

UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE DIVISION

In re: :  
 :  
Taylor, Bean & Whitaker Mortgage : 03:09-bk-07047-JAF  
Corp., :  
 :  
 :  
Debtor

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**BANK OF AMERICA’S MOTION FOR RELIEF AS TO A PORTION OF THE  
SALE ORDER (DKT. NO. 802) AND IN THE ALTERNATIVE, APPLICATION  
FOR ALLOWANCE AND PAYMENT OF AN ADMINISTRATIVE EXPENSE  
CLAIM**

Bank of America, National Association as Successor by Merger to LaSalle Bank National Association as Trustee for First Franklin Mortgage Loan Trust 2007-1, Mortgage Loan Asset-Backed Certificates, Series 2007-1 (“BOA”) hereby files its Motion for relief as to a portion of the *Order Approving the Debtor’s Sale of Certain REO Assets and Granting Related Relief* (Dkt. No. 802) (the “Sale Order”), pursuant to Rule 60(b) of the Federal Rules of Civil Procedure, made applicable through Rule 9024 of the Federal Rules of Bankruptcy Procedure, and requests that this Court enter an order directing Taylor, Bean, & Whitaker Mortgage Corp (the “Debtor”) to distribute the net proceeds from the sale of Property (defined below) to BOA, to the extent not disbursed by the Debtor, or if already disbursed, to require the Debtor to pay the amount of net sale proceeds to BOA, and in the alternative, BOA hereby files its Application for an Administrative Expense Claim pursuant to 11 U.S.C. § 503(b), in the amount of the net sale proceeds from the Debtor’s sale of the Property, and in support thereof states as follows:

**Summary of Argument**

1. BOA, as the successor by merger to LaSalle Bank National Association as Trustee to First Franklin Financial, loaned money to Harutyun Julfayan and received a Deed of Trust on the Property. Subsequently, Harutyun Julfayan defaulted on the note and BOA initiated

non-judicial foreclosure proceedings and received title to the Property pursuant to a Trustee's Deed Upon Sale. However, in the meantime, a man named Yosef Cohen filed a falsified and forged Substitution of Trustee and Full Reconveyance, effectively a satisfaction of mortgage, falsely claiming a full reconveyance of BOA's Deed of Trust, and Julfayan purported to transfer the Property to Nadav Levi, and the Property was eventually again purportedly transferred to Federal Home (defined below) and then to the Debtor. In the interim, BOA filed its Quiet Title Action (defined below) and filed a Notice of Lis Pendens which described BOA's lien on the Property. The Debtor then purported to sell the Property to Selene (defined below), even though the Debtor never had legal title to the Property under California law, in a bulk sale of foreclosed REO assets, without providing notice or due process to BOA. Therefore, BOA is seeking relief from the Sale Order and requesting that this Court enter an order directing the Debtor to distribute the net proceeds from the sale of the Property to BOA. In the alternative, BOA is seeking an allowed administrative expense claim in the amount of the net proceeds from the Debtor's sale of the Property.

2. This motion is brought pursuant to Rule 60(b) of the Federal Rules of Civil Procedure, made applicable through Rule 9024 of the Federal Rules of Bankruptcy Procedure, and 11 U.S.C. § 503(b).

### **Factual History**

#### **A. The Loan to Harutyun Julfayan**

3. Harutyun Julfayan ("Julfayan") made, executed, and delivered to First Franklin Financial Corporation a promissory note dated January 10, 2007 for the sum of \$740,000.00 ("Note").

4. The Note was secured by a deed of trust also dated January 10, 2007 in favor of First Franklin Financial Corporation ("Deed of Trust"). The Deed of Trust was recorded on

January 22, 2007 in the Official Records of the County of Los Angeles as Instrument Number 20070124590. A true and correct copy of the Deed of Trust is attached hereto as **Exhibit A**. The Deed of Trust granted First Franklin Financial Corporation a security interest in the property defined therein as the “Property” with an address of 41009 Knoll Drive, Palmdale, California, 93551 (hereinafter, the “Property”).

5. BOA is the successors-in-interest to the Note and Deed of Trust.

**B. Falsified Documents Were Filed with the County of Los Angeles**

6. On or about January 11, 2008, Yosef Cohen (“Cohen”), who is not an authorized representative of BOA, executed a forged Substitution of Trustee and Full Reconveyance (the “Substitution and Reconveyance”) falsely claiming that the Note and Deed of Trust had been satisfied in full. This document was recorded against the Property on January 15, 2008 as Instrument Number 20080084780 in the Official Records of the County of Los Angeles. See ¶¶ 12 & 13 of the Verified Quiet Title Complaint (defined below) attached hereto as Exhibit G. A true and correct copy of the forged Substitution and Reconveyance is attached hereto as **Exhibit B**.

7. Cohen wrongfully and fraudulently recorded the Substitution and Reconveyance. Cohen purported to be the true trustee and beneficiary under the Deed of Trust, however, Cohen was not the trustee or beneficiary under the Deed of Trust and had no authority to record this document. The Substitution and Reconveyance wrongfully claimed that Julfayan satisfied the obligations under the Note and Deed of Trust. The obligations under the Note and Deed of Trust were never fully satisfied. See ¶¶ 12, 13, 29 & 36 of the Verified Quiet Title Complaint attached hereto as Exhibit G.

8. In California, a forged document can also be defined as “knowingly executing or procuring another to execute, with an intent to defraud, any instrument purporting to convey real

property, or any right or interest in real property, knowing that the person executing the document has no right to or interest in the property, or to file or procure the filing of such an instrument knowing that the person executing the instrument had no right, title, or interest in the property purportedly conveyed.” CA. PENAL CODE § 531(a). Additionally, California law provides that a “forged document” is completely void and any subsequent title derived through that forged document is completely unenforceable, even if recorded and held by a bona fide purchaser. Wutzke v. Bill Reid Painting Service, Inc., 151 Cal. App 3d 36, 43-44 (1984); Bryce v. O’Brien (1936), 5 Cal 2d 615, 616; Trout v. Taylor (1934), 220 Cal. 652, 656.

