicer. Fannie Mae further admits that Counterclaimants assumed the original borrower's  
17 obligations under the Loan Agreements.

18          218.       Paragraph 218 does not contain allegations against Fannie Mae and, thus, does not  
19 require a response. To the extent a response is required, does not have knowledge or information  
20 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
21 allegations contained therein.

22          219.       Answering Paragraph 219, the documents referenced therein speak for themselves  
23 and, thus, no response is required. To the extent the Counterclaim misquotes, misstates, or  
24 otherwise mischaracterizes the contents of said document or legal obligations contained therein,  
25 the allegations are denied.

26          220.       Paragraph 220 does not contain allegations against Fannie Mae and, thus, does not  
27 require a response. To the extent a response is required, the documents referenced therein speak  
28 for themselves. Fannie Mae denies that Liberty LLC has performed all of the duties and obligations

1 required of it under the Loan Agreements. Fannie Mae does not have knowledge or information  
2 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
3 allegations contained therein.

4 221. Paragraph 221 does not contain allegations against Fannie Mae and, thus, does not  
5 require a response. To the extent a response is required, the documents referenced therein speak  
6 for themselves. Fannie Mae denies that Liberty LLC has performed all of the duties and obligations  
7 required of it under the Loan Agreements. Fannie Mae does not have knowledge or information  
8 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
9 allegations contained therein.

10 222. Paragraph 222 states a legal conclusion to which no response is required. To the  
11 extent a response is required, Fannie Mae denies the allegations contained therein.

12 223. Paragraph 223 states a legal conclusion to which no response is required. To the  
13 extent a response is required, Fannie Mae denies the allegations contained therein.

14 224. Answering Paragraph, Fannie Mae denies the allegations contained therein and  
15 denies that Counterclaimants are entitled to any relief.

16 225. Answering Paragraph 225, Fannie Mae denies the allegations contained therein and  
17 denies that Counterclaimants are entitled to any relief.

18 **b. SECOND CAUSE OF ACTION (BREACH OF CONTRACT – SQUARE**  
19 **LOAN – BY WESTLAND VILLAGE SQUARE, LLC)**

20 226. Answering Paragraph 226, Fannie Mae incorporates by reference the statements,  
21 responses, and allegations previously set forth in this Answer as if fully set forth herein.

22 227. Answering Paragraph 227, the document referenced therein speaks for itself and,  
23 thus, no response is required. To the extent the Counterclaim misquotes, misstates, or otherwise  
24 mischaracterizes the contents of said document or legal obligations contained therein, the  
25 allegations are denied.

26 228. Answering Paragraph 228, the document referenced therein speaks for itself, and  
27 thus, no response is required. To the extent the Counterclaim misquotes, misstates, or otherwise  
28 mischaracterizes the contents of said document or legal obligations contained therein, the

1 allegations are denied.

2 229. Answering Paragraph 229, Fannie Mae admits that Grandbridge assigned its  
3 interest in the Loan Agreements to Fannie Mae and that Grandbridge continued to act Fannie  
4 Mae's servicer. Fannie Mae further admits that Counterclaimants assumed the original borrower's  
5 obligations under the Loan Agreements.

6 230. Paragraph 230 does not contain allegations against Fannie Mae and, thus, does not  
7 require a response. To the extent a response is required, does not have knowledge or information  
8 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
9 allegations contained therein.

10 231. Answering Paragraph 231, the documents referenced therein speak for themselves  
11 and, thus, no response is required. To the extent the Counterclaim misquotes, misstates, or  
12 otherwise mischaracterizes the contents of said document or legal obligations contained therein,  
13 the allegations are denied.

14 232. Paragraph 232 does not contain allegations against Fannie Mae and, thus, does not  
15 require a response. To the extent a response is required, the documents referenced therein speak  
16 for themselves. Fannie Mae denies that Liberty LLC has performed all of the duties and obligations  
17 required of it under the Loan Agreements. Fannie Mae does not have knowledge or information  
18 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
19 allegations contained therein.

20 233. Paragraph 233 does not contain allegations against Fannie Mae and, thus, does not  
21 require a response. To the extent a response is required, the documents referenced therein speak  
22 for themselves. Fannie Mae denies that Liberty LLC has performed all of the duties and obligations  
23 required of it under the Loan Agreements. Fannie Mae does not have knowledge or information  
24 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
25 allegations contained therein.

26 234. Paragraph 234 states a legal conclusion to which no response is required. To the  
27 extent a response is required, Fannie Mae denies the allegations contained therein.

28 235. Paragraph 235 states a legal conclusion to which no response is required. To the

1 extent a response is required, Fannie Mae denies the allegations contained therein.

2 236. Answering Paragraph 236, Fannie Mae denies the allegations contained therein and  
3 denies that Counterclaimants are entitled to any relief.

4 237. Answering Paragraph 237, Fannie Mae denies the allegations contained therein and  
5 denies that Counterclaimants are entitled to any relief.

6 **c. THIRD CAUSE OF ACTION (BREACH OF COVENANT OF GOOD**  
7 **FAITH AND FAIR DEALING)**

8 238. Answering Paragraph 238, Fannie Mae incorporates by reference the statements,  
9 responses, and allegations previously set forth in this Answer as if fully set forth herein.

10 239. Answering Paragraph 239, the documents referenced therein speak for themselves  
11 and, thus, no response is required. Fannie Mae admits the allegations contained therein.

12 240. Answering Paragraph 240, the documents referenced therein speak for themselves  
13 and, thus, no response is required. To the extent the Counterclaim misquotes, misstates, or  
14 otherwise mischaracterizes the contents of said document or legal obligations contained therein,  
15 the allegations are denied.

16 241. Paragraph 241 states a legal conclusion to which no response is required. To the  
17 extent a response is required, Fannie Mae admits that all contracts in Nevada contain an implied  
18 covenant of good faith and fair dealing.

19 242. Paragraph 242 does not contain allegations against Fannie Mae and, thus, does not  
20 require a response. Paragraph 242 states a legal conclusion to which no response is required. To  
21 the extent a response is required, Fannie Mae denies the allegations contained therein.

22 243. Paragraph 243 states a legal conclusion to which no response is required. To the  
23 extent a response is required, Fannie Mae denies the allegations contained therein.

24 244. Paragraph 244 does not contain allegations against Fannie Mae and, thus, does not  
25 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
26 information sufficient to form a belief as to the truth of the remaining statements and denies the  
27 remaining allegations contained therein.

28 245. Paragraph 245 states a legal conclusion to which no response is required. To the

1 extent a response is required, Fannie Mae denies the allegations contained therein.

2 246. Paragraph 246 states a legal conclusion to which no response is required. To the  
3 extent a response is required, Fannie Mae denies the allegations contained therein.

4 247. Answering Paragraph 247, Fannie Mae denies the allegations contained therein and  
5 denies that Counterclaimants are entitled to any relief.

6 248. Answering Paragraph 248, Fannie Mae denies the allegations contained therein and  
7 denies that Counterclaimants are entitled to any relief.

8 **d. FOURTH CAUSE OF ACTION (DECLARATORY RELIEF)**

9 249. Answering Paragraph 249, Fannie Mae incorporates by reference the statements,  
10 responses, and allegations previously set forth in this Answer as if fully set forth herein.

11 250. Paragraph 250 states a legal conclusion to which no response is required. To the  
12 extent a response is required, Fannie Mae denies the allegations contained therein.

13 251. Answering Paragraph 251, Fannie Mae admits that Counterclaimants and Fannie  
14 Mae are adverse parties in this dispute.

15 252. Paragraph 252 states a legal conclusion to which no response is required. To the  
16 extent a response is required, Fannie Mae admits that the dispute involves, in part, the terms of the  
17 Loan Agreements, which speak for themselves. To the extent the Counterclaim misquotes,  
18 misstates, or otherwise mischaracterizes the contents of said document or legal obligations  
19 contained therein, the allegations are denied.

20 253. Paragraph 253 does not contain allegations against Fannie Mae and, thus, does not  
21 require a response. Paragraph 253 states a legal conclusion to which no response is required. To  
22 the extent a response is required, Fannie Mae denies the allegations contained therein.

23 254. Paragraph 254 states a legal conclusion to which no response is required. To the  
24 extent a response is required, Fannie Mae admits that it forwarded notices of demand to  
25 Counterclaimants in October 2019 and denies the remaining allegations contained therein.

26 255. Paragraph 255 states a legal conclusion to which no response is required. To the  
27 extent a response is required, Fannie Mae admits that it forwarded Notices of Default and Elections  
28 to Sell the Properties in July 2020 due to Counterclaimants' failure to cure their defaults under the

1 Loan Agreements and denies the remaining allegations contained therein.

2 256. Paragraph 256 states a legal conclusion to which no response is required. To the  
3 extent a response is required, Fannie Mae admits that it filed a complaint seeking the appointment  
4 of a receiver due to Counterclaimants' failure to cure their defaults under the Loan Agreements  
5 and denies the remaining allegations contained therein.

6 257. Paragraph 257 does not contain allegations against Fannie Mae and, thus, does not  
7 require a response. To the extent a response is required, the Loan Agreements speak for themselves  
8 and, thus, no response is required. To the extent the Counterclaim misquotes, misstates, or  
9 otherwise mischaracterizes the contents of said document or legal obligations contained therein,  
10 the allegations are denied.

11 258. Paragraph 258 does not contain allegations against Fannie Mae and, thus, does not  
12 require a response. To the extent a response is required, the Loan Agreements speak for themselves  
13 and, thus, no response is required. To the extent the Counterclaim misquotes, misstates, or  
14 otherwise mischaracterizes the contents of said document or legal obligations contained therein,  
15 the allegations are denied. Fannie Mae further denies that Counterclaimants are entitled to any  
16 relief.

17 259. Answering Paragraph 259, Fannie Mae denies the allegations contained therein and  
18 denies that Counterclaimants are entitled to any relief.

19 **e. FIFTH CAUSE OF ACTION (FRAUD IN THE INDUCEMENT)**

20 260. Answering Paragraph 260, Fannie Mae incorporates by reference the statements,  
21 responses, and allegations previously set forth in this Answer as if fully set forth herein.

22 261. Paragraph 261 does not contain allegations against Fannie Mae and, thus, does not  
23 require a response. Paragraph 261 states a legal conclusion to which no response is required. To  
24 the extent a response is required, Fannie Mae denies the allegations contained therein.

25 262. Answering Paragraph 262, Fannie Mae Fannie Mae does not have knowledge or  
26 information sufficient to form a belief as to the truth of the remaining statements and denies the  
27 remaining allegations contained therein.

28 263. Answering Paragraph 263, the documents referenced therein speak for themselves

1 and, thus, no response is required. To the extent the Counterclaim misquotes, misstates, or  
2 otherwise mischaracterizes the contents of said document or legal obligations contained therein,  
3 the allegations are denied.

4 264. Answering Paragraph 264, the documents referenced therein speak for themselves  
5 and, thus, no response is required. To the extent the Counterclaim misquotes, misstates, or  
6 otherwise mischaracterizes the contents of said document or legal obligations contained therein,  
7 the allegations are denied.

8 265. Answering Paragraph 265, Fannie Mae denies the allegations contained therein.

9 266. Answering Paragraph 266, Fannie Mae denies the allegations contained therein.

10 267. Answering Paragraph 267, Fannie Mae denies the allegations contained therein.

11 268. Answering Paragraph 268, Fannie Mae denies the allegations contained therein.

12 269. Answering Paragraph 269, Fannie Mae denies the allegations contained therein.

13 270. Paragraph 270 does not contain allegations against Fannie Mae and, thus, does not  
14 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
15 information sufficient to form a belief as to the truth of the statements and denies the allegations  
16 contained therein.

17 271. Answering Paragraph, Fannie Mae denies that it made material misstatements and  
18 omissions. Fannie Mae does not have knowledge or information sufficient to form a belief as to  
19 the truth of the remaining statements and denies the remaining allegations contained therein.

20 272. Answering Paragraph 272, Fannie Mae denies that it or Grandbridge made material  
21 misstatements and omissions. Fannie Mae does not have knowledge or information sufficient to  
22 form a belief as to the truth of the remaining statements and denies the allegations contained  
23 therein.

24 273. Answering Paragraph 273, Fannie Mae denies the allegations contained therein and  
25 denies that Counterclaimants are entitled to any relief.

26 274. Answering Paragraph 274, Fannie Mae denies the allegations contained therein and  
27 denies that Counterclaimants are entitled to any relief.

28 ///



**f. SIXTH CAUSE OF ACTION (NEGLIGENT MISREPRESENTATION  
AND CONCEALMENT)**

275. Answering Paragraph 275, Fannie Mae incorporates by reference the statements, responses, and allegations previously set forth in this Answer as if fully set forth herein.

276. Answering Paragraph 276, Fannie Mae Fannie Mae denies the allegations contained therein and incorporated by reference.

277. Answering Paragraph 277, the document referenced therein speaks for itself and, thus, no response is required. To the extent the Counterclaim misquotes, misstates, or otherwise mischaracterizes the contents of said document or legal obligations contained therein, the allegations are denied.

278. Paragraph 278 does not contain allegations against Fannie Mae and, thus, does not require a response. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the remaining statements and denies the remaining allegations contained therein.

279. Answering Paragraph 279, Fannie Mae denies the allegation contained therein.

280. Answering Paragraph 280, Fannie Mae denies the allegations contained therein.

281. Paragraph 281 states a legal conclusion to which no response is required. To the extent a response is required, Fannie Mae admits that all parties to the Loan Agreements have a duty to not make material misrepresentations.

282. Paragraph 282 states a legal conclusion to which no response is required. To the extent a response is required, Fannie Mae does not have knowledge or information sufficient to form a belief as to the truth of the remaining statements and denies the remaining allegations contained therein.

283. Answering Paragraph 283, Fannie Mae denies the allegations contained therein and denies that Counterclaimants are entitled to any relief.

**g. SEVENTH CAUSE OF ACTION (CONVERSION)**

284. Answering Paragraph 284, Fannie Mae incorporates by reference the statements, responses, and allegations previously set forth in this Answer as if fully set forth herein.

1           285.       Answering Paragraph 285, Fannie Mae admits the allegations set forth therein to  
2 the extent they refer to Fannie Mae. Fannie Mae does not have knowledge or information sufficient  
3 to form a belief as to the truth of the remaining statements and denies the remaining allegations  
4 contained therein.