**C. The Property Was Then Transferred to Nadav Levi, then Federal home, and then to the Debtor**

9. Julfayan then purported to transfer the Property to Nadav Levi, although BOA’s lien on the Property still existed because the Satisfaction and Reconveyance was a falsified and forged document. See the Grant Deed dated February 19, 2008, from Julfayan to Levi, which was recorded in the Official Records of the County of Los Angeles as Instrument Number 20080335558, attached hereto as **Exhibit C**.

10. Nadav Levi obtained a loan from T.J. Financial, Inc., (“T.J. Financial”) for the sum of \$417,000.00 for the purchase of the Property (the “Junior Loan”).

11. The Junior Loan was secured by a deed of trust recorded against the Property on February 27, 2008, as Instrument No. 2008033559 in the Official Records of the County of Los Angeles, a copy of which is attached hereto as **Exhibit D**.

**D. BOA received Title of the Property on April 13, 2009 and Federal Home Received Purported Title of the Property on April 21, 2009.**

12. Notwithstanding the false Satisfaction and Reconveyance filed with the County, of Los Angeles, when Julfayan, the trustor, defaulted on the Note and Deed of Trust, BOA

initiated non-judicial foreclosure proceedings and acquired its ownership interest in Property under the Trustee's Deed Upon Sale dated April 13, 2009, which was recorded with the Official Records of Los Angeles County as Instrument Number 20090548630 on April 16, 2009 (the "BOA Trustee's Deed"). A copy of the BOA Trustee's Deed is attached hereto as **Exhibit E**.

13. Nadav Levi defaulted on the Junior Loan to T.J. Financial, and T.J. Financial initiated separate non-judicial foreclosure proceedings. A public sale was held on April 21, 2009, at which Federal Home Loan Mortgage Corporation ("Federal Home") was the highest bidder at the sale and became the purported purchaser of the Property according to the Trustee's Deed Upon Sale dated April 21, 2009, and recorded April 27, 2009, Instrument No. 20090608373 (the "Federal Home Trustee's Deed Upon Sale). However, the attempted foreclosure by T.J. Financial was defective as a matter of law as notice was not given to BOA, the senior lender, BOA had already taken title to the Property, and the Substitution and Reconveyance was a forged and falsified document. A copy of the Federal Home Trustee's Deed Upon Sale is attached hereto as **Exhibit F**.

14. Thus, since title had already transferred to BOA, title could not have transferred to Federal Home.

#### **E. BOA Filed an Action to Quiet Title**

15. On May 8, 2009, BOA filed a verified complaint in the Superior Court of the State of California County of Los Angeles, Case No. BC413430, against Federal Home, Cohen and others seeking (i) to quiet title, (ii) declaratory relief; (iii) cancellation of instruments; (iv) damages for slander of title; and (v) a temporary restraining order and preliminary and permanent injunction (the "Quiet Title Action"). Then on November 23, 2010, BOA filed its amended complaint seeking (i) to quiet title, (ii) declaratory relief; (iii) cancellation of instruments; (iv) damages for slander of title; and (v) a temporary restraining order and

preliminary and permanent injunction (the “Verified Quiet Title Complaint”) , a copy of which is attached hereto as **Exhibit G**. The amended complaint added Selene as a defendant.

16. The Quiet Title Action was filed on behalf of BOA by its counsel, Wolfe & Wyman LLP (“W&W”). Simultaneously to filing the Quiet Title Action, W&W filed a Notice of Pendency of Action (Lis Pendens) (the “Lis Pendens”), which was filed in the Official Records of Los Angeles County as Instrument No. 20090691202. A copy of the Lis Pendens is attached hereto as **Exhibit H**.

#### **F. The Bankruptcy Case of Taylor Bean**

17. On or about August 24, 2009, the Debtor filed its voluntary Chapter 11 bankruptcy petition.

18. On October 21, 2009, the Debtor filed its *Motion for an Order, Pursuant to Sections 105 and 363 of the Bankruptcy Code and Rules 2002, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (I) Approving Bidding Procedures and Terms of Auction for the Sale of Certain of Debtor’s “REO” Property Free and Clear of All liens, Claims and Interests, (II) Setting Hearing Date for Approval of Sale of Property, (III) Fixing Deadline for Objecting to Proposed Asset Sale, (IV) Approving Form and Manner of Sale Notice, and (V) Approving Bid Protections; (VI) Authorizing Debtor to Sell REO Property Free of Liens, Claims and Interests, and (VII) Granting Related Relief* (Dkt. No. 495) (the “Sale Motion”).

19. Through the Sale Motion, the Debtor sought to conduct a bulk sale of approximately 1046 foreclosed real property assets, defined in the Sale Motion as the “REO Assets.”

20. Neither BOA nor W&W was served the Sale Motion, even though ¶ 13 of the Sale Motion stated that it would serve the Sale Motion to the “REO Parties,” which is merely

defined as the “parties having an interest in the Property.” See the Certificate of Mailing dated October 22, 2009 (Dkt. No. 509).

21. The Property is one of the REO Assets included in the Sale Motion, specifically property #7070511. However, the description of the Property only refers to an address and does not reference a legal description, a tax identification number or parcel identification number. In addition, neither Federal Home nor the Debtor had legal title to the Property.

22. An auction to sell the REO Assets was conducted on December 11, 2009.

23. On December 15, 2009, this Court held a hearing on the Sale Motion and on December 17, 2009, this Court entered the Sale Order which approved the sale of the REO Assets to Selene RMOF REO Acquisition II LLC (“Selene”).

24. The Sale Order also directed the Debtor to serve the Notice Materials and notice of the Supplemental Sale Hearing (as respectively defined therein) upon all known holders of Interests who were not served with the Notice Materials. On December 16, 2009, the Debtor filed its *Notice of Supplemental Hearing on the Debtor’s Sale of Certain REO Assets* (Dkt. No. 791). However, neither BOA nor W&W were served such notice. See the Certificate of Mailing dated December 18, 2009 (Dkt. No. 807).

25. Then on January 11, 2010, this Court entered its *Supplemental Order Approving the Debtor’s Sale of Certain REO Assets and Granting Related Relief* (Dkt. No. 859).

26. On January 13, 2010, after the sale, Federal Home transferred its purported interest in the Property to the Debtor via a quit claim deed dated January 13, 2010, however this quit claim deed was not recorded with the Official Records of Los Angeles County, as Instrument Number 20100666304, until May 17, 2010. A copy of the quit claim deed is attached

hereto as **Exhibit I**. So, at the time of the auction, the Debtor did not even have purported title to the Property, neither did Federal Home have title.

27. On January 14, 2010, pursuant to the Sale Order, the Debtor transferred its purported interest in the Property to Selene via a grant deed, however this grant deed was not recorded with the Official Records of Los Angeles County, as Instrument Number 20100666305, until May 17, 2010. A copy of the grant deed to Selene is attached hereto as **Exhibit J**.

### **Basis for Relief from the Sale Order**

28. Pursuant to Rule 60(b) of the Federal Rules of Civil Procedure, which is made applicable pursuant to Rule 9024 of the Federal Rules of Bankruptcy Procedure, “[o]n motion and just terms, a court may relieve a party or its legal representative from a final judgment, order, or proceeding for the following reasons: ... (1) mistake, inadvertence, surprise, or excusable neglect; (3) fraud (whether previously called intrinsic or extrinsic), misrepresentation, or misconduct by opposing party; (4) the judgment is void; ... or (6) or any other reason that justifies relief.”

29. Under Rule 60(b)(1) or 60(b)(4), this Court could grant BOA the requested relief because of a “mistake” or because the Sale Order should be deemed “void” in that the Debtor never had legal title to the Property because under California law a forged document includes “knowingly executing” “with an intent to defraud” “any instrument purporting to convey any right or interest in real property, knowing that the person executing the document has no right to or interest in the property”. See CA. PENAL CODE § 531(a). Additionally, under California law, a “forged document” is completely void and any subsequent title derived through that forged document is completely unenforceable, even if recorded and held by a bona fide purchaser. Wutzke v. Bill Reid Painting Service, Inc., 151 Cal. App 3d 36, 43-44 (1984); Bryce v. O’Brien (1936), 5 Cal 2d 615, 616; Trout v. Taylor (1934), 220 Cal. 652, 656. Therefore the deed to



Federal Home, and the subsequent transfers to the Debtor and Selene, would be deemed unenforceable because the Substitution and Reconveyance was a falsified and forged document. Also, title to the Property could not have been transferred to Federal Home because BOA already received legal title to the Property pursuant to the BOA Trustee's Deed, which was prior to the foreclosure by T.J. Financial. Finally, it is important to note that even if the Debtor's title to the Property was not unenforceable due to the falsified Substitution and Reconveyance, Federal Home did not even purport to transfer the Property to the Debtor until January 13, 2010, and therefore, the Debtor did not even have an interest in the Property at the time of the sale. Under Section 363(b) of the Bankruptcy Code, the Debtor could only transfer an asset that it owned. Furthermore, because any transfer subsequent to the falsified Substitution and Reconveyance is unenforceable, because BOA had already obtained title, Federal Home never had legal title, and because Federal Home did not even purport to transfer the Property until after the sale, the Debtor did not have authority to transfer the Property under Section 363(b) because it was not an asset of the Debtor.

30. Notably, under Rule 60(b)(6) of the Federal Rules of Civil Procedure, this Court may grant BOA relief from the Sale Order for "any other reason that justifies relief." Filing a motion to vacate a judgment under Rule 60(b) of the Federal Rules of Civil Procedure, is one way to challenge a Section 363 sale order. Nanak Resorts, Inc. v. Haskins Gas Service, Inc. (In re Rome Family Corporation), 2010 Bankr. LEXIS 1066 (Bankr. D. Vt. March 31, 2010).

31. Although the Debtor may not have committed fraud through the sale of its purported interest in the Property to Selene, Federal Home and the Debtor obtained its purported interest in the Property by virtue of the Satisfaction and Reconveyance that was fraudulently filed by Cohen. Cohen filed the Satisfaction and Reconveyance with full knowledge that he was

not an authorized agent of BOA, or otherwise authorized to execute the Satisfaction and Reconveyance, but he did so anyway and attempted to transfer away BOA's interest in the Property. BOA had proper title to the Property before Federal Home obtained any interest in the Property and before any subsequent transfer to the Debtor.

32. Additionally, in the instant case, neither BOA nor its counsel, W&W were given notice of the Debtor's proposed sale of the Property even though the Debtor and Selene were on constructive notice that BOA owned or had a lien on the Property by virtue of the Quiet Title Action, the Lis Pendens, and the BOA Trustee's Deed. If the Debtor or Selene had performed a title search, they would have seen at least the Lis Pendens and the BOA Trustee's Deed.

33. Section 363(b) of the Bankruptcy Code requires that a sale of property of the estate may be held, other than in the ordinary course of business, after "notice and a hearing." Additionally, Rule 6004(c) of the Federal Rules of Bankruptcy Procedure requires that "[a] motion for authority to sell property free and clear of liens or other interests shall be made in accordance with Rule 9014 and shall be served on the parties who have liens or other interests in the property to be sold."

34. Due process requires "notice reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections." Mullane v. Cent. Hanover Bank & Trust Co., 339 U.S. 306 (1950).