5           286.       Answering Paragraph 286, the documents referenced therein speak for themselves  
6 and, thus, no response is required. To the extent the Counterclaim misquotes, misstates, or  
7 otherwise mischaracterizes the contents of said document or legal obligations contained therein,  
8 the allegations are denied. Fannie Mae does not have knowledge or information sufficient to form  
9 a belief as to the truth of the remaining statements and denies the remaining allegations contained  
10 therein.

11          287.       Paragraph 287 does not contain allegations against Fannie Mae and, thus, does not  
12 require a response. To the extent a response is required, Fannie Mae admits that fire insurance  
13 claim proceeds were deposited into an escrow account. Fannie Mae denies the remaining  
14 allegations therein.

15          288.       Paragraph 288 does not contain allegations against Fannie Mae and, thus, does not  
16 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
17 information sufficient to form a belief as to the truth of the remaining statements and denies the  
18 remaining allegations contained therein.

19          289.       Paragraph 289 does not contain allegations against Fannie Mae and, thus, does not  
20 require a response. To the extent a response is required, Fannie Mae does not have knowledge or  
21 information sufficient to form a belief as to the truth of the remaining statements and denies the  
22 remaining allegations contained therein.

23          290.       Answering Paragraph 290, Fannie Mae denies the allegations contained therein.

24          291.       Answering Paragraph 291, Fannie Mae denies the allegations contained therein.

25          292.       Answering Paragraph 292, Fannie Mae denies the allegations contained therein.

26          293.       Answering Paragraph 293, Fannie Mae denies the allegations contained therein.

27          294.       Answering Paragraph 294, Fannie Mae denies the allegations contained therein and  
28 denies that Counterclaimants are entitled to any relief.

1           295.       Answering Paragraph 295, Fannie Mae denies the allegations contained therein and  
2 denies that Counterclaimants are entitled to any relief.

3           296.       Answering Paragraph 296, Fannie Mae denies the allegations contained therein and  
4 denies that Counterclaimants are entitled to any relief.

5                   **h.       EIGHTH CAUSE OF ACTION (INJUNCTIVE RELIEF)**

6           297.       Answering Paragraph 297, Fannie Mae incorporates by reference the statements,  
7 responses, and allegations previously set forth in this Answer as if fully set forth herein.

8           298.       Answering Paragraph 298, Fannie Mae admits the allegations contained therein.

9           299.       Paragraph 299 does not contain allegations against Fannie Mae and, thus, does not  
10 require a response. To the extent a response is required, Fannie Mae denies the statements  
11 contained therein.

12          300.       Answering Paragraph 300, Fannie Mae denies the allegation contained therein.

13          301.       Answering Paragraph 301, Fannie Mae denies the allegations contained therein.

14          302.       Paragraph 302 states a legal conclusion to which no response is required. To the  
15 extent a response is required, Fannie Mae denies the statements contained therein.

16          303.       Answering Paragraph 303, Fannie Mae denies the statements contained therein and  
17 denies that Counterclaimants are entitled to any relief.

18          304.       Paragraph 304 states a legal conclusion to which no response is required. To the  
19 extent a response is required, Fannie Mae denies the statements contained therein.

20          305.       Answering Paragraph 305, Fannie Mae denies the allegations contained therein and  
21 denies that Counterclaimants are entitled to any relief.

22          306.       Answering Paragraph 306, Fannie Mae denies the allegations contained therein and  
23 denies that Counterclaimants are entitled to any relief.

24                   **i.       NINTH CAUSE OF ACTION (EQUITABLE RELIEF/ RESCISSION/  
25 REFORMATION)**

26          307.       Answering Paragraph 307, Fannie Mae incorporates by reference the statements,  
27 responses, and allegations previously set forth in this Answer as if fully set forth herein.

28          308.       Answering Paragraph 308, Fannie Mae admits the allegations contained therein.

1           309.       Paragraph 309 does not contain allegations against Fannie Mae and, thus, does not  
2 require a response. To the extent a response is required, the documents referenced therein speak  
3 for themselves and, thus, no response is required. To the extent the Counterclaim misquotes,  
4 misstates, or otherwise mischaracterizes the contents of said document or legal obligations  
5 contained therein, the allegations are denied.

6           310.       Paragraph 310 does not contain allegations against Fannie Mae and, thus, does not  
7 require a response. To the extent a response is required, the documents referenced therein speak  
8 for themselves and, thus, no response is required. To the extent the Counterclaim misquotes,  
9 misstates, or otherwise mischaracterizes the contents of said document or legal obligations  
10 contained therein, the allegations are denied.

11           311.       Paragraph 311 does not contain allegations against Fannie Mae and, thus, does not  
12 require a response. To the extent a response is required, the documents referenced therein speak  
13 for themselves and, thus, no response is required. To the extent the Counterclaim misquotes,  
14 misstates, or otherwise mischaracterizes the contents of said document or legal obligations  
15 contained therein, the allegations are denied.

16           312.       Paragraph 312 does not contain allegations against Fannie Mae and, thus, does not  
17 require a response. To the extent a response is required, the documents referenced therein speak  
18 for themselves and, thus, no response is required. To the extent the Counterclaim misquotes,  
19 misstates, or otherwise mischaracterizes the contents of said document or legal obligations  
20 contained therein, the allegations are denied.

21           313.       Answering Paragraph 313, Fannie Mae denies the remaining allegations contained  
22 therein.

23           314.       Answering Paragraph 314, Fannie Mae denies the allegations contained therein.

24           315.       Answering Paragraph 315, Fannie Mae does not have knowledge or information  
25 sufficient to form a belief as to the truth of the remaining statements and denies the remaining  
26 allegations contained therein.

27           316.       Paragraph 316 does not contain allegations against Fannie Mae and, thus, does not  
28 require a response. To the extent a response is required, Fannie Mae does not have knowledge or

1 information sufficient to form a belief as to the truth of the remaining statements and denies the  
2 remaining allegations contained therein.

3 317. Answering Paragraph 317, Fannie Mae denies the allegations set forth therein and  
4 denies that Counterclaimants are entitled to any relief.

5 318. Answering Paragraph 318, denies the allegations set forth therein and denies that  
6 Counterclaimants are entitled to any relief.

7 319. Answering Paragraph 319, Fannie Mae denies the allegations set forth therein and  
8 denies that Counterclaimants are entitled to any relief.

9 Fannie Mae denies that Counterclaimants are entitled to any relief set forth in their prayer  
10 for relief.

### 11 **AFFIRMATIVE DEFENSES**

12 As a separate defense, Fannie Mae asserts the following affirmative defenses:

#### 13 **FIRST AFFIRMATIVE DEFENSE**

14 Counterclaimants' contract-based claims are barred by the doctrine of recoupment.

#### 15 **SECOND AFFIRMATIVE DEFENSE**

16 Counterclaimants' claims for relief are barred by the doctrine of estoppel because  
17 Counterclaimants defaulted on the Loan Agreements prior to Fannie Mae's alleged actions  
18 supporting Counterclaimants' claims.

#### 19 **THIRD AFFIRMATIVE DEFENSE**

20 Counterclaimants' claims for relief are barred by the doctrine of unclean hands because  
21 Counterclaimants defaulted on the Loan Agreements prior to Fannie Mae's alleged actions  
22 supporting Counterclaimants' claims. Further, as alleged in Fannie Mae's Verified Complaint,  
23 Counterclaimants have acted, and continue to act, in direct violation of the Loan Agreements by,  
24 *inter alia*, failing to meet their payment and repair obligations therein.

#### 25 **FOURTH AFFIRMATIVE DEFENSE**

26 Counterclaimants' claims for relief are barred by the doctrine of laches because  
27 Counterclaimants failed to bring their counterclaims against Fannie Mae in a timely manner. The  
28 issues underlying this matter first arose in 2019 and continued into 2020. Despite ongoing

1 communications between the parties regarding Counterclaimants' defaults under the Loan  
2 Agreements, Counterclaimants failed to raise any issues and/or potential claims against Fannie  
3 Mae until they filed their Counterclaim nearly a year later on August 31, 2020.

#### 4 **FIFTH AFFIRMATIVE DEFENSE**

5 Counterclaimants' claims for relief are barred by the doctrine of waiver because  
6 Counterclaimants waived their right to any claims arising from the Loan Agreements due to their  
7 material defaults, which occurred earlier in time than the allegations against Fannie Mae.

#### 8 **SIXTH AFFIRMATIVE DEFENSE**

9 Counterclaimants have suffered no damages and, therefore, are not entitled to relief.

#### 10 **SEVENTH AFFIRMATIVE DEFENSE**

11 Counterclaimants' claims for relief are barred by ratification and acquiescence, because  
12 Counterclaimants acknowledged significant damages at the Properties through their "Strategic  
13 Plan" and allegedly began attempting to cure some of their defaults by making repairs.

#### 14 **EIGHTH AFFIRMATIVE DEFENSE**

15 Counterclaimants' claims for relief are barred by fraud because Counterclaimants have  
16 falsely represented that they have repaired the Properties when, in fact, the Properties remain in  
17 disrepair. Counterclaimants purposefully mislead Fannie Mae in an attempt to induce Fannie Mae  
18 to not enforce its rights in the Loan Agreements by, *inter alia*, not pursuing foreclosure  
19 proceedings and lowering the required reserve amounts in the repair and replacement accounts for  
20 the Properties.

#### 21 **NINTH AFFIRMATIVE DEFENSE**

22 Counterclaimants' claims for relief are barred by their prior material breaches as alleged  
23 in the Verified Complaint.

#### 24 **TENTH AFFIRMATIVE DEFENSE**

25 Counterclaimants' claims for relief are barred by their failure to mitigate damages because  
26 Counterclaimants were or should have been aware of the potential damages arising from their  
27 defaults under the Loan Agreements and nonetheless refused to cure their defaults under the Loan  
28 Documents or to fund the requested reserve and challenge it later.

**ELEVENTH AFFIRMATIVE DEFENSE**

Counterclaimants' claims for relief are barred because Counterclaimants acted in bad faith by preventing Fannie Mae's access to the Properties for over a year, in direct violation of the Loan Agreements, so that Fannie Mae could assess the condition of the Properties, thereby leaving Fannie Mae with no choice but to initiate foreclosure proceedings against the Properties and to initiate legal proceedings against Counterclaimants.

**TWELFTH AFFIRMATIVE DEFENSE**

Counterclaimants' claims for relief are barred by promissory estoppel because Counterclaimants assured Fannie Mae that it made, and is continuing to make, significant repairs to the Properties in an attempt to induce Fannie Mae stop enforcing its rights under the Loan Agreements. Those promises are false, and Counterclaimants should be barred from any recovery.

**THIRTEENTH AFFIRMATIVE DEFENSE**

Counterclaimants' claims for relief are barred under the doctrine of *in pari delicto* because, even if Fannie Mae took the actions alleged in the Counterclaim, Counterclaimants bear, at minimum, equal responsibility for the issues alleged in this matter.

**FOURTEENTH AFFIRMATIVE DEFENSE**

Counterclaimants' claims for relief are barred because Counterclaimants would be unjustly enriched if they were permitted to obtain any recovery in this action. Counterclaimants have not suffered any actual damages—only the threat of future losses due to their own actions—and any damages awarded would result in a windfall to Counterclaimants.

**FIFTEENTH AFFIRMATIVE DEFENSE**

Counterclaimants' claims for relief are barred because Fannie Mae has substantially performed under the Loan Agreements and other Loan Documents.

**SIXTEENTH AFFIRMATIVE DEFENSE**

Counterclaimants' claims are barred as a result of an invalid modification, because the Assumption Approval Letters do not, and should not, modify Fannie Mae's ability to request additional reserve deposits pursuant to the plain terms of the Loan Agreements.

///

**SEVENTEENTH AFFIRMATIVE DEFENSE**

Counterclaimants' claims should be dismissed because Counterclaimants failed to name a necessary and/or indispensable party to this action – the entities they purchased the Properties from.

**EIGHTEENTH AFFIRMATIVE DEFENSE**

Counterclaimants' damages, if any claims succeed, should be reduced by the doctrines of setoff, offset and/or contribution because Counterclaimants owe money to Fannie Mae under the Loan Agreements or because the non-party, Shamrock Entities, received the payments Counterclaimants paid to purchase the Properties.

**NINETEENTH AFFIRMATIVE DEFENSE**

Counterclaimants' claims for relief are barred by the doctrine of assumption of risk because Counterclaimants knowingly assumed the obligations in the Loan Agreements after completing their own due diligence, including the risk of loss of their investments in the event they defaulted on the Loan Agreements.

**TWENTIETH AFFIRMATIVE DEFENSE**

Counterclaimants' claims for relief are barred by the statute of limitations.

**TWENTY-FIRST AFFIRMATIVE DEFENSE**

Fannie Mae acted reasonably and in good faith at all times material herein. Accordingly, Counterclaimants are barred from any recovery in this action.

**TWENTY-SECOND AFFIRMATIVE DEFENSE**

Counterclaimants' breach of contract claims are barred by their failure to satisfy conditions precedent. Namely, Counterclaimants failed to perform their payment and repair obligations.

**TWENTY-THIRD AFFIRMATIVE DEFENSE**

Counterclaimants should not be granted any declaratory relief, because Counterclaimants' self-serving interpretation of the Loan Agreements contradicts the plain language therein.

**TWENTY-FOURTH AFFIRMATIVE DEFENSE**

Counterclaimants' claims for fraud are barred because Fannie Mae did not make a false statement and/or omit any material statements.



**TWENTY-FIFTH AFFIRMATIVE DEFENSE**

Counterclaimants are not entitled to injunctive relief because there exists an adequate remedy at law.

**TWENTY-SIXTH AFFIRMATIVE DEFENSE**

Counterclaimants are not entitled to injunctive relief because they cannot show a likelihood of success on the merits.

**TWENTY-SEVENTH AFFIRMATIVE DEFENSE**

Counterclaimants are not entitled to injunctive relief because they will not be irreparably harmed without an injunction.

**TWENTY-EIGHTH AFFIRMATIVE DEFENSE**

Counterclaimants are not entitled to any punitive damages, if any of their claims are successful, because Fannie Mae's conduct was not oppressive, nor did Fannie Mae act with malice, oppression, or fraud. Further, Counterclaimants' Counterclaim fails to set forth any facts which would support a basis for punitive or exemplary damages against Fannie Mae. Additionally, Fannie Mae is a federal instrumentality, under the conservatorship of the Federal Housing Finance Agency, and, as such, punitive damages cannot be awarded against Fannie Mae.