35. The Debtor never provided BOA notice of the sale as required under Section 363(b) of the Bankruptcy Code and Rule 6004(c) of the Federal Rules of Bankruptcy Procedure. The Debtor also clearly violated BOA's due process rights as it did not provide BOA sufficient notice to apprise BOA of the sale and afford it the opportunity to present its objections.

36. Section 363(m) cannot protect Selene and allow it to have the Property free and clear of liens if no notice was provided to BOA. See Esposito v. Title Ins. Co. (In re Fernwood Markets), 73 B.R. 616, 620 (Bankr. E.D. Pa. 1987) (finding that section 363(m) will not protect a party buying from the trustee in a sale free and clear of liens where no notice is given to the lienholder).

37. Therefore, this Court should grant BOA relief from the Sale Order and enter an order directing the Debtor to transfer the net proceeds from the sale of the Property to BOA.

**Alternative Relief – Grant BOA an Administrative Expense Claim**

38. If this Court does not grant BOA relief from the Sale Order, then in the alternative, BOA respectfully requests that this court grant it an administrative expense claim pursuant to section 503(b) of the Bankruptcy Code.

39. Pursuant to 11 U.S.C. § 503(b), an administrative claim should be allowed for the “actual, necessary costs and expenses of preserving the estate.”

40. As the Debtor’s estate was benefited from the sale of the Property to Selene, BOA should be granted an allowed administrative claim in the amount of the net proceeds received by the Debtor for the sale of the Property, or the fair market value of the Property at the time of the sale, and the Debtor should be compelled to pay the same.

WHEREFORE, Bank of America respectfully requests that this Court enter an order (i) granting BOA relief as to a portion of the Sale Order as related to the Property; (ii) directing the Debtor to distribute the net proceeds from the sale of Property to BOA, to the extent not already disbursed by the Debtor, or if already disbursed, to require the Debtor to pay the amount of net sale proceeds to BOA; (iii) and in the alternative, enter an order granting BOA an allowed administrative expense claim pursuant to 11 U.S.C. § 503(b) in the amount of the net sales

proceeds from the sale of the Property, and directing the Debtor to pay such claim; and (iv) and any other and further relief as this Court deems necessary and just.

/s/ Mark J. Wolfson

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Jennifer Hayes  
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Tampa, FL 33602-5810  
P.O. Box 3391  
Tampa, FL 33601-3391  
813.229.2300  
Counsel for Bank of America

**Certificate of Service**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via US Mail or CM/ECF on this 16<sup>th</sup> day of December, 2010, to the following recipients: Taylor, Bean & Whitaker Mortgage Corp, 315 NE 14<sup>th</sup> Street, Ocala, FL 34470; Edward Peterson, 110 East Madison Street, Suite 200, Tampa, Florida 33602; Elena L. Escamilla, Office of the United States Trustee, 135 W Central Blvd, Suite 620, Orlando, FL 32801; J. David Dantzler, Troutman Sanders, 600 Peachtree Street, NE, Suite 5200, Atlanta, GA 30308-2216; Arthur J. Spector, Berger Singerman, PA, 350 E. Las Olas Blvd., 10<sup>th</sup> Floor, Fort Lauderdale, FL 33301, and to all parties who requested electronic noticing through CM/ECF.

/s/ Mark J. Wolfson

Attorney

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Pages  
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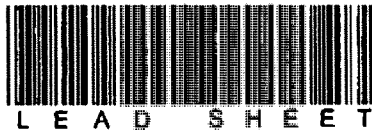
Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

Fees	
Taxes	\$64.00
Other	\$0.00
Paid	\$0.00
	\$64.00

01/22/07 AT 08:00AM

TitleCompany

**TITLE(S) :** \_\_\_\_\_



LEAD SHEET

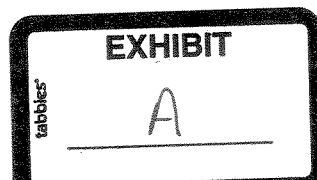
**Assessor's Identification Number (AIN)**

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

E200020

**THIS FORM IS NOT TO BE DUPLICATED**



# CHICAGO TITLE

PLEASE COMPLETE THIS INFORMATION

RECORDING REQUESTED BY:

FINAL LOAN DOCS

WHEN RECORDED MAIL TO:

FIRST FRANKLIN  
c/o SECURITY CONNECTIONS  
1935 INTERNATIONAL WAY  
IDAHO FALLS, ID 83402

606083224 A43

01/22/07



20070124590

THIS SPACE FOR RECORDER'S USE ONLY

## DEED OF TRUST

TITLE OF DOCUMENT

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION  
(Govt. Code 27361 6)  
(Additional recording fee applies)

275-214  
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FF021410 MFCA3100

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3001-080-023

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RECORDING REQUESTED BY  
FINAL LOAN DOCS

AND WHEN RECORDED MAIL TO

FIRST FRANKLIN  
c/o SECURITY CONNECTIONS  
1935 INTERNATIONAL WAY  
IDAHO FALLS, ID 83402

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## DEED OF TRUST

MIN: 100425240011451900

### DEFINITIONS

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

(A) "Security Instrument" means this document, which is dated January 10, 2007, together with all Riders to this document

(B) "Borrower" is ~~JULFAYAN HARUTYUN~~ <sup>H.J.</sup> HARUTYUN A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY

Borrower is the trustor under this Security Instrument.

(C) "Lender" is FIRST FRANKLIN FINANCIAL CORP, AN OP. SUB OF MLB&T CO, FSB  
Lender is a Corporation organized and existing under  
the laws of Delaware, Lender's address is  
2150 NORTH FIRST STREET, SAN JOSE, California 95131

(D) "Trustee" is CHICAGO TITLE CO

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

(F) "Note" means the promissory note signed by Borrower and dated January 10, 2007. The Note states that Borrower owes Lender Seven Hundred Forty Thousand and no/100 Dollars (U S \$740,000 00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 01, 2037.

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

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4

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

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

- ☒ Adjustable Rate Rider    ☐ Condominium Rider    ☐ Second Home Rider  
☒ Balloon Rider    ☐ Planned Unit Development Rider    ☒ Other(s) [specify] Prepay Rider  
☐ 1-4 Family Rider    ☐ Biweekly Payment Rider

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

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

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

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

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

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

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

(Q) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

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

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5

**TRANSFER OF RIGHTS IN THE PROPERTY**

The beneficiary of this Security Instrument is MERS (solely as nominee for Lender and Lender's successors and assigns) and the successors and assigns of MERS. This Security Instrument secures to Lender (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note, and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the

**COUNTY**

[Type of Recording Jurisdiction]

of **LOS ANGELES**  
[Name of Recording Jurisdiction]

LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF

**SEE EXHIBIT A**

which currently has the address of

**41009 KNOLL DR**

[Street]

**PALMDALE**  
[City]

, California

**93551**  
[Zip Code]

("Property Address")

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

**BORROWER COVENANTS** that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

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

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

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

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

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

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

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

**3. Funds for Escrow Items.** Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property, (b) leasehold payments or ground rents on the Property, if any, (c) premiums for any and all insurance required by Lender under Section 5, and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

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

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in

7

writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

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

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

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

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement, (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

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

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

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

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

07 0124590

8

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

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

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

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

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

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

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

07 0124590

9

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

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

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

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

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

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

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

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

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

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

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period,

07 0124590

10

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

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

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

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

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

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

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

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

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

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this

07 0124590

11

Security Instrument Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

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

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

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

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

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

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

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

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

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

**19. Borrower's Right to Reinstate After Acceleration.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of (a) five days before sale

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12

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

**20. Sale of Note; Change of Loan Servicer; Notice of Grievance.** The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

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

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

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

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance

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13

affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

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

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

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

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

**23. Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

**24. Substitute Trustee.** Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

**25. Statement of Obligation Fee.** Lender may collect a fee not to exceed the maximum amount permitted by Applicable Law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

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14

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in pages 1 through 12 of this Security Instrument and in any Rider executed by Borrower and recorded with it

HARUTYUN JULFAYAN (Seal) (Seal)  
-Borrower -Borrower

(Seal) (Seal)  
-Borrower -Borrower

(Seal) (Seal)  
-Borrower -Borrower

Witness:

Witness

State of California )  
County of Los Angeles )

On January 12, 2007  
personally appeared HARUTYUN JULFAYAN

before me, Hannah El Toukhy, Notary Public

~~personally known to me~~ (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal

Signature: 



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EXHIBIT "A"

15

LEGAL DESCRIPTION

PARCEL 1:

LOT 26 OF TRACT NO. 45566, IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED IN BOOK 1148 PAGES 72 TO 77, INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS AND OTHER MINERAL RIGHTS OF ANY KIND THAT MAY EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM W.F. RALSTON WINNARD AND HELEN HUNT WINNARD, HUSBAND AND WIFE, AS JOINT TENANTS, RECORDED IN BOOK 19512 PAGE 358, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM 1/8TH INTEREST IN ANY AND ALL OIL, OR MINERALS OF ANY KIND THAT MAY BE EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM MAME E WINNARD AND WELLINGTON L. WINNARD, HER HUSBAND, RECORDED IN BOOK 1973 PAGE 267, OFFICIAL RECORDS.

PARCEL 2:

NONEXCLUSIVE EASEMENTS APPURTENANT TO PARCEL 1 ABOVE, ON AND OVER THE "COMMON AREA" AS DEFINED IN THE DECLARATION OF ANNEXATION FOR ACCESS, USE, OCCUPANCY, ENJOYMENT, INGRESS AND EGRESS OF THE AMENITIES LOCATED THEREON. THE COMMON AREA IS FOR THE USE OF OWNERS OF LOTS WHICH ARE SUBJECT TO THE DECLARATION AND IS NOT FOR THE USE OF THE GENERAL PUBLIC.

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16

**PREPAYMENT RIDER**

This Prepayment Rider is made this 10th day of January 2007, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or the Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note (the "Note") to  
**FIRST FRANKLIN FINANCIAL CORP, AN OP. SUB OF MLB&T CO, FSB**  
 (the "Lender") of the same date and covering the property described in the Security Instrument and located at.  
 41009 KNOLL DR  
 PALMDALE, CA 93551

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements made in the Security instrument, Borrower and Lender further covenant and agree as follows

Borrower can make a partial prepayment at anytime without paying any charge. Borrower may make a full prepayment at any time subject to a prepayment charge as follows

If within the first 24 months after the date Borrower executes the Note, Borrower makes a full prepayment (including prepayments occurring as a result of the acceleration of the maturity of the Note), Borrower must, as a condition precedent to a full prepayment, pay a prepayment charge on any amount prepaid in any 12 month period in excess of 20% of the unpaid balance. The prepayment charge will equal the interest that would accrue during a six-month period on the Excess Principal calculated at the rate of interest in effect under the terms of the Note at the time of the full prepayment

**NOTICE TO BORROWER**

Do not sign this loan agreement before you read it. This loan agreement provides for the payment of a penalty if you wish to repay the loan prior to the date provided for repayment in the loan agreement

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

  
 HARUTYUN JULFAYAN (Seal)  
 -Borrower

(Seal)  
 -Borrower

(Seal)  
 -Borrower

(Seal)  
 -Borrower

(Seal)  
 -Borrower

(Seal)  
 -Borrower

Adjustable Rate Prepayment Rider - First Lien - AK, AL, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA, ID, KS, LA, MA, MD, MN, MT, ND, NE, NH, NJ, NM, NY, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WY

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17

## ADJUSTABLE RATE AND BALLOON RIDER

(Index: Six-Month London Interbank Offered Rate ("LIBOR") As Published in *The Wall St. Journal* - Rate Caps)  
(Amortization Period: Forty Years)

(Assumable)