**TWENTY-NINTH AFFIRMATIVE DEFENSE**

Counterclaimants claims are barred, in whole or in part, by the economic loss doctrine.

**THIRTIETH AFFIRMATIVE DEFENSE**

Counterclaimants are not entitled to equitable relief for rescission or reformation of the Loan Agreements because the parties did not share any misconceptions regarding the Loan Agreements' terms.

**THIRTY-FIRST AFFIRMATIVE DEFENSE**

Counterclaimants are not entitled to equitable relief for rescission or reformation of the Loan Agreements because, even if there was a mistake by either party, the misconception did not affect the material purpose and/or material terms of the Loan Agreements.

**THIRTY-SECOND AFFIRMATIVE DEFENSE**

Counterclaimants are not entitled to their claims for declaratory, injunctive, or other

1 equitable relief against Fannie Mae pursuant to 12 USC § 4617(f), because such actions restrain  
2 or affect the exercise of powers or functions of the Federal Housing Finance Agency in its capacity  
3 as conservator over Fannie Mae.

#### 4 **THIRTY-THIRD AFFIRMATIVE DEFENSE**

5 Counterclaimants are not entitled to maintain some or all of their claims against Fannie  
6 Mae under the Housing and Economic Recovery Act of 2008 (“HERA”).

#### 7 **THIRTY-FOURTH AFFIRMATIVE DEFENSE**

8 Fannie Mae’s performance under the Loan Documents is excused by Counterclaimants  
9 non-performance.

#### 10 **THIRTY-FIFTH AFFIRMATIVE DEFENSE**

11 Counterclaimants lack standing to assert claims and recover the damages they seek.

#### 12 **THIRTY-SIXTH AFFIRMATIVE DEFENSE**

13 Counterclaimants claims are barred by the voluntary payment doctrine.

#### 14 **THIRTY-SEVENTH AFFIRMATIVE DEFENSE**

15 Counterclaimants claims arise from a purchase and sale agreement that Counterclaimants  
16 entered into with a third party prior to the assumption of the Fannie Mae Loan Documents. Fannie  
17 Mae is not a party to or in privity with any party to the contracts by which Counterclaims acquired  
18 the properties. Counterclaimants did not detrimentally rely on any representation from Fannie Mae  
19 when entering into the purchase and sale agreements for the properties.

#### 20 **RESERVATION OF RIGHT TO ADD AFFIRMATIVE DEFENSES**

21 By alleging the matters set forth above as “Affirmative Defenses,” Fannie Mae does not  
22 thereby allege or admit that it has the burden of proof or the burden of persuasion with respect to  
23 any of those matters. Fannie Mae presently has insufficient knowledge or information on which  
24 to form a belief as to whether it may have additional, as yet unstated, defenses available.  
25 Accordingly, Fannie Mae hereby gives notice that it intends to rely upon such other and further  
26 defenses that may become available or apparent during discovery or pre-trial proceedings in this  
27 case and hereby reserves its rights to assert such defenses. Because the facts have not been fully  
28 developed, Fannie Mae affirmatively pleads accord and satisfaction; arbitration and award;

1 assumption of risk; contributory negligence; discharge in bankruptcy; duress; estoppel; failure of  
2 consideration; fraud; illegality; injury by fellow servant; laches; license; payment; release; res  
3 judicata; statute of frauds; statute of limitations; and waiver. Fannie Mae further reserves the right  
4 to amend its Answer and affirmative defenses accordingly and to delete affirmative defenses that  
5 Fannie Mae determines are not applicable during the course of this litigation.

6 **PRAYER FOR RELIEF**

7 WHEREFORE, Fannie Mae respectfully requests relief as follows:

- 8 1. That Counterclaimants take nothing by way of their Counterclaim;
- 9 2. That the Counterclaim be dismissed with prejudice;
- 10 3. That Fannie Mae be awarded its attorneys' fees and costs; and
- 11 4. For such other and further relief as the Court may deem just and proper.

12 Dated: February 18, 2021.

SNELL & WILMER L.L.P.

13 By: /s/ Nathan G. Kanute

14 Nathan G. Kanute, Esq. (NV Bar No. 12413)  
15 Bob L. Olson, Esq. (NV Bar No. 3783)  
16 David L. Edelblute, Esq. (NV Bar No. 14049)

17 *Attorneys for Plaintiff Federal National*  
18 *Mortgage Association*  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**CERTIFICATE OF SERVICE**

I, the undersigned, declare under penalty of perjury, that I am over the age of eighteen years, and I am not a party to, nor interested in, this action. On this date, I caused to be served a true and correct copy of the foregoing **FEDERAL NATIONAL MORTGAGE ASSOCIATION'S ANSWER TO COUNTERCLAIM** by the method indicated:

\_\_\_\_\_ U. S. Mail  
\_\_\_\_\_ U.S. Certified Mail  
\_\_\_\_\_ Facsimile Transmission  
\_\_\_\_\_ Federal Express  
 X  Electronic Service  
\_\_\_\_\_ E-mail

and addressed to the following:

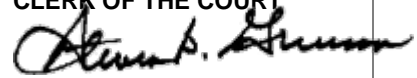
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Grandbridge Real Estate Capital, LLC*

DATED: February 18, 2021.

/s/ Lara J. Taylor  
An Employee of Snell & Wilmer L.L.P.



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the Federal National Mortgage Association*

**DISTRICT COURT  
CLARK COUNTY, NEVADA**

FEDERAL NATIONAL MORTGAGE  
ASSOCIATION,

Plaintiff,

vs.

WESTLAND LIBERTY VILLAGE, LLC, a  
Nevada limited liability company; and  
WESTLAND VILLAGE SQUARE, LLC, a  
Nevada limited liability company,

Defendants.

AND ALL RELATED CLAIMS

CASE NO.: A-20-819412-B

DEPT. NO.: XIII

**FEDERAL HOUSING FINANCE AGENCY'S ANSWER TO  
DEFENDANTS' COUNTERCLAIM**

Intervenor Counter-Defendant Federal Housing Finance Agency ("FHFA"), in its  
capacity as Conservator for the Federal National Mortgage Association ("Fannie Mae"), submits

1 this Answer in accordance with Nevada Rule of Civil Procedure 8 and in response to Defendants  
2 Westland Liberty Village, LLC's and Westland Village Square, LLC's Counterclaim as follows.<sup>1</sup>

3 **PRELIMINARY STATEMENT**

4 FHFA is not alleged to have had any direct involvement in the transactions and  
5 occurrences underlying any of the claims at issue in this action, and has no independent  
6 knowledge of the facts and circumstances underlying them. FHFA respectfully refers the Court  
7 and the parties to Fannie Mae's pleadings. FHFA has intervened for the limited purposes of  
8 (1) asserting certain affirmative defenses under federal law to the counterclaims asserted by  
9 Defendants, including but not limited to defenses precluding injunctive relief against FHFA and  
10 Fannie Mae and prohibiting the imposition of penalties, fines, or other sanctions; (2) moving to  
11 dissolve the preliminary injunction; and (3) thereby contesting Defendants' counterclaims.  
12 Order Granting Mot. to Intervene at 1 (June 11, 2021). FHFA incorporates this Preliminary  
13 Statement into each paragraph below.

14 **I. STATEMENT OF THE CASE**

15 1. Paragraph 1 of the Counterclaim states legal conclusions that do not require a  
16 response. FHFA is without knowledge or information sufficient to form a belief as to the truth of  
17 the remaining allegations within Paragraph 1, and refers Defendants to Fannie Mae's Answer to  
18 Counterclaim.

19 2. Paragraph 2 of the Counterclaim states a legal conclusion that does not require a  
20 response. FHFA is without knowledge or information sufficient to form a belief as to the truth of  
21 the remaining allegations within Paragraph 2, and refers Defendants to Fannie Mae's Answer to  
22 Counterclaim.

23 3. Paragraph 3 of the Counterclaim states legal conclusions that do not require a  
24 response. FHFA is without knowledge or information sufficient to form a belief as to the truth of  
25 the remaining allegations within Paragraph 3, and refers Defendants to Fannie Mae's Answer to  
26 Counterclaim.

---

27 <sup>1</sup> As a governmental party, FHFA is not required to file a disclosure statement. *See* NRC  
28 7.1(a)(1) (the disclosure statement requirement applies to "nongovernmental part[ies]").

1           4.       Paragraph 4 of the Counterclaim states a legal conclusion that does not require a  
2 response. FHFA is without knowledge or information sufficient to form a belief as to the truth of  
3 the remaining allegations within Paragraph 4, and refers Defendants to Fannie Mae's Answer to  
4 Counterclaim.

5       **II.     PARTIES**

6           5.       FHFA is without knowledge or information sufficient to form a belief as to the  
7 truth of the allegations within Paragraph 5 of the Counterclaim.

8           6.       FHFA is without knowledge or information sufficient to form a belief as to the  
9 truth of the allegations within Paragraph 6 of the Counterclaim.

10          7.       FHFA admits the allegations in Paragraph 7 of the Counterclaim.

11          8.       FHFA is without knowledge or information sufficient to form a belief as to the  
12 truth of the allegations within Paragraph 8 of the Counterclaim.

13          9.       Paragraph 9 of the Counterclaim states legal conclusions that do not require a  
14 response. FHFA is without knowledge or information sufficient to form a belief as to the truth of  
15 the allegations within Paragraph 9 of the Counterclaim, and refers Defendants to Fannie Mae's  
16 Answer to Counterclaim.

17       **III.    FACTS COMMON TO ALL CAUSES OF ACTION**

18          10.       FHFA repeats its responses to Paragraphs 1-9 of the Counterclaim as if fully  
19 stated herein.

20       **Westland's Real Estate Wherewithal**

21          11.       FHFA is without knowledge or information sufficient to form a belief as to the  
22 truth of the allegations within Paragraph 11 of the Counterclaim.

23          12.       FHFA is without knowledge or information sufficient to form a belief as to the  
24 truth of the allegations within Paragraph 12 of the Counterclaim.

25          13.       FHFA is without knowledge or information sufficient to form a belief as to the  
26 truth of the allegations within Paragraph 13 of the Counterclaim.

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- a. FHFA is without knowledge or information sufficient to form a belief as to the truth of the allegations within Paragraph 13(a) of the Counterclaim.
- b. FHFA is without knowledge or information sufficient to form a belief as to the truth of the allegations within Paragraph 13(b) of the Counterclaim.
- c. FHFA is without knowledge or information sufficient to form a belief as to the truth of the allegations within Paragraph 13(c) of the Counterclaim.
- d. FHFA is without knowledge or information sufficient to form a belief as to the truth of the allegations within Paragraph 13(d) of the Counterclaim.
- e. FHFA is without knowledge or information sufficient to form a belief as to the truth of the allegations within Paragraph 13(e) of the Counterclaim.
- f. FHFA is without knowledge or information sufficient to form a belief as to the truth of the allegations within Paragraph 13(f) of the Counterclaim.
- g. FHFA is without knowledge or information sufficient to form a belief as to the truth of the allegations within Paragraph 13(g) of the Counterclaim.
- h. FHFA is without knowledge or information sufficient to form a belief as to the truth of the allegations within Paragraph 13(h) of the Counterclaim.
- i. FHFA is without knowledge or information sufficient to form a belief as to the truth of the allegations within Paragraph 13(i) of the Counterclaim.

14. FHFA is without knowledge or information sufficient to form a belief as to the truth of the allegations within Paragraph 14 of the Counterclaim.

**The Westland Liberty Property & Square Property Ownership**

15. FHFA is without knowledge or information sufficient to form a belief as to the truth of the allegations within Paragraph 15 of the Counterclaim.

16. Paragraph 16 of the Counterclaim states a legal conclusion that does not require a response. Paragraph 16 also references a Grant, Bargain and Sale Deed recorded on or about August 30, 2018 on the property located at 4870 Nellis Oasis Lane in Las Vegas. The deed speaks for itself.



1           17.     FHFA is without knowledge or information sufficient to form a belief as to the  
2 truth of the allegations within Paragraph 17 of the Counterclaim.

3           18.     Paragraph 18 of the Counterclaim states a legal conclusion that does not require a  
4 response. Paragraph 18 also references a Grant, Bargain and Sale Deed recorded on or about  
5 August 30, 2018 on the property located at 5025 Nellis Oasis Lane in Las Vegas. The deed  
6 speaks for itself.

7     **The Shamrock Purchase**

8           19.     FHFA is without knowledge or information sufficient to form a belief as to the  
9 truth of the allegations within Paragraph 19 of the Counterclaim.

10          20.     FHFA is without knowledge or information sufficient to form a belief as to the  
11 truth of the allegations within Paragraph 20 of the Counterclaim.

12          21.     FHFA is without knowledge or information sufficient to form a belief as to the  
13 truth of the allegations within Paragraph 21 of the Counterclaim.

14          22.     FHFA is without knowledge or information sufficient to form a belief as to the  
15 truth of the allegations within Paragraph 22 of the Counterclaim.

16          23.     FHFA is without knowledge or information sufficient to form a belief as to the  
17 truth of the allegations within Paragraph 23 of the Counterclaim, and refers Defendants to Fannie  
18 Mae's Answer to Counterclaim.

19          24.     FHFA is without knowledge or information sufficient to form a belief as to the  
20 truth of the allegations within Paragraph 24 of the Counterclaim.

21     **The Properties' Condition During the Shamrock Years**

22          25.     FHFA is without knowledge or information sufficient to form a belief as to the  
23 truth of the allegations within Paragraph 25 of the Counterclaim.

24          26.     FHFA is without knowledge or information sufficient to form a belief as to the  
25 truth of the allegations within Paragraph 26 of the Counterclaim.

26          27.     FHFA is without knowledge or information sufficient to form a belief as to the  
27 truth of the allegations within Paragraph 27 of the Counterclaim.

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1           28.     FHFA is without knowledge or information sufficient to form a belief as to the  
2 truth of the allegations within Paragraph 28 of the Counterclaim.

3           29.     FHFA is without knowledge or information sufficient to form a belief as to the  
4 truth of the allegations within Paragraph 29 of the Counterclaim.

5           30.     FHFA is without knowledge or information sufficient to form a belief as to the  
6 truth of the allegations within Paragraph 30 of the Counterclaim.