(Not to be Used for Texas Homestead Loans Unless Proceeds Used Only for Purchase Money or Refinance of Purchase Money)

This Adjustable Rate and Balloon Rider is made this 10th day of January 2007 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note as amended and supplemented by the Addenda including the Balloon Note Addendum to Adjustable Rate Note (collectively the "Note") to

FIRST FRANKLIN FINANCIAL CORP, AN OP. SUB OF MLB&T CO, FSB  
(the "Lender") of the same date and covering the property described in the Security Instrument and located at  
41009 KNOLL DR  
PALMDALE, CA 93551  
[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

THIS LOAN IS PAYABLE IN FULL ON THE MATURITY DATE SET FORTH IN THE SECURITY INSTRUMENT. THE BORROWER MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN, UNPAID INTEREST AND OTHER SUMS THEN DUE. THE LENDER IS UNDER NO OBLIGATION TO REFINANCE THE LOAN AT THAT TIME. THE BORROWER WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS THAT THE BORROWER MAY OWN, OR THE BORROWER WILL HAVE TO FIND A LENDER, WHICH MAY BE THE LENDER THE BORROWER HAS THIS LOAN WITH, WILLING TO LEND THE BORROWER THE MONEY. IF THE BORROWER REFINANCES THIS LOAN AT MATURITY, THE BORROWER MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN EVEN IF THE BORROWER OBTAINS REFINANCING FROM THE SAME LENDER.

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

**A. INTEREST RATE AND MONTHLY PAYMENT CHANGES**

The Note provides for an initial interest rate of 6.9000 %. The Note provides for changes in the interest rate and the monthly payments as follows

**4. INTEREST RATE AND MONTHLY PAYMENT CHANGES**

**(A) Change Dates**

The interest rate I will pay may change on the first day of February 2009, and may change on that day every 6th month thereafter. Each date on which my interest rate could change is called a "Change Date."

**(B) The Index**

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the six month London Interbank Offered Rate ("LIBOR") which is the average of interbank offered rates for six-month U.S. dollar-denominated deposits in the London market, as published in *The Wall Street Journal*. The most recent Index figure available as of the first business day of the month immediately preceding the month in which the Change Date occurs is called the "Current Index."

18

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice

**(C) Calculation of Changes**

Before each Change Date, the Note Holder will calculate my new interest rate by adding Five and Four Tenths

percentage point(s) ( 5 4000%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0 125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full Forty ( 40 ) years after the date of the Note at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment. I will pay the remaining unpaid principal balance on the Maturity Date

**(D) Limits on Interest Rate Changes**

The interest rate I am required to pay at the first Change Date will not be greater than 9 9000% or less than 6 9000%. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than One percentage points (1 0000 %) from the rate of interest I have been paying for the preceding six months. My interest rate will never be greater than 12 9000 % nor less than 6 9000%

**(E) Effective Date of Changes**

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first payment date after the Change Date until the amount of my monthly payment changes again

**(F) Notice of Changes**

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given and also the title and telephone number of a person who will answer any question I may have regarding the notice.

**B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER**

Section 18 of the Security Instrument is amended to read as follows:

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


If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee, and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender

19

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign as assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under this Note and Security Instrument unless Lender releases Borrower in writing.

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

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate and Balloon Rider

 _____ (Seal) HARUTYUN GULFAYAN -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower
_____ (Seal) -Borrower	_____ (Seal) -Borrower

[Sign Original Only]

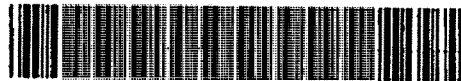
07 0124590

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**20080084779**

Pages:  
003



Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

Fee: 21.00

Tax: 0.00

Other: 0.00

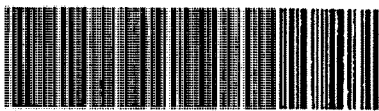
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01/15/08 AT 01:18PM

1564139 200801150010081 Counter

**TITLE(S) :**

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L E A D S H E E T

**Assessor's Identification Number (AIN)**

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

**THIS FORM IS NOT TO BE DUPLICATED**

**EXHIBIT**

*B*

tabbles



2

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL DOCUMENT  
AND TAX STATEMENT TO:

41009 Knoll Dr.  
Palmdale CA. 93551

01/15/08



20080084779

Space Above This Line for Recorder's Use Only

A.P.N.: 3001-080-023

File No.:

### SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE

The Undersigned, present Beneficiary under that certain Deed of Trust dated 1/10/07 executed by Harutyun Julfayan as Trustor to First Franklin Financial as original Trustee and recorded on 1/22/07 as Instrument No. 070124591, in Book, Page(s), Official Records of the County of Los Angeles State of CA. **HEREBY APPOINTS AND SUBSTITUTES THE UNDERSIGNED** as the new and substituted Trustee thereunder in accordance with the terms and provisions contained therein, whose address is 41009 Knoll Dr. and Palmdale CA. 93551

As such duly appointed and substituted Trustee thereunder, the undersigned **DOES HEREBY RECONVEY** to the person or persons legally entitled thereto, without warranty all the estate, title and interest acquired by the original Trustee and by the undersigned as the said substituted Trustee under said Deed of Trust. Wherever the text of this document so requires, the singular includes the plural.

Dated: 01-11-2008

Beneficiary(ies):

By: Yosef Cohen

Authorized Signer

27

State of California

County of Los Angeles

On Jan. 11, 2008 before me, Roni Ozair-Hollander <sup>Notary</sup> personally  
(Insert Name of Notary Public and Title)

appeared Yosef Cohen who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he she they executed the same in his her their authorized capacity(ies), and that by his her their signature(s) on the instrument the person(s), or the entity upon behalf on which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Roni Ozair-Hollander (Seal)

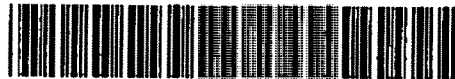


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**20080335558**

Pages:  
003



Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

Fee: 14.00  
Tax: 693.00  
Other: 0.00  
Total: 707.00

02/27/08 AT 08:00AM

Title Company

TITLE(S) : DEED



LEAD SHEET

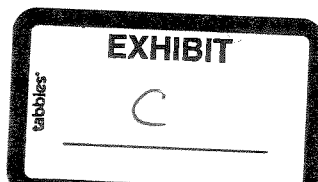
Assessor's Identification Number (AIN)

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

6 2003-10

THIS FORM IS NOT TO BE DUPLICATED



TICOR TITLE CO  
GLENDALE

9770844-72

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:  
AND MAIL TAX STATEMENT TO:

Nadav Levi

41009 Knoll Drive  
Palmdale CA 93551

Order No  
Escrow No. 21057  
Parcel No. 3001-080-023

02/27/08



20080335558

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S) THAT DOCUMENTARY TRANSFER TAX IS \$693.00 and CITY  
~~\$2,835.00~~

☒ computed on full value of property conveyed, or  
unincorporated area. ☒ Palmdale, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
Julfayan Harutyun, a married man as his sole and separate property

hereby GRANTS to Nadav Levi, a Single Man

the following described real property in the County of Los Angeles, State of California:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE PART HEREOF.

Date February 19, 2008

Julfayan Harutyun

STATE OF CALIFORNIA

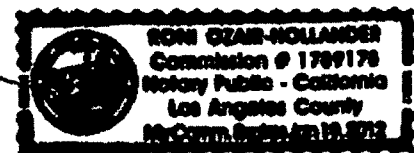
COUNTY OF Los Angeles

On February 21, 2008, before me, Roni Ozair-Hollander, Notary Public,  
a Notary Public in and for said County and State, personally appeared

Julfayan Harutyun personally known to me (or proved to me on  
the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and  
acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by  
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted,  
executed the instrument

WITNESS my hand and official seal.

Signature



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**20080335559**

Pages:  
016



Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

Fee: 55.00

Tax: 0.00

Other: 0.00

Total: 55.00

02/27/08 AT 08:00AM

Title Company

TITLE(S) : \_\_\_\_\_



LEAD SHEET

Assessor's Identification Number (AIN)

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

E20020

THIS FORM IS NOT TO BE DUPLICATED

EXHIBIT

D

**TICOR TITLE CO  
GLENDALE**

After Recording Return To:  
T.J. FINANCIAL, INC.  
181 W. HUNTINGTON DR. #108  
MONROVIA, CA 91016

LOAN NO. 2080696

02/27/08

**20080335559**

9770844-72

MIN: 100046120806960001

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**DEED OF TRUST****DEFINITIONS**

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

(A) "Security Instrument" means this document, which is dated **February 15, 2008**, together with all Riders to this document.

(B) "Borrower" is **NADAV LEVI, A SINGLE MAN.**

Borrower is the trustor under this Security Instrument.

(C) "Lender" is **T.J. FINANCIAL, INC.** Lender is **A CALIFORNIA CORPORATION**, organized and existing under the laws of CALIFORNIA. Lender's address is  
**181 W. HUNTINGTON DR. #108, MONROVIA, CA 91016.**

(D) "Trustee" is **INVESTORS TITLE CORPORATION, A CALIFORNIA CORPORATION**  
The beneficiary is Mortgage Electronic Registration Systems, Inc. ("MERS") (solely as nominee for Lender, as herein after defined, and Lender's successors and assigns). MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O.Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.

(E) "Note" means the promissory note signed by Borrower and dated **February 15, 2008**. The Note states that Borrower owes Lender

**FOUR HUNDRED SEVENTEEN THOUSAND AND 00/100\*\*\*\*\***

Dollars (U.S. \$ **417,000.00** ) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than **March 1, 2038**.

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

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

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

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

3001-80-20

- (I) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.
- (J) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.
- (K) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers
- (L) "Escrow Items" means those items that are described in Section 3.
- (M) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property
- (N) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.
- (O) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.
- (P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.
- (Q) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

#### TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the county of **LOS ANGELES** ;  
[Name of Recording Jurisdiction]

LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT "A".

APN: 3001-080-023

which currently has the address of **41009 KNOLL DRIVE**

**PALMDALE**  
[City]

[Street]  
California **93551** ("Property Address").  
[Zip Code]

CALIFORNIA--Single Family--Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3005 1/01 (page 2 of 11 pages)  
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4

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property "

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record

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

UNIFORM COVENANTS Borrower and Lender covenant and agree as follows:

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

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

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

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

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

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



such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

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

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

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

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

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

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement, (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

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

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

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become

6  
 additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment

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

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2

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

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

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

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

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

**9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might

7

significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court, and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

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

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

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

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

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

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

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

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

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this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender

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

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

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

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

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

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

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

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

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

10

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

**20. Sale of Note; Change of Loan Servicer; Notice of Grievance.** The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

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

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

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

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance

affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

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

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

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

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

**23. Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Lender may charge such person or persons a reasonable fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law. If the fee charged does not exceed the fee set by Applicable Law, the fee is conclusively presumed to be reasonable.

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12

24. **Substitute Trustee.** Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by Applicable Law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

25. **Statement of Obligation Fee.** Lender may collect a fee not to exceed the maximum amount permitted by Applicable Law for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

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

Witnesses.