7           31.     FHFA is without knowledge or information sufficient to form a belief as to the  
8 truth of the allegations within Paragraph 31 of the Counterclaim.

9           32.     FHFA is without knowledge or information sufficient to form a belief as to the  
10 truth of the allegations within Paragraph 32 of the Counterclaim.

11          33.     FHFA is without knowledge or information sufficient to form a belief as to the  
12 truth of the allegations within Paragraph 33 of the Counterclaim.

13          34.     FHFA is without knowledge or information sufficient to form a belief as to the  
14 truth of the allegations within Paragraph 34 of the Counterclaim.

15          35.     FHFA is without knowledge or information sufficient to form a belief as to the  
16 truth of the allegations within Paragraph 35 of the Counterclaim, and refers Defendants to Fannie  
17 Mae's Answer to Counterclaim.

18          36.     Paragraph 36 of the Counterclaim references a Notice and Declaration of Chronic  
19 Nuisance from the Las Vegas Metropolitan Police Department dated April 4, 2018. The notice  
20 speaks for itself. FHFA is without knowledge or information sufficient to form a belief as to the  
21 truth of the remaining allegations within Paragraph 36.

22          37.     Paragraph 37 of the Counterclaim references a Notice and Declaration of Chronic  
23 Nuisance from the Las Vegas Metropolitan Police Department dated April 4, 2018. The notice  
24 speaks for itself. FHFA is without knowledge or information sufficient to form a belief as to the  
25 truth of the allegations within Paragraph 37.

26          38.     Paragraph 38 of the Counterclaim references a Notice and Declaration of Chronic  
27 Nuisance from the Las Vegas Metropolitan Police Department dated April 4, 2018. The notice  
28

1 speaks for itself. FHFA is without knowledge or information sufficient to form a belief as to the  
2 truth of the allegations within Paragraph 38.

3 39. Paragraph 39 of the Counterclaim references a Notice and Declaration of Chronic  
4 Nuisance from the Las Vegas Metropolitan Police Department dated April 4, 2018. The notice  
5 speaks for itself. FHFA is without knowledge or information sufficient to form a belief as to the  
6 truth of the allegations within Paragraph 39.

7 40. FHFA is without knowledge or information sufficient to form a belief as to the  
8 truth of the allegations within Paragraph 40 of the Counterclaim.

9 **Shamrock's Exit Strategy & The Loan Agreements**

10 41. FHFA is without knowledge or information sufficient to form a belief as to the  
11 truth of the allegations within Paragraph 41 of the Counterclaim.

12 42. FHFA is without knowledge or information sufficient to form a belief as to the  
13 truth of the allegations within Paragraph 42 of the Counterclaim.

14 43. FHFA is without knowledge or information sufficient to form a belief as to the  
15 truth of the allegations within Paragraph 43 of the Counterclaim.

16 44. FHFA is without knowledge or information sufficient to form a belief as to the  
17 truth of the allegations within Paragraph 44 of the Counterclaim.

18 45. FHFA is without knowledge or information sufficient to form a belief as to the  
19 truth of the allegations within Paragraph 45 of the Counterclaim, and refers Defendants to Fannie  
20 Mae's Answer to Counterclaim.

21 46. FHFA is without knowledge or information sufficient to form a belief as to the  
22 truth of the allegations within Paragraph 46 of the Counterclaim, and refers Defendants to Fannie  
23 Mae's Answer to Counterclaim.

24 47. FHFA admits that certain information about DUS lending practices can be found  
25 on Fannie Mae's website at <https://fm.fanniemae.com/powerofpartnershiparbor/index.html>. The  
26 information on the website speaks for itself. FHFA is without knowledge or information  
27 sufficient to form a belief as to the truth of the remaining allegations within Paragraph 47 of the  
28 Counterclaim, and refers Defendants to Fannie Mae's Answer to Counterclaim.

1           48.     FHFA is without knowledge or information sufficient to form a belief as to the  
2 truth of the allegations within Paragraph 48.

3           49.     FHFA is without knowledge or information sufficient to form a belief as to the  
4 truth of the allegations within Paragraph 49 of the Counterclaim.

5           50.     In response to Paragraph 50 of the Counterclaim, FHFA admits that Fannie Mae's  
6 DUS lenders are subject to certain criteria for loans and are subject to review. FHFA is without  
7 knowledge or information sufficient to form a belief as to the truth of the remaining allegations  
8 within Paragraph 50, and refers Defendants to Fannie Mae's Answer to Counterclaim.

9           51.     FHFA is without knowledge or information sufficient to form a belief as to the  
10 truth of the allegations within Paragraph 51 of the Counterclaim.

11           **Grandbridge's & Fannie Mae's Reserve Requirements for the Shamrock Entities**

12           52.     Paragraph 52 of the Counterclaim states legal conclusions that do not require a  
13 response. FHFA is without knowledge or information sufficient to form a belief as to the truth of  
14 the remaining allegations within Paragraph 52.

15           53.     FHFA is without knowledge or information sufficient to form a belief as to the  
16 truth of the allegations within Paragraph 53 of the Counterclaim, and refers Defendants to Fannie  
17 Mae's Answer to Counterclaim.

18           54.     Paragraph 54 of the Counterclaim references a Property Condition Assessment  
19 Report for Liberty Village and a Property Condition Assessment Report for Village Square.  
20 Those documents speak for themselves. FHFA is without knowledge or information sufficient to  
21 form a belief as to the truth of the remaining allegations contained in Paragraph 54, and refers  
22 Defendants to Fannie Mae's Answer to Counterclaim.

23           55.     Paragraph 55 of the Counterclaim references a Property Condition Assessment  
24 Report for Liberty Village and a Property Condition Assessment Report for Village Square.  
25 Those documents speak for themselves. FHFA is without knowledge or information sufficient to  
26 form a belief as to the truth of the remaining allegations contained in Paragraph 55, and refers  
27 Defendants to Fannie Mae's Answer to Counterclaim.

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1           56. Paragraph 56 of the Counterclaim references a Property Condition Assessment  
2 Report for Liberty Village and a Property Condition Assessment Report for Village Square.  
3 Those documents speak for themselves. FHFA is without knowledge or information sufficient to  
4 form a belief as to the truth of the remaining allegations contained in Paragraph 56, and refers  
5 Defendants to Fannie Mae's Answer to Counterclaim.

6           57. Paragraph 57 of the Counterclaim references a Property Condition Assessment  
7 Report for Liberty Village and a Property Condition Assessment Report for Village Square.  
8 Those documents speak for themselves. FHFA is without knowledge or information sufficient to  
9 form a belief as to the truth of the remaining allegations contained in Paragraph 57, and refers  
10 Defendants to Fannie Mae's Answer to Counterclaim.

11           58. Paragraph 58 of the Counterclaim references a Property Condition Assessment  
12 Report for Liberty Village and a Property Condition Assessment Report for Village Square.  
13 Those documents speak for themselves. FHFA is without knowledge or information sufficient to  
14 form a belief as to the truth of the remaining allegations contained in Paragraph 58, and refers  
15 Defendants to Fannie Mae's Answer to Counterclaim.

16           59. FHFA is without knowledge or information sufficient to form a belief as to the  
17 truth of the allegations within Paragraph 59 of the Counterclaim, and refers Defendants to Fannie  
18 Mae's Answer to Counterclaim.

19           60. Paragraph 60 of the Counterclaim references the Liberty Village Loan Agreement  
20 and Village Square Loan Agreement, which were submitted as exhibits to Plaintiffs' Complaint.  
21 Those documents speak for themselves. FHFA is without knowledge or information sufficient to  
22 form a belief as to the truth of the remaining allegations contained in Paragraph 60, and refers  
23 Defendants to Fannie Mae's Answer to Counterclaim.

24           61. Paragraph 61 of the Counterclaim references the Liberty Village Loan Agreement  
25 and Village Square Loan Agreement, which were submitted as exhibits to Plaintiffs' Complaint.  
26 Those documents speak for themselves. FHFA is without knowledge or information sufficient to  
27 form a belief as to the truth of the remaining allegations contained in Paragraph 61, and refers  
28 Defendants to Fannie Mae's Answer to Counterclaim.

1           62.     FHFA is without knowledge or information sufficient to form a belief as to the  
2 truth of the allegations within Paragraph 62 of the Counterclaim.

3           63.     FHFA is without knowledge or information sufficient to form a belief as to the  
4 truth of the allegations within Paragraph 63 of the Counterclaim, and refers Defendants to Fannie  
5 Mae's Answer to Counterclaim.

6     **Westland's Purchase of the Properties & Loan Assumption**

7           64.     FHFA is without knowledge or information sufficient to form a belief as to the  
8 truth of the allegations within Paragraph 64 of the Counterclaim, and refers Defendants to Fannie  
9 Mae's Answer to Counterclaim.

10          65.     Paragraph 65 of the Counterclaim references the Purchase and Sale Agreement  
11 for Liberty Village dated June 22, 2018. The agreement speaks for itself. FHFA is without  
12 knowledge or information sufficient to form a belief as to the truth of the remaining allegations  
13 contained in Paragraph 65.

14          66.     Paragraph 66 of the Counterclaim references the Purchase and Sale Agreement  
15 for Village Square dated June 22, 2018. The agreement speaks for itself. FHFA is without  
16 knowledge or information sufficient to form a belief as to the truth of the remaining allegations  
17 contained in Paragraph 66.

18          67.     Paragraph 67 of the Counterclaim references the Assumption Closing Statement  
19 for Liberty Village, dated August 29, 2018, and the Assumption Closing Statement for Village  
20 Square, dated August 29, 2018. Those documents speak for themselves. FHFA is without  
21 knowledge or information sufficient to form a belief as to the truth of the remaining allegations  
22 contained in Paragraph 67.

23          68.     Paragraph 68 of the Counterclaim references the Assumption Closing Statement  
24 for Liberty Village, dated August 29, 2018, and the Assumption Closing Statement for Village  
25 Square, dated August 29, 2018. Those documents speak for themselves. FHFA is without  
26 knowledge or information sufficient to form a belief as to the truth of the remaining allegations  
27 contained in Paragraph 68.

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1           69. Paragraph 69 of the Counterclaim references the Liberty Village Loan Agreement  
2 and Village Square Loan Agreement, which were submitted as exhibits to Plaintiffs' Complaint.  
3 Those documents speak for themselves. FHFA is without knowledge or information sufficient to  
4 form a belief as to the truth of the allegations contained in Paragraph 69, and refers Defendants  
5 to Fannie Mae's Answer to Counterclaim.

6           70. FHFA is without knowledge or information sufficient to form a belief as to the  
7 truth of the allegations within Paragraph 70 of the Counterclaim, and refers Defendants to Fannie  
8 Mae's Answer to Counterclaim.

9           71. Paragraph 71 of the Counterclaim references the Assumption Approval Letter for  
10 Liberty Village, dated August 22, 2018, and the Assumption Approval Letter for Village Square,  
11 dated August 22, 2018. Those documents speak for themselves. FHFA is without knowledge or  
12 information sufficient to form a belief as to the truth of the remaining allegations contained in  
13 Paragraph 71, and refers Defendants to Fannie Mae's Answer to Counterclaim.

14           72. Paragraph 72 of the Counterclaim references the Assumption Approval Letter for  
15 Liberty Village, dated August 22, 2018, and the Assumption Approval Letter for Village Square,  
16 dated August 22, 2018. Those documents speak for themselves. FHFA is without knowledge or  
17 information sufficient to form a belief as to the truth of the remaining allegations contained in  
18 Paragraph 72.

19           73. FHFA is without knowledge or information sufficient to form a belief as to the  
20 truth of the allegations within Paragraph 73 of the Counterclaim.

21           74. FHFA is without knowledge or information sufficient to form a belief as to the  
22 truth of the allegations within Paragraph 74 of the Counterclaim.

23           75. FHFA is without knowledge or information sufficient to form a belief as to the  
24 truth of the allegations within Paragraph 75 of the Counterclaim.

25           76. FHFA is without knowledge or information sufficient to form a belief as to the  
26 truth of the allegations within Paragraph 76 of the Counterclaim.

1           77. FHFA is without knowledge or information sufficient to form a belief as to the  
2 truth of the allegations within Paragraph 77 of the Counterclaim, and refers Defendants to Fannie  
3 Mae's Answer to Counterclaim.

4           78. FHFA is without knowledge or information sufficient to form a belief as to the  
5 truth of the allegations within Paragraph 78 of the Counterclaim.

6           79. Paragraph 79 of the Counterclaim states a legal conclusion that does not require a  
7 response. FHFA is without knowledge or information sufficient to form a belief as to the truth of  
8 the remaining allegations within Paragraph 79.

9           80. FHFA is without knowledge or information sufficient to form a belief as to the  
10 truth of the allegations within Paragraph 80 of the Counterclaim.

11 **Westland's Rehabilitation of the Properties and Community Building**

12           81. FHFA is without knowledge or information sufficient to form a belief as to the  
13 truth of the allegations within Paragraph 81 of the Counterclaim.

14           82. FHFA is without knowledge or information sufficient to form a belief as to the  
15 truth of the allegations within Paragraph 82 of the Counterclaim.

16           83. FHFA is without knowledge or information sufficient to form a belief as to the  
17 truth of the allegations within Paragraph 83 of the Counterclaim.

18           84. Paragraph 84 of the Counterclaim states a legal conclusion that does not require a  
19 response. FHFA is without knowledge or information sufficient to form a belief as to the truth of  
20 the remaining allegations within Paragraph 84.

21           85. Paragraph 85 of the Counterclaim states a legal conclusion that does not require a  
22 response. FHFA is without knowledge or information sufficient to form a belief as to the truth of  
23 the remaining allegations within Paragraph 85.

24           86. FHFA is without knowledge or information sufficient to form a belief as to the  
25 truth of the allegations within Paragraph 86 of the Counterclaim.

26           87. FHFA is without knowledge or information sufficient to form a belief as to the  
27 truth of the allegations within Paragraph 87 of the Counterclaim.  
28



1           88.     FHFA is without knowledge or information sufficient to form a belief as to the  
2 truth of the allegations within Paragraph 88 of the Counterclaim.

3           89.     FHFA is without knowledge or information sufficient to form a belief as to the  
4 truth of the allegations within Paragraph 89 of the Counterclaim.

5               a.     FHFA is without knowledge or information sufficient to form a belief as  
6 to the truth of the allegations within Paragraph 89(a) of the Counterclaim.