Nadav L.  
NADAV LEVI

[Space Below This Line for Acknowledgment]

State of California  
County of Los Angeles

On February 21, 2008

before me,

Roni Ozair-Hollander, Notary Public  
(insert name and title of the officer)

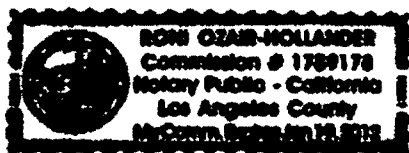
personally appeared NADAV LEVI, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal

Signature

Roni Ozair-Hollander  
(seal)





PRELIMINARY REPORT

Ticor Title Company  
ORDER NO.: 9770844-72

**LEGAL DESCRIPTION**

**EXHIBIT "A"**

13

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

**PARCEL 1.**

LOT 26 OF TRACT NO. 46566, IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED IN BOOK 1148 PAGES 72 TO 77, INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS AND OTHER MINERAL RIGHTS OF ANY KIND THAT MAY EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM W.F. RALSTON WINNARD AND HELEN HUNT WINNARD, HUSBAND AND WIFE, AS JOINT TENANTS, RECORDED IN BOOK 19612 PAGE 358, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM 1/8TH INTEREST IN ANY AND ALL OIL, OR MINERALS OF ANY KIND THAT MAY BE EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM MANE E. WINNARD AND WELLINGTON L. WINNARD, HER HUSBAND, RECORDED IN BOOK 1973 PAGE 267, OFFICIAL RECORDS.

**PARCEL 2**

NONEXCLUSIVE EASEMENTS APPURTENANT TO PARCEL 1 ABOVE, ON AND OVER THE 'COMMON AREA' AS DEFINED IN THE DECLARATION OF ANNEXATION FOR ACCESS, USE, OCCUPANCY, ENJOYMENT, INGRESS AND EGRESS OF THE AMENITIES LOCATED THEREON. THE COMMON AREA IS FOR THE USE OF OWNERS OF LOTS WHICH ARE SUBJECT TO THE DECLARATION AND IS NOT FOR THE USE OF THE GENERAL PUBLIC.

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14

**PLANNED UNIT DEVELOPMENT RIDER**

LOAN NO. 2080696

THIS PLANNED UNIT DEVELOPMENT RIDER is made this **15th** day of **February, 2008**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **T.J. FINANCIAL, INC., A CALIFORNIA CORPORATION** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

**41009 KNOLL DRIVE, PALMDALE, CA 93551**  
[Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in **Covenants, Conditions, and Restrictions**

(the "Declaration"). The Property is a part of a planned unit development known as **PACIFIC RENAISSANCE**  
[Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

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

**A. PUD Obligations.** Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the (i) Declaration, (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

**B. Property Insurance.** So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes and floods, for which Lender requires insurance, then, (i) Lender waives the provision in Section 3 for the Periodic Payment to Lender of the yearly premium installments for property insurance on the Property; and (ii) Borrower's obligation under Section 5 to maintain property insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

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

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

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

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

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

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

15

effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender

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

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

<p><i>Nadav L. Levi</i></p> <p>_____ NADAV LEVI</p>	<p>_____ Borrower</p>	<p>_____ Borrower</p>
<p>_____ Borrower</p>	<p>_____ Borrower</p>	<p>_____ Borrower</p>
<p>_____ Borrower</p>	<p>_____ Borrower</p>	<p>_____ Borrower</p>

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**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

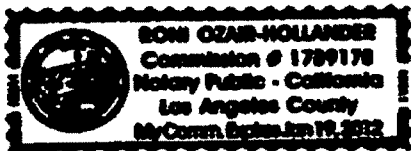
State of California

County of Los AngelesOn February 21, 2008 before me,Boni Ozair-Hollander, Notary Public

Here Insert Name and Title of the Officer

personally appeared Nadav Levi

Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature

Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

**Description of Attached Document**Title or Type of Document. Deed of Trust

Document Date: \_\_\_\_\_

Number of Pages 15

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name \_\_\_\_\_

- ☐ Individual  
☐ Corporate Officer — Title(s) \_\_\_\_\_  
☐ Partner — ☐ Limited ☐ General  
☐ Attorney in Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other \_\_\_\_\_

Signer Is Representing \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER  
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Signer's Name \_\_\_\_\_

- ☐ Individual  
☐ Corporate Officer — Title(s) \_\_\_\_\_  
☐ Partner — ☐ Limited ☐ General  
☐ Attorney in Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other \_\_\_\_\_

Signer Is Representing \_\_\_\_\_

RIGHT THUMBPRINT  
OF SIGNER  
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RECORDER MEMO: This COPY has not been QUALITY ASSURED.

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Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

04/16/09 AT 08:00AM

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TAXES:	0.00
OTHER:	0.00
PAID:	15.00



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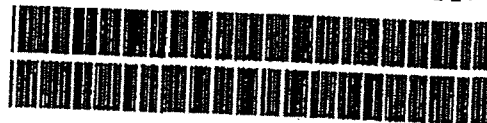
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DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

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RECORDER MEMO: This COPY has not been QUALITY ASSURED.

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE INSURANCE COMPANY

WHEN RECORDED MAIL TO:

BANK OF AMERICA, NATIONAL ASSOCIATION  
AS SUCCESSOR BY MERGER TO LA SALLE  
BANK NATIONAL ASSOCIATION AS TRUSTEE  
FOR FIRST FRANKLIN MORTGAGE LOAN  
TRUST 2007-1, MORTGAGE LOAN ASSET-  
BACKED CERTIFICATES, SERIES 2007-1  
C/O FIRST FRANKLIN  
150 ALLEGHENY CENTER  
PITTSBURGH, PA 15212



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MAIL TAX STATEMENTS TO

Same as above

Trustee Sale No. 08-0771-CA

Loan No. 1044837485

Space above this line for recorder's use only  
Title Order No. 3619076 - *MTS*

### TRUSTEE'S DEED UPON SALE

APN 3001-080-023

The undersigned grantor declares:

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE COMPANY  
AS AN ACCOMMODATION ONLY

- 1) The Grantee herein was the foreclosing beneficiary.
- 2) The amount of the unpaid debt together with costs was \$811,539.14
- 3) The amount paid by the grantee at the trustee sale was \$399,000.00
- 4) The documentary transfer tax is \$NONE
- 5) Said property is in the CITY of PALMDALE

and ROBERT