7               b.     FHFA is without knowledge or information sufficient to form a belief as  
8 to the truth of the allegations within Paragraph 89(b) of the Counterclaim.

9               c.     FHFA is without knowledge or information sufficient to form a belief as  
10 to the truth of the allegations within Paragraph 89(c) of the Counterclaim.

11          90.     FHFA is without knowledge or information sufficient to form a belief as to the  
12 truth of the allegations within Paragraph 90 of the Counterclaim.

13          91.     FHFA is without knowledge or information sufficient to form a belief as to the  
14 truth of the allegations within Paragraph 91 of the Counterclaim.

15          92.     FHFA is without knowledge or information sufficient to form a belief as to the  
16 truth of the allegations within Paragraph 92 of the Counterclaim.

17          93.     FHFA is without knowledge or information sufficient to form a belief as to the  
18 truth of the allegations within Paragraph 93 of the Counterclaim.

19          94.     FHFA is without knowledge or information sufficient to form a belief as to the  
20 truth of the allegations within Paragraph 94 of the Counterclaim.

21          95.     FHFA is without knowledge or information sufficient to form a belief as to the  
22 truth of the allegations within Paragraph 95 of the Counterclaim.

23          96.     FHFA is without knowledge or information sufficient to form a belief as to the  
24 truth of the allegations within Paragraph 96 of the Counterclaim.

25          97.     Paragraph 97 of the Counterclaim references a Notice and Declaration of Chronic  
26 Nuisance from the Las Vegas Metropolitan Police Department dated April 4, 2018. The notice  
27 speaks for itself. FHFA is without knowledge or information sufficient to form a belief as to the  
28 truth of the remaining allegations within Paragraph 97.

1           98.     FHFA is without knowledge or information sufficient to form a belief as to the  
2 truth of the allegations within Paragraph 98 of the Counterclaim.

3           99.     Paragraph 99 of the Counterclaim references a Letter from the Nevada State  
4 Apartment Association Executive Director, dated November 22, 2019, and a Letter from the  
5 County Commissioner, dated August 20, 2020. Those letters speak for themselves. FHFA is  
6 without knowledge or information sufficient to form a belief as to the truth of the remaining  
7 allegations within Paragraph 99.

8           100.    FHFA is without knowledge or information sufficient to form a belief as to the  
9 truth of the allegations within Paragraph 100 of the Counterclaim, and refers Defendants to  
10 Fannie Mae's Answer to Counterclaim.

11          101.    FHFA is without knowledge or information sufficient to form a belief as to the  
12 truth of the allegations within Paragraph 101 of the Counterclaim, and refers Defendants to  
13 Fannie Mae's Answer to Counterclaim.

14          102.    FHFA is without knowledge or information sufficient to form a belief as to the  
15 truth of the allegations within Paragraph 102 of the Counterclaim.

16          103.    FHFA is without knowledge or information sufficient to form a belief as to the  
17 truth of the allegations within Paragraph 103 of the Counterclaim.

18          104.    FHFA is without knowledge or information sufficient to form a belief as to the  
19 truth of the allegations within Paragraph 104 of the Counterclaim.

20          105.    Paragraph 105 of the Counterclaim references a Westland Strategic Improvement  
21 Plan for Liberty Village and Village Square, dated November 27, 2019. That document speaks  
22 for itself. FHFA is without knowledge or information sufficient to form a belief as to the truth of  
23 the remaining allegations within Paragraph 105.

24          106.    FHFA is without knowledge or information sufficient to form a belief as to the  
25 truth of the allegations within Paragraph 106 of the Counterclaim.

26          107.    FHFA is without knowledge or information sufficient to form a belief as to the  
27 truth of the allegations within Paragraph 107 of the Counterclaim.  
28

1           108. FHFA is without knowledge or information sufficient to form a belief as to the  
2 truth of the allegations within Paragraph 108 of the Counterclaim.

3           109. FHFA is without knowledge or information sufficient to form a belief as to the  
4 truth of the allegations within Paragraph 109 of the Counterclaim, and refers Defendants to  
5 Fannie Mae's Answer to Counterclaim.

6           110. FHFA is without knowledge or information sufficient to form a belief as to the  
7 truth of the allegations within Paragraph 110 of the Counterclaim.

8           111. FHFA is without knowledge or information sufficient to form a belief as to the  
9 truth of the allegations within Paragraph 111 of the Counterclaim.

10           112. Paragraph 112 of the Counterclaim references a Property Site Map for the Square  
11 Property located at 3435 North Nellis Boulevard in Las Vegas. That document speaks for itself.  
12 FHFA is without knowledge or information sufficient to form a belief as to the truth of the  
13 remaining allegations within Paragraph 112.

14           113. FHFA is without knowledge or information sufficient to form a belief as to the  
15 truth of the allegations within Paragraph 113 of the Counterclaim.

16           114. FHFA is without knowledge or information sufficient to form a belief as to the  
17 truth of the allegations within Paragraph 114 of the Counterclaim.

18           115. FHFA is without knowledge or information sufficient to form a belief as to the  
19 truth of the allegations within Paragraph 115 of the Counterclaim.

20           116. Paragraph 116 of the Counterclaim references a Purchase and Sale Agreement for  
21 the property located at 3435 North Nellis Boulevard in Las Vegas. That document speaks for  
22 itself. FHFA is without knowledge or information sufficient to form a belief as to the truth of the  
23 remaining allegations within Paragraph 116.

24           117. FHFA is without knowledge or information sufficient to form a belief as to the  
25 truth of the allegations within Paragraph 117 of the Counterclaim.

26           118. FHFA is without knowledge or information sufficient to form a belief as to the  
27 truth of the allegations within Paragraph 118 of the Counterclaim.  
28

1           119. FHFA is without knowledge or information sufficient to form a belief as to the  
2 truth of the allegations within Paragraph 119 of the Counterclaim.

3           120. Paragraph 120 of the Counterclaim states a legal conclusion that does not require  
4 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
5 of the allegations within Paragraph 120.

6 **Grandbridge's Servicing of the Loans since the Assumption**

7           121. FHFA is without knowledge or information sufficient to form a belief as to the  
8 truth of the allegations within Paragraph 121 of the Counterclaim, and refers Defendants to  
9 Fannie Mae's Answer to Counterclaim.

10          122. FHFA is without knowledge or information sufficient to form a belief as to the  
11 truth of the allegations within Paragraph 122 of the Counterclaim, and refers Defendants to  
12 Fannie Mae's Answer to Counterclaim.

13          123. FHFA is without knowledge or information sufficient to form a belief as to the  
14 truth of the allegations within Paragraph 123 of the Counterclaim, and refers Defendants to  
15 Fannie Mae's Answer to Counterclaim.

16          124. FHFA is without knowledge or information sufficient to form a belief as to the  
17 truth of the allegations within Paragraph 124 of the Counterclaim, and refers Defendants to  
18 Fannie Mae's Answer to Counterclaim.

19          125. FHFA is without knowledge or information sufficient to form a belief as to the  
20 truth of the allegations within Paragraph 125 of the Counterclaim.

21          126. Paragraph 126 of the Counterclaim states a legal conclusion that does not require  
22 a response. Paragraph 126 also references the Multifamily Loan and Security Agreements  
23 ("Loan Agreements") signed by the Shamrock Entities. The Loan Agreements speak for  
24 themselves.

25 **The Loan Agreements' Requirements for Adjustments to Deposits**

26          127. Paragraph 127 of the Counterclaim states a legal conclusion that does not require  
27 a response. Paragraph 127 also references the Loan Agreements. The Loan Agreements speak  
28 for themselves.

1           128. Paragraph 128 of the Counterclaim states a legal conclusion that does not require  
2 a response. Paragraph 128 also references the Loan Agreements. The Loan Agreements speak  
3 for themselves.

4           129. Paragraph 129 of the Counterclaim states a legal conclusion that does not require  
5 a response. Paragraph 129 also references the Loan Agreements. The Loan Agreements speak  
6 for themselves. FHFA is without knowledge or information sufficient to form a belief as to the  
7 truth of the remaining allegations within Paragraph 129, and refers Defendants to Fannie Mae's  
8 Answer to Counterclaim.

9           130. Paragraph 130 of the Counterclaim states a legal conclusion that does not require  
10 a response. Paragraph 130 also references the Loan Agreements. The Loan Agreements speak  
11 for themselves. FHFA is without knowledge or information sufficient to form a belief as to the  
12 truth of the remaining allegations within Paragraph 130, and refers Defendants to Fannie Mae's  
13 Answer to Counterclaim.

14           131. Paragraph 131 of the Counterclaim states legal conclusions that do not require a  
15 response. Paragraph 131 also references the Loan Agreements. The Loan Agreements speak for  
16 themselves. FHFA is without knowledge or information sufficient to form a belief as to the truth  
17 of the remaining allegations within Paragraph 131, and refers Defendants to Fannie Mae's  
18 Answer to Counterclaim.

19           132. Paragraph 132 references the Loan Agreements. The Loan Agreements speak for  
20 themselves. FHFA is without knowledge or information sufficient to form a belief as to the truth  
21 of the remaining allegations within Paragraph 132, and refers Defendants to Fannie Mae's  
22 Answer to Counterclaim.

### 23 **Loan Terms for Property Condition Assessments**

24           133. Paragraph 133 of the Counterclaim states legal conclusions that do not require a  
25 response. Paragraph 133 also references the Loan Agreements. The Loan Agreements speak for  
26 themselves. FHFA is without knowledge or information sufficient to form a belief as to the truth  
27 of the remaining allegations within Paragraph 133, and refers Defendants to Fannie Mae's  
28 Answer to Counterclaim.

1           134. FHFA is without knowledge or information sufficient to form a belief as to the  
2 truth of the allegations within Paragraph 134 of the Counterclaim, and refers Defendants to  
3 Fannie Mae's Answer to Counterclaim.

4           135. Paragraph 135 of the Counterclaim states a legal conclusion that does not require  
5 a response. Paragraph 135 also references the Loan Agreements. The Loan Agreements speak  
6 for themselves. FHFA is without knowledge or information sufficient to form a belief as to the  
7 truth of the remaining allegations within Paragraph 135, and refers Defendants to Fannie Mae's  
8 Answer to Counterclaim.

9           136. Paragraph 136 of the Counterclaim states a legal conclusion that does not require  
10 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
11 of the remaining allegations within Paragraph 136, and refers Defendants to Fannie Mae's  
12 Answer to Counterclaim.

13           137. FHFA is without knowledge or information sufficient to form a belief as to the  
14 truth of the allegations within Paragraph 137 of the Counterclaim, and refers Defendants to  
15 Fannie Mae's Answer to Counterclaim.

16           138. Paragraph 138 of the Counterclaim states a legal conclusion that does not require  
17 a response. Paragraph 138 also references the Loan Agreements. The Loan Agreements speak  
18 for themselves. FHFA is without knowledge or information sufficient to form a belief as to the  
19 truth of the remaining allegations within Paragraph 138, and refers Defendants to Fannie Mae's  
20 Answer to Counterclaim.

21           139. FHFA is without knowledge or information sufficient to form a belief as to the  
22 truth of the allegations within Paragraph 139 of the Counterclaim.

23           140. FHFA is without knowledge or information sufficient to form a belief as to the  
24 truth of the allegations within Paragraph 140 of the Counterclaim, and refers Defendants to  
25 Fannie Mae's Answer to Counterclaim.

26           141. Paragraph 141 of the Counterclaim states a legal conclusion that does not require  
27 a response. Paragraph 141 also references the Loan Agreements. The Loan Agreements speak  
28 for themselves. FHFA is without knowledge or information sufficient to form a belief as to the

1 truth of the remaining allegations within Paragraph 141, and refers Defendants to Fannie Mae's  
2 Answer to Counterclaim.

3 142. FHFA is without knowledge or information sufficient to form a belief as to the  
4 truth of the allegations within Paragraph 142 of the Counterclaim, and refers Defendants to  
5 Fannie Mae's Answer to Counterclaim.

6 143. FHFA is without knowledge or information sufficient to form a belief as to the  
7 truth of the allegations within Paragraph 143 of the Counterclaim, and refers Defendants to  
8 Fannie Mae's Answer to Counterclaim.

9 144. Paragraph 144 of the Counterclaim states a legal conclusion that does not require  
10 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
11 of the remaining allegations within Paragraph 144.

12 145. FHFA is without knowledge or information sufficient to form a belief as to the  
13 truth of the allegations within Paragraph 145 of the Counterclaim, and refers Defendants to  
14 Fannie Mae's Answer to Counterclaim.

15 146. Paragraph 146 of the Counterclaim references f3, Inc.'s Property Condition  
16 Assessments of the Liberty Village Property and Village Square Property ("PCAs"). The PCAs  
17 speak for themselves. FHFA is without knowledge or information sufficient to form a belief as  
18 to the truth of the remaining allegations within Paragraph 146, and refers Defendants to Fannie  
19 Mae's Answer to Counterclaim.

20 147. Paragraph 147 of the Counterclaim references a CBRE depreciation schedule for  
21 the Liberty Property and the PCAs. Those documents speak for themselves. FHFA is without  
22 knowledge or information sufficient to form a belief as to the truth of the remaining allegations  
23 within Paragraph 147, and refers Defendants to Fannie Mae's Answer to Counterclaim.

24 148. Paragraph 148 of the Counterclaim references a CBRE depreciation schedule for  
25 the Square Property and the PCAs. Those documents speak for themselves. FHFA is without  
26 knowledge or information sufficient to form a belief as to the truth of the remaining allegations  
27 within Paragraph 148, and refers Defendants to Fannie Mae's Answer to Counterclaim.  
28

1           149. Paragraph 149 of the Counterclaim states a legal conclusion that does not require  
2 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
3 of the remaining allegations within Paragraph 149, and refers Defendants to Fannie Mae's  
4 Answer to Counterclaim.

5           150. Paragraph 150 of the Counterclaim states a legal conclusion that does not require  
6 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
7 of the remaining allegations within Paragraph 150, and refers Defendants to Fannie Mae's  
8 Answer to Counterclaim.

9           151. FHFA is without knowledge or information sufficient to form a belief as to the  
10 truth of the allegations within Paragraph 151 of the Counterclaim, and refers Defendants to  
11 Fannie Mae's Answer to Counterclaim.

12           152. Paragraph 152 of the Counterclaim (including footnote 10) references the PCAs.  
13 The PCAs speak for themselves. FHFA is without knowledge or information sufficient to form a  
14 belief as to the truth of the remaining allegations within Paragraph 152, and refers Defendants to  
15 Fannie Mae's Answer to Counterclaim.

16           153. Paragraph 153 of the Counterclaim references a default notice letter sent to  
17 Westland in December 2019. The letter speaks for itself. FHFA is without knowledge or  
18 information sufficient to form a belief as to the truth of the remaining allegations within  
19 Paragraph 153, and refers Defendants to Fannie Mae's Answer to Counterclaim.

20           154. Paragraph 154 of the Counterclaim (and footnote 11) states legal conclusions that  
21 do not require a response. FHFA is without knowledge or information sufficient to form a belief  
22 as to the truth of the remaining allegations within Paragraph 154, and refers Defendants to  
23 Fannie Mae's Answer to Counterclaim.

24           155. Paragraph 155 of the Counterclaim states legal conclusions that do not require a  
25 response.

26 **The Loan Terms for Additional Lender Reserves and Replacements**

27           156. Paragraph 156 of the Counterclaim references the Loan Agreements. The Loan  
28 Agreements speak for themselves. Paragraph 156 also states a legal conclusion that does not



1 require a response. FHFA is without knowledge or information sufficient to form a belief as to  
2 the truth of the remaining allegations within Paragraph 156, and refers Defendants to Fannie  
3 Mae's Answer to Counterclaim.

4 157. Paragraph 157 of the Counterclaim references the Loan Agreements. The Loan  
5 Agreements speak for themselves. Paragraph 157 also states a legal conclusion that does not  
6 require a response. FHFA is without knowledge or information sufficient to form a belief as to  
7 the truth of the remaining allegations within Paragraph 157, and refers Defendants to Fannie  
8 Mae's Answer to Counterclaim.

9 158. Paragraph 158 of the Counterclaim references the Loan Agreements. The Loan  
10 Agreements speak for themselves. Paragraph 158 also states a legal conclusion that does not  
11 require a response.

12 159. Paragraph 159 of the Counterclaim references the Loan Agreements. The Loan  
13 Agreements speak for themselves. Paragraph 159 also states legal conclusions that do not  
14 require a response. FHFA is without knowledge or information sufficient to form a belief as to  
15 the truth of the remaining allegations within Paragraph 159.

16 160. Paragraph 160 of the Counterclaim references the Assumption Approval Letter  
17 for Liberty Village and the Assumption Approval Letter for Village Square. The letters speak  
18 for themselves. Paragraph 160 also states legal conclusions that do not require a response.  
19 FHFA is without knowledge or information sufficient to form a belief as to the truth of the  
20 remaining allegations within Paragraph 160, and refers Defendants to Fannie Mae's Answer to  
21 Counterclaim.

22 161. Paragraph 161 states a legal conclusion that does not require a response. FHFA is  
23 without knowledge or information sufficient to form a belief as to the truth of the remaining  
24 allegations within Paragraph 161, and refers Defendants to Fannie Mae's Answer to  
25 Counterclaim.

26 162. Paragraph 162 of the Counterclaim references Schedule 1 of each Loan  
27 Agreement. The Schedules speak for themselves. Paragraph 162 also states a legal conclusion  
28 that does not require a response. FHFA is without knowledge or information sufficient to form a

1 belief as to the truth of the remaining allegations within Paragraph 162, and refers Defendants to  
2 Fannie Mae's Answer to Counterclaim.

3 163. Paragraph 163 of the Counterclaim references the PCAs. The PCAs speak for  
4 themselves.

5 164. Paragraph 164 of the Counterclaim references the PCAs. The PCAs speak for  
6 themselves. FHFA is without knowledge or information sufficient to form a belief as to the truth  
7 of the remaining allegations within Paragraph 164, and refers Defendants to Fannie Mae's  
8 Answer to Counterclaim.

9 165. Paragraph 165 of the Counterclaim references the CBRE Property Condition  
10 Assessment Report for Liberty Village and the CBRE Property Condition Assessment Report for  
11 Village Square. Those Reports speak for themselves.

12 166. Paragraph 166 of the Counterclaim references the PCAs. The PCAs speak for  
13 themselves. FHFA is without knowledge or information sufficient to form a belief as to the truth  
14 of the remaining allegations within Paragraph 166, and refers Defendants to Fannie Mae's  
15 Answer to Counterclaim.

16 167. Paragraph 167 of the Counterclaim references the Loan Agreements. The Loan  
17 Agreements speak for themselves. Paragraph 167 also states a legal conclusion that does not  
18 require a response. FHFA is without knowledge or information sufficient to form a belief as to  
19 the truth of the remaining allegations within Paragraph 167.

20 168. Paragraph 168 states a legal conclusion that does not require a response. FHFA is  
21 without knowledge or information sufficient to form a belief as to the truth of the remaining  
22 allegations within Paragraph 168, and refers Defendants to Fannie Mae's Answer to  
23 Counterclaim.

24 169. Paragraph 169 of the Counterclaim references Schedule 1 of each Loan  
25 Agreement. The Schedules speak for themselves. Paragraph 169 also states legal conclusions  
26 that do not require a response.

27 170. Paragraph 170 states legal conclusions that do not require a response. FHFA is  
28 without knowledge or information sufficient to form a belief as to the truth of the remaining

1 allegations within Paragraph 170, and refers Defendants to Fannie Mae's Answer to  
2 Counterclaim.

3 171. Paragraph 171 states legal conclusions that do not require a response. FHFA is  
4 without knowledge or information sufficient to form a belief as to the truth of the remaining  
5 allegations within Paragraph 171, and refers Defendants to Fannie Mae's Answer to  
6 Counterclaim.

7 172. Paragraph 172 of the Counterclaim references the Loan Agreements. The Loan  
8 Agreements speak for themselves. Paragraph 172 also states legal conclusions that do not  
9 require a response. FHFA is without knowledge or information sufficient to form a belief as to  
10 the truth of the remaining allegations within Paragraph 172, and refers Defendants to Fannie  
11 Mae's Answer to Counterclaim.

12 173. Paragraph 173 of the Counterclaim references the Loan Agreements. The Loan  
13 Agreements speak for themselves. Paragraph 173 also states a legal conclusion that does not  
14 require a response.

15 174. Paragraph 174 of the Counterclaim references the Loan Agreements. The Loan  
16 Agreements speak for themselves. Paragraph 174 also states legal conclusions that do not  
17 require a response. FHFA is without knowledge or information sufficient to form a belief as to  
18 the truth of the remaining allegations within Paragraph 174, and refers Defendants to Fannie  
19 Mae's Answer to Counterclaim.

20 175. Paragraph 175 states a legal conclusion that does not require a response. FHFA is  
21 without knowledge or information sufficient to form a belief as to the truth of the remaining  
22 allegations within Paragraph 175, and refers Defendants to Fannie Mae's Answer to  
23 Counterclaim.

24 176. Paragraph 176 states a legal conclusion that does not require a response. FHFA is  
25 without knowledge or information sufficient to form a belief as to the truth of the remaining  
26 allegations within Paragraph 176, and refers Defendants to Fannie Mae's Answer to  
27 Counterclaim.

28

1     **The Abandoned Default**

2             177. Paragraph 177 of the Counterclaim references the December 2019 default notice.  
3     That document speaks for itself. Paragraph 177 also states a legal conclusion that does not  
4     require a response. FHFA is without knowledge or information sufficient to form a belief as to  
5     the truth of the remaining allegations within Paragraph 177, and refers Defendants to Fannie  
6     Mae's Answer to Counterclaim.

7             178. Paragraph 178 of the Counterclaim references the Loan Agreements. The Loan  
8     Agreements speak for themselves. Paragraph 178 also states a legal conclusion that does not  
9     require a response. FHFA is without knowledge or information sufficient to form a belief as to  
10    the truth of the remaining allegations within Paragraph 178, and refers Defendants to Fannie  
11    Mae's Answer to Counterclaim.

12            179. Paragraph 179 of the Counterclaim references the Loan Agreements. The Loan  
13    Agreements speak for themselves. Paragraph 179 also states a legal conclusion that does not  
14    require a response. FHFA is without knowledge or information sufficient to form a belief as to  
15    the truth of the remaining allegations within Paragraph 179, and refers Defendants to Fannie  
16    Mae's Answer to Counterclaim.

17            180. Paragraph 180 states a legal conclusion that does not require a response.

18     **The Purported Default**

19            181. Paragraph 181 of the Counterclaim references a letter from Grandbridge to each  
20    Westland entity dated October 18, 2019, that attached a "schedule of needed repairs." Those  
21    documents speak for themselves. FHFA is without knowledge or information sufficient to form  
22    a belief as to the truth of the remaining allegations within Paragraph 181, and refers Defendants  
23    to Fannie Mae's Answer to Counterclaim.

24            182. Paragraph 182 of the Counterclaim references notices of demand from  
25    Grandbridge to each Westland entity dated October 18, 2019. Those notices speak for  
26    themselves. FHFA is without knowledge or information sufficient to form a belief as to the truth  
27    of the remaining allegations within Paragraph 182.

1           183. Paragraph 183 of the Counterclaim references notices of demand from  
2 Grandbridge to each Westland entity dated October 18, 2019. Those notices speak for  
3 themselves. FHFA is without knowledge or information sufficient to form a belief as to the truth  
4 of the remaining allegations within Paragraph 183.

5           184. Paragraph 184 of the Counterclaim references notices of demand from  
6 Grandbridge to each Westland entity dated October 18, 2019. Those notices speak for  
7 themselves. FHFA is without knowledge or information sufficient to form a belief as to the truth  
8 of the remaining allegations within Paragraph 184.

9           185. Paragraph 185 states legal conclusions that do not require a response. FHFA is  
10 without knowledge or information sufficient to form a belief as to the truth of the remaining  
11 allegations within Paragraph 185.

12           186. Paragraph 186 states a legal conclusion that does not require a response. FHFA  
13 otherwise is without knowledge or information sufficient to form a belief as to the truth of the  
14 allegations within Paragraph 186 of the Counterclaim, and refers Defendants to Fannie Mae's  
15 Answer to Counterclaim.

16           187. FHFA is without knowledge or information sufficient to form a belief as to the  
17 truth of the allegations within Paragraph 187 of the Counterclaim.

18           188. FHFA is without knowledge or information sufficient to form a belief as to the  
19 truth of the allegations within Paragraph 188 of the Counterclaim, and refers Defendants to  
20 Fannie Mae's Answer to Counterclaim.

21           189. Paragraph 189 of the Counterclaim references a letter from John Hofsaess dated  
22 November 13, 2019. The letter speaks for itself. FHFA is without knowledge or information  
23 sufficient to form a belief as to the truth of the remaining allegations within Paragraph 189.

24           190. FHFA is without knowledge or information sufficient to form a belief as to the  
25 truth of the allegations within Paragraph 190 of the Counterclaim.

26           191. FHFA is without knowledge or information sufficient to form a belief as to the  
27 truth of the allegations within Paragraph 191 of the Counterclaim.  
28

1           192. FHFA is without knowledge or information sufficient to form a belief as to the  
2 truth of the allegations within Paragraph 192 of the Counterclaim, and refers Defendants to  
3 Fannie Mae's Answer to Counterclaim.

4           193. Paragraph 193 of the Counterclaim references a letter from Westland dated  
5 November 28, 2019 that contained Westland's Strategic Plan for the Properties. The letter and  
6 Strategic Plan speak for themselves. FHFA is without knowledge or information sufficient to  
7 form a belief as to the truth of the remaining allegations within Paragraph 193, and refers  
8 Defendants to Fannie Mae's Answer to Counterclaim.

9           194. Paragraph 194 of the Counterclaim references a default notice dated December  
10 17, 2019. The default notice speaks for itself. FHFA is without knowledge or information  
11 sufficient to form a belief as to the truth of the remaining allegations within Paragraph 194.

12           195. Paragraph 195 of the Counterclaim references a letter from John Hofsaess dated  
13 December 23, 2019. The letter speaks for itself. FHFA is without knowledge or information  
14 sufficient to form a belief as to the truth of the remaining allegations within Paragraph 195, and  
15 refers Defendants to Fannie Mae's Answer to Counterclaim.

16           196. Paragraph 196 of the Counterclaim references a letter from John Hofsaess dated  
17 January 6, 2020. The letter speaks for itself. FHFA is without knowledge or information  
18 sufficient to form a belief as to the truth of the remaining allegations within Paragraph 196, and  
19 refers Defendants to Fannie Mae's Answer to Counterclaim.

20           197. Paragraph 197 of the Counterclaim references a pre-negotiation letter from Fannie  
21 Mae and Grandbridge. The letter speaks for itself. FHFA is without knowledge or information  
22 sufficient to form a belief as to the truth of the remaining allegations within Paragraph 197, and  
23 refers Defendants to Fannie Mae's Answer to Counterclaim.

24           198. FHFA is without knowledge or information sufficient to form a belief as to the  
25 truth of the allegations within Paragraph 198 of the Counterclaim, and refers Defendants to  
26 Fannie Mae's Answer to Counterclaim.

1           200. FHFA is without knowledge or information sufficient to form a belief as to the  
2 truth of the allegations within Paragraph 199 of the Counterclaim, and refers Defendants to  
3 Fannie Mae's Answer to Counterclaim.

4           201. Paragraph 200 of the Counterclaim states legal conclusions that do not require a  
5 response. FHFA is without knowledge or information sufficient to form a belief as to the truth of  
6 the remaining allegations within Paragraph 200, and refers Defendants to Fannie Mae's Answer  
7 to Counterclaim.

8           202. FHFA is without knowledge or information sufficient to form a belief as to the  
9 truth of the allegations within Paragraph 201 of the Counterclaim.

10          203. FHFA is without knowledge or information sufficient to form a belief as to the  
11 truth of the allegations within Paragraph 202 of the Counterclaim.

12          204. FHFA is without knowledge or information sufficient to form a belief as to the  
13 truth of the allegations within Paragraph 203 of the Counterclaim.

14          205. Paragraph 204 of the Counterclaim references a series of four non-waiver letters  
15 from Lender's counsel dated February 19, 2020, March 11, 2020, June 4, 2020, and August 12,  
16 2020. The letters speak for themselves. FHFA is without knowledge or information sufficient to  
17 form a belief as to the truth of the remaining allegations within Paragraph 204, and refers  
18 Defendants to Fannie Mae's Answer to Counterclaim.

19          206. Paragraph 205 of the Counterclaim states a legal conclusion that does not require  
20 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
21 of the remaining allegations within Paragraph 205, and refers Defendants to Fannie Mae's  
22 Answer to Counterclaim.

23          207. FHFA is without knowledge or information sufficient to form a belief as to the  
24 truth of the remaining allegations within Paragraph 206 of the Counterclaim, and refers  
25 Defendants to Fannie Mae's Answer to Counterclaim.

26          208. FHFA is without knowledge or information sufficient to form a belief as to the  
27 truth of the remaining allegations within Paragraph 207 of the Counterclaim, and refers  
28 Defendants to Fannie Mae's Answer to Counterclaim.

1           208. Paragraph 208 of the Counterclaim references a July 2020 Notice of Defaults and  
2 Elections to Sell the Properties. The notice speaks for itself. Paragraph 208 also states legal  
3 conclusions that do not require a response. FHFA is without knowledge or information  
4 sufficient to form a belief as to the truth of the remaining allegations within Paragraph 208, and  
5 refers Defendants to Fannie Mae's Answer to Counterclaim.

6           209. Paragraph 209 of the Counterclaim states a legal conclusion that does not require  
7 a response.

8           210. Paragraph 210 of the Counterclaim states a legal conclusion that does not require  
9 a response.

10          211. Paragraph 211 of the Counterclaim states a legal conclusion that does not require  
11 a response.

12          212. Paragraph 212 of the Counterclaim states a legal conclusion that does not require  
13 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
14 of the remaining allegations within Paragraph 212.

15          213. Paragraph 213 of the Counterclaim states a legal conclusion that does not require  
16 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
17 of the remaining allegations within Paragraph 213.

#### 18 **IV. COUNTERCLAIMS**

##### 19 **A. FIRST CAUSE OF ACTION (BREACH OF CONTRACT –** 20 **LIBERTY LOAN – BY WESTLAND LIBERTY VILLAGE, LLC)**

21          214. FHFA repeats its responses to Paragraphs 1-213 as if fully stated herein.

22          215. Paragraph 215 of the Counterclaim states a legal conclusion that does not require  
23 a response. Paragraph 215 also references an Assumption and Release Agreement dated August  
24 29, 2018. The Agreement speaks for itself.

25          216. Paragraph 216 of the Counterclaim references an Assumption and Release  
26 Agreement dated August 29, 2018. The Agreement speaks for itself. FHFA is without  
27 knowledge or information sufficient to form a belief as to the truth of the remaining allegations  
28 within Paragraph 216 and refers Defendants to Fannie Mae's Answer to Counterclaim.



1           217. FHFA is without knowledge or information sufficient to form a belief as to the  
2 truth of the allegations within Paragraph 217 of the Counterclaim, and refers Defendants to  
3 Fannie Mae's Answer to Counterclaim.

4           218. FHFA is without knowledge or information sufficient to form a belief as to the  
5 truth of the allegations within Paragraph 218 of the Counterclaim and refers Defendants to  
6 Fannie Mae's Answer to Counterclaim.

7           219. Paragraph 219 of the Counterclaim references the Liberty Loan Agreements and  
8 Assumption Agreement. The referenced Agreements speak for themselves. FHFA is without  
9 knowledge or information sufficient to form a belief as to the truth of the remaining allegations  
10 within Paragraph 219 and refers Defendants to Fannie Mae's Answer to Counterclaim.

11           220. Paragraph 220 of the Counterclaim states a legal conclusion that does not require  
12 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
13 of the remaining allegations within Paragraph 220, and refers Defendants to Fannie Mae's  
14 Answer to Counterclaim.

15           221. Paragraph 221 of the Counterclaim states a legal conclusion that does not require  
16 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
17 of the remaining allegations within Paragraph 221, and refers Defendants to Fannie Mae's  
18 Answer to Counterclaim.

19           222. Paragraph 222 of the Counterclaim states legal conclusions that do not require a  
20 response.

21           223. Paragraph 223 of the Counterclaim states legal conclusions that do not require a  
22 response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
23 of the remaining allegations within Paragraph 223, and refers Defendants to Fannie Mae's  
24 Answer to Counterclaim.

25           224. Paragraph 224 of the Counterclaim states a legal conclusion that does not require  
26 a response.

27           225. Paragraph 225 of the Counterclaim states a legal conclusion that does not require  
28 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth

1 of the remaining allegations within Paragraph 225. Any awards in the nature of penalties against  
2 Fannie Mae during the conservatorship are barred by 12 U.S.C. § 4617(j)(4).

3 **B. SECOND CAUSE OF ACTION (BREACH OF CONTRACT –**  
4 **SQUARE LOAN – BY WESTLAND VILLAGE SQUARE, LLC)**

5 226. FHFA repeats its responses to Paragraphs 1-225 as if fully stated herein.

6 227. Paragraph 227 of the Counterclaim states a legal conclusion that does not require  
7 a response. Paragraph 227 also references an Assumption and Release Agreement dated August  
8 29, 2018. The Agreement speaks for itself.

9 228. Paragraph 228 of the Counterclaim references an Assumption and Release  
10 Agreement dated August 29, 2018. The Agreement speaks for itself. FHFA is without  
11 knowledge or information sufficient to form a belief as to the truth of the remaining allegations  
12 within Paragraph 228 and refers Defendants to Fannie Mae's Answer to Counterclaim.

13 229. FHFA is without knowledge or information sufficient to form a belief as to the  
14 truth of the allegations within Paragraph 229 of the Counterclaim, and refers Defendants to  
15 Fannie Mae's Answer to Counterclaim.

16 230. FHFA is without knowledge or information sufficient to form a belief as to the  
17 truth of the allegations within Paragraph 230 of the Counterclaim.

18 231. Paragraph 231 of the Counterclaim references the Square Loan Agreements and  
19 Assumption Agreement. The Agreements speak for themselves. FHFA is without knowledge or  
20 information sufficient to form a belief as to the truth of the remaining allegations within  
21 Paragraph 231 and refers Defendants to Fannie Mae's Answer to Counterclaim .

22 232. Paragraph 232 of the Counterclaim states a legal conclusion that does not require  
23 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
24 of the remaining allegations within Paragraph 232, and refers Defendants to Fannie Mae's  
25 Answer to Counterclaim.

26 233. Paragraph 233 of the Counterclaim states a legal conclusion that does not require  
27 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
28

1 of the remaining allegations within Paragraph 233, and refers Defendants to Fannie Mae's  
2 Answer to Counterclaim.

3 234. Paragraph 234 of the Counterclaim states legal conclusions that do not require a  
4 response.

5 235. Paragraph 235 of the Counterclaim states a legal conclusion that does not require  
6 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
7 of the remaining allegations within Paragraph 223, and refers Defendants to Fannie Mae's  
8 Answer to Counterclaim.

9 236. Paragraph 236 of the Counterclaim states a legal conclusion that does not require  
10 a response.

11 237. Paragraph 237 of the Counterclaim states a legal conclusion that does not require  
12 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
13 of the remaining allegations within Paragraph 237. Any awards in the nature of penalties against  
14 Fannie Mae during the conservatorship are barred by 12 U.S.C. § 4617(j)(4).

15 **C. THIRD CAUSE OF ACTION (BREACH OF COVENANT OF**  
16 **GOOD FAITH AND FAIR DEALING)**

17 238. FHFA repeats its responses to Paragraphs 1-237 as if fully stated herein.

18 239. Paragraph 239 of the Counterclaim states a legal conclusion that does not require  
19 a response. Paragraph 239 also references the Loan Agreements. The Loan Agreements speak  
20 for themselves. FHFA is without knowledge or information sufficient to form a belief as to the  
21 truth of the remaining allegations within Paragraph 239.

22 240. Paragraph 240 of the Counterclaim references the Loan Agreements. The Loan  
23 Agreements speak for themselves. FHFA is without knowledge or information sufficient to form  
24 a belief as to the truth of the remaining allegations within Paragraph 240 and refers Defendants  
25 to Fannie Mae's Answer to Counterclaim .

26 241. Paragraph 241 of the Counterclaim states a legal conclusion that does not require  
27 a response.  
28

1           242. Paragraph 242 of the Counterclaim states a legal conclusion that does not require  
2 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
3 of the remaining allegations within Paragraph 242, and refers Defendants to Fannie Mae's  
4 Answer to Counterclaim.

5           243. Paragraph 243 of the Counterclaim states legal conclusions that do not require a  
6 response. FHFA is without knowledge or information sufficient to form a belief as to the truth of  
7 the remaining allegations within Paragraph 243, and refers Defendants to Fannie Mae's Answer  
8 to Counterclaim.

9           244. FHFA is without knowledge or information sufficient to form a belief as to the  
10 truth of the allegations within Paragraph 244 of the Counterclaim.

11           245. Paragraph 245 of the Counterclaim states legal conclusions that do not require a  
12 response. FHFA is without knowledge or information sufficient to form a belief as to the truth of  
13 the remaining allegations within Paragraph 245 of the Counterclaim, and refers Defendants to  
14 Fannie Mae's Answer to Counterclaim.

15           246. Paragraph 246 of the Counterclaim states legal conclusions that do not require a  
16 response. FHFA is without knowledge or information sufficient to form a belief as to the truth of  
17 the remaining allegations within Paragraph 246 of the Counterclaim, and refers Defendants to  
18 Fannie Mae's Answer to Counterclaim.

19           247. Paragraph 247 of the Counterclaim states a legal conclusion that does not require  
20 a response.

21           248. Paragraph 248 of the Counterclaim states a legal conclusion that does not require  
22 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
23 of the remaining allegations within Paragraph 248. Any awards in the nature of penalties against  
24 Fannie Mae during the conservatorship are barred by 12 U.S.C. § 4617(j)(4).

25           **D.     FOURTH CAUSE OF ACTION (DECLARATORY RELIEF)**

26           249. FHFA repeats its responses to Paragraphs 1-248 as if fully stated herein.  
27  
28

1           250. Paragraph 250 of the Counterclaim states a legal conclusion that does not require  
2 a response. Paragraph 250 references the Loan Agreements. The Loan Agreements speak for  
3 themselves.

4           251. In response to Paragraph 251 of the Counterclaim, FHFA admits that Westland  
5 and Fannie Mae are adverse parties in this litigation.

6           252. Paragraph 252 of the Counterclaim states a legal conclusion that does not require  
7 a response. Paragraph 252 references a Notice of Default and Election to Sell and the Loan  
8 Agreements. Those documents speak for themselves. FHFA is without knowledge or  
9 information sufficient to form a belief as to the truth of the remaining allegations within  
10 Paragraph 252, and refers Defendants to Fannie Mae's Answer to Counterclaim.

11           253. Paragraph 253 of the Counterclaim states a legal conclusion that does not require  
12 a response.

13           254. Paragraph 254 of the Counterclaim states a legal conclusion that does not require  
14 a response. Paragraph 254 references a Notice of Demand served on October 18, 2019. The  
15 Notice speaks for itself. FHFA is without knowledge or information sufficient to form a belief  
16 as to the truth of the remaining allegations within Paragraph 254, and refers Defendants to  
17 Fannie Mae's Answer to Counterclaim.

18           255. Paragraph 255 of the Counterclaim states a legal conclusion that does not require  
19 a response. Paragraph 255 references a Notice of Default and Intent to Sell the Properties served  
20 on July 15, 2020. The Notice speaks for itself. FHFA is without knowledge or information  
21 sufficient to form a belief as to the truth of the remaining allegations within Paragraph 255, and  
22 refers Defendants to Fannie Mae's Answer to Counterclaim.

23           256. Paragraph 256 of the Counterclaim states a legal conclusion that does not require  
24 a response. Paragraph 256 references the Complaint in this action, which Fannie Mae filed on  
25 August 12, 2020. The Complaint speaks for itself.

26           257. Paragraph 257 of the Counterclaim references the Loan Agreements and  
27 Defendants' filings in this proceeding. The Loan Agreements and filings speak for themselves.

28

1           258. Paragraph 258 of the Counterclaim references the Loan Agreements and  
2 Defendants' filings in this proceeding. The Loan Agreements and filings speak for themselves.

3           259. Paragraph 259 of the Counterclaim states a legal conclusion that does not require  
4 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
5 of the remaining allegations within Paragraph 259. Any awards in the nature of penalties against  
6 Fannie Mae during the conservatorship are barred by 12 U.S.C. § 4617(j)(4).

7           **E. FIFTH CAUSE OF ACTION (FRAUD IN THE INDUCEMENT)**

8           260. FHFA repeats its responses to Paragraphs 1-259 as if fully stated herein.

9           261. Paragraph 261 of the Counterclaim states a legal conclusion that does not require  
10 a response. Paragraph 261 also references the Loan Agreements. The Loan Agreements speak  
11 for themselves. FHFA is without knowledge or information sufficient to form a belief as to the  
12 truth of the remaining allegations within Paragraph 261, and refers Defendants to Fannie Mae's  
13 Answer to Counterclaim.

14           262. FHFA is without knowledge or information sufficient to form a belief as to the  
15 truth of the allegations within Paragraph 262 of the Counterclaim.

16           263. Paragraph 263 of the Counterclaim references a letter from Grandbridge dated  
17 August 20, 2018, and exhibits attached thereto. Those documents speak for themselves. FHFA  
18 is without knowledge or information sufficient to form a belief as to the truth of the remaining  
19 allegations within Paragraph 263, and refers Defendants to Fannie Mae's Answer to  
20 Counterclaim.

21           264. Paragraph 264 of the Counterclaim references a letter from Grandbridge dated  
22 August 20, 2018, and exhibits attached thereto. Those documents speak for themselves. FHFA  
23 is without knowledge or information sufficient to form a belief as to the truth of the remaining  
24 allegations within Paragraph 264, and refers Defendants to Fannie Mae's Answer to  
25 Counterclaim.

26           265. FHFA is without knowledge or information sufficient to form a belief as to the  
27 truth of the allegations within Paragraph 265 of the Counterclaim, and refers Defendants to  
28 Fannie Mae's Answer to Counterclaim.

1           266. FHFA is without knowledge or information sufficient to form a belief as to the  
2 truth of the remaining allegations within Paragraph 266 of the Counterclaim, and refers  
3 Defendants to Fannie Mae's Answer to Counterclaim.

4           267. FHFA is without knowledge or information sufficient to form a belief as to the  
5 truth of the allegations within Paragraph 267 of the Counterclaim, and refers Defendants to  
6 Fannie Mae's Answer to Counterclaim.

7           268. FHFA is without knowledge or information sufficient to form a belief as to the  
8 truth of the allegations within Paragraph 268 of the Counterclaim, and refers Defendants to  
9 Fannie Mae's Answer to Counterclaim.

10           269. FHFA is without knowledge or information sufficient to form a belief as to the  
11 truth of the allegations within Paragraph 269 of the Counterclaim, and refers Defendants to  
12 Fannie Mae's Answer to Counterclaim.

13           270. FHFA is without knowledge or information sufficient to form a belief as to the  
14 truth of the allegations within Paragraph 270 of the Counterclaim.

15           271. FHFA is without knowledge or information sufficient to form a belief as to the  
16 truth of the remaining allegations within Paragraph 271 of the Counterclaim, and refers  
17 Defendants to Fannie Mae's Answer to Counterclaim.

18           272. Paragraph 272 of the Counterclaim states a legal conclusion that does not require  
19 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
20 of the remaining allegations within Paragraph 272, and refers Defendants to Fannie Mae's  
21 Answer to Counterclaim.

22           273. Paragraph 273 of the Counterclaim states a legal conclusion that does not require  
23 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
24 of the remaining allegations within Paragraph 273, and refers Defendants to Fannie Mae's  
25 Answer to Counterclaim.

26           274. Paragraph 274 of the Counterclaim states a legal conclusion that does not require  
27 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
28 of the remaining allegations within Paragraph 274, and refers Defendants to Fannie Mae's

1 Answer to Counterclaim. Any punitive damages against Fannie Mae during the conservatorship  
2 are barred by 12 U.S.C. § 4617(j)(4).

3 **F. SIXTH CAUSE OF ACTION (NEGLIGENT**  
4 **MISREPRESENTATION AND CONCEALMENT)**

5 275. FHFA repeats its responses to Paragraphs 1-274 as if fully stated herein.

6 276. FHFA is without knowledge or information sufficient to form a belief as to the  
7 truth of the allegations within Paragraph 276 of the Counterclaim, and refers Defendants to  
8 Fannie Mae's Answer to Counterclaim.

9 277. Paragraph 277 of the Counterclaim references a letter from Grandbridge dated  
10 August 20, 2018. The letter speaks for itself. FHFA is without knowledge or information  
11 sufficient to form a belief as to the truth of the remaining allegations within Paragraph 277.

12 278. Paragraph 278 of the Counterclaim states a legal conclusion that does not require  
13 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
14 of the remaining allegations within Paragraph 278.

15 279. FHFA is without knowledge or information sufficient to form a belief as to the  
16 truth of the allegations within Paragraph 279 of the Counterclaim, and refers Defendants to  
17 Fannie Mae's Answer to Counterclaim.

18 280. FHFA is without knowledge or information sufficient to form a belief as to the  
19 truth of the allegations within Paragraph 280 of the Counterclaim, and refers Defendants to  
20 Fannie Mae's Answer to Counterclaim.

21 281. Paragraph 281 of the Counterclaim states a legal conclusion that does not require  
22 a response.

23 282. Paragraph 282 of the Counterclaim states a legal conclusion that does not require  
24 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
25 of the remaining allegations within Paragraph 282.

26 283. Paragraph 283 of the Counterclaim states a legal conclusion that does not require  
27 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
28 of the remaining allegations within Paragraph 283.



1           **G.       SEVENTH CAUSE OF ACTION (CONVERSION)**

2           284.   FHFA repeats its responses to Paragraphs 1-283 as if fully stated herein.

3           285.   FHFA is without knowledge or information sufficient to form a belief as to the  
4 truth of the allegations within Paragraph 285 of the Counterclaim, and refers Defendants to  
5 Fannie Mae's Answer to Counterclaim.

6           286.   Paragraph 286 of the Counterclaim references Westland's reserve reimbursement  
7 requests. Those requests speak for themselves. FHFA is without knowledge or information  
8 sufficient to form a belief as to the truth of the remaining allegations within Paragraph 286.

9           287.   FHFA is without knowledge or information sufficient to form a belief as to the  
10 truth of the allegations within Paragraph 287 of the Counterclaim, and refers Defendants to  
11 Fannie Mae's Answer to Counterclaim.

12          288.   FHFA is without knowledge or information sufficient to form a belief as to the  
13 truth of the allegations within Paragraph 288 of the Counterclaim.

14          289.   FHFA is without knowledge or information sufficient to form a belief as to the  
15 truth of the allegations within Paragraph 289 of the Counterclaim.

16          290.   Paragraph 290 of the Counterclaim states a legal conclusion that does not require  
17 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
18 of the remaining allegations within Paragraph 290.

19          291.   Paragraph 291 of the Counterclaim states a legal conclusion that does not require  
20 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
21 of the remaining allegations within Paragraph 291, and refers Defendants to Fannie Mae's  
22 Answer to Counterclaim.

23          292.   Paragraph 292 of the Counterclaim states a legal conclusion that does not require  
24 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
25 of the remaining allegations within Paragraph 292, and refers Defendants to Fannie Mae's  
26 Answer to Counterclaim.

27          293.   Paragraph 293 of the Counterclaim states a legal conclusion that does not require  
28 a response.

1           294. Paragraph 294 of the Counterclaim states a legal conclusion that does not require  
2 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
3 of the remaining allegations within Paragraph 294.

4           295. Paragraph 295 of the Counterclaim states a legal conclusion that does not require  
5 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
6 of the remaining allegations within Paragraph 295, and refers Defendants to Fannie Mae's  
7 Answer to Counterclaim. Any punitive damages against Fannie Mae during the conservatorship  
8 are barred by 12 U.S.C. § 4617(j)(4).

9           296. Paragraph 296 of the Counterclaim states a legal conclusion that does not require  
10 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
11 of the remaining allegations within Paragraph 296, and refers Defendants to Fannie Mae's  
12 Answer to Counterclaim. Any awards in the nature of penalties against Fannie Mae during the  
13 conservatorship are barred by 12 U.S.C. § 4617(j)(4).

14           **H. EIGHTH CAUSE OF ACTION (INJUNCTIVE RELIEF)**

15           297. FHFA repeats its responses to Paragraphs 1-296 as if fully stated herein.

16           298. Paragraph 298 of the Counterclaim references Notices of Default filed against the  
17 Liberty Property and Square Property on July 15, 2020. Those Notices speak for themselves.  
18 FHFA is without knowledge or information sufficient to form a belief as to the truth of the  
19 remaining allegations within Paragraph 298, and refers Defendants to Fannie Mae's Answer to  
20 Counterclaim.

21           299. FHFA is without knowledge or information sufficient to form a belief as to the  
22 truth of the allegations within Paragraph 299 of the Counterclaim, and refers Defendants to  
23 Fannie Mae's Answer to Counterclaim.

24           300. Paragraph 300 of the Counterclaim states a legal conclusion that does not require  
25 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
26 of the remaining allegations within Paragraph 300, and refers Defendants to Fannie Mae's  
27 Answer to Counterclaim.

1           301. Paragraph 301 of the Counterclaim states a legal conclusion that does not require  
2 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
3 of the remaining allegations within Paragraph 301, and refers Defendants to Fannie Mae's  
4 Answer to Counterclaim.

5           302. Paragraph 302 of the Counterclaim states a legal conclusion and a hypothetical,  
6 neither of which requires a response.

7           303. The relief sought in Paragraph 303 of the Counterclaim is barred by 12 U.S.C.  
8 § 4617(f). Paragraph 303 states a legal conclusion that does not require a further response.  
9 FHFA is without knowledge or information sufficient to form a belief as to the truth of the  
10 remaining allegations within Paragraph 303.

11           304. Paragraph 304 of the Counterclaim states a legal conclusion that does not require  
12 a response.

13           305. The relief sought in Paragraph 305 of the Counterclaim is barred by 12 U.S.C.  
14 § 4617(f). Paragraph 305 states a legal conclusion that does not require a further response.

15           306. Paragraph 306 of the Counterclaim states a legal conclusion that does not require  
16 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
17 of the remaining allegations within Paragraph 306. Any awards in the nature of penalties against  
18 Fannie Mae during the conservatorship are barred by 12 U.S.C. § 4617(j)(4).

19           **I. NINTH CAUSE OF ACTION (EQUITABLE RELIEF/RESCISSION/  
20 REFORMATION)**

21           307. FHFA repeats its responses to Paragraphs 1-306 as if fully stated herein.

22           308. Paragraph 308 of the Counterclaim references Assumption Agreements relating to  
23 the Liberty Property and Square Property. Those Agreements speak for themselves.

24           309. Paragraph 309 of the Counterclaim references a loan assumption agreement letter  
25 from Grandbridge to Westland. The letter speaks for itself. FHFA is without knowledge or  
26 information sufficient to form a belief as to the truth of the remaining allegations within  
27 Paragraph 309, and refers Defendants to Fannie Mae's Answer to Counterclaim.  
28

1           310. Paragraph 310 of the Counterclaim references an August 20, 2018 letter from  
2 Grandbridge to Liberty LLC that incorporated various attachments. The letter and attachments  
3 speak for themselves. FHFA is without knowledge or information sufficient to form a belief as  
4 to the truth of the remaining allegations within Paragraph 310, and refers Defendants to Fannie  
5 Mae's Answer to Counterclaim.

6           311. Paragraph 311 of the Counterclaim references an August 20, 2018 letter from  
7 Grandbridge to Liberty LLC that incorporated various attachments. The letter and attachments  
8 speak for themselves. FHFA is without knowledge or information sufficient to form a belief as  
9 to the truth of the remaining allegations within Paragraph 311 and refers Defendants to Fannie  
10 Mae's Answer to Counterclaim.

11           312. Paragraph 312 of the Counterclaim references Loan Assumption Agreements that  
12 incorporated Required Repair Reserve Schedules and Required Replacement Reserve Schedules  
13 for each Property. The Agreements and Schedules speak for themselves. FHFA is without  
14 knowledge or information sufficient to form a belief as to the truth of the remaining allegations  
15 within Paragraph 312, and refers Defendants to Fannie Mae's Answer to Counterclaim.

16           313. Paragraph 313 of the Counterclaim states a legal conclusion that does not require  
17 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
18 of the remaining allegations within Paragraph 313, and refers Defendants to Fannie Mae's  
19 Answer to Counterclaim.

20           314. FHFA is without knowledge or information sufficient to form a belief as to the  
21 truth of the remaining allegations within Paragraph 314 of the Counterclaim, and refers  
22 Defendants to Fannie Mae's Answer to Counterclaim.

23           315. Paragraph 315 of the Counterclaim states a legal conclusion that does not require  
24 a response. FHFA is without knowledge or information sufficient to form a belief as to the truth  
25 of the remaining allegations within Paragraph 315.

26           316. FHFA is without knowledge or information sufficient to form a belief as to the  
27 truth of the allegations within Paragraph 316 of the Counterclaim.  
28

317. Paragraph 317 of the Counterclaim states a legal conclusion and request for relief, neither of which require a response. FHFA is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations within Paragraph 317 of the Counterclaim.

318. Paragraph 318 of the Counterclaim states a legal conclusion that does not require a response.

319. Paragraph 319 of the Counterclaim states a legal conclusion that does not require a response. FHFA is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations within Paragraph 319 of the Counterclaim. Any awards in the nature of penalties against Fannie Mae during the conservatorship are barred by 12 U.S.C. § 4617(j)(4).

FHFA hereby denies each and every allegation of the Counterclaim that is not expressly admitted. FHFA further denies that Defendants/Counterclaimants are entitled to any relief including injunctive relief and punitive damages as set forth in their prayer for relief.

## **AFFIRMATIVE DEFENSES**

## FIRST AFFIRMATIVE DEFENSE

**(Barred by 12 U.S.C. § 4617(f))**

Defendants' request for injunctive relief is barred by 12 U.S.C. § 4617(f), which precludes courts from taking any action to restrain or affect the exercise of powers or functions of FHFA as a conservator or a receiver.

## SECOND AFFIRMATIVE DEFENSE

**(Barred by 12 U.S.C. § 4617(j)(4))**

Defendants’ request for punitive damages is barred by 12 U.S.C. § 4617(j)(4), which precludes the imposition of any “amounts in the nature of penalties or fines” on FHFA as a conservator or receiver.

1 **THIRD AFFIRMATIVE DEFENSE**

2 **(Incorporation of Fannie Mae's Affirmative Defenses)**

3 FHFA hereby incorporates by reference all of the Affirmative Defenses asserted by  
4 Fannie Mae in its Answer to Counterclaim as if said defenses are set forth fully herein.

5 **FOURTH AFFIRMATIVE DEFENSE**

6 **(Reservation of Rights)**

7 FHFA hereby reserves the right to amend its affirmative defenses to raise each and every  
8 other defense to which it or Fannie Mae may become entitled based on facts that shall be  
9 disclosed or discovered during the pendency of discovery or of further proceedings in this action.

10 **PRAYER FOR RELIEF**

11 **WHEREFORE**, FHFA prays for relief against Defendants as follows:

- 12
- 13 1. That the injunction entered November 20, 2020 be deemed void and dissolved;
  - 14 2. That Defendants' counterclaims be dismissed;
  - 15 3. That FHFA be awarded attorneys' fees and costs; and
  - 16 4. For such other and further relief as the Court may deem just and proper.

17 **AFFIRMATION**

18 **Pursuant to NRS 239B.030**

19 The undersigned does hereby affirm that the preceding document does not contain the  
20 social security number of any person.

21 DATED: June 14, 2021.

22 FENNEMORE CRAIG, P.C.

23 By: /s/ Leslie Bryan Hart  
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and

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Federal Housing Finance Agency in its  
Capacity as Conservator for Federal  
National Mortgage Association.*

**CERTIFICATE OF SERVICE**

Pursuant to NEFCR 9(b)(d)(e), I certify that on June 14, 2021, a true and correct copy of **FEDERAL HOUSING FINANCE AGENCY'S ANSWER TO DEFENDANTS' COUNTERCLAIM**, was transmitted electronically through the Court's e-filing system to the attorney(s) associated with this case. If electronic notice is not indicated through the court's e-filing system, then a true and correct paper copy of the foregoing document was delivered via U.S. Mail.

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/s/ Pamela Carmon  
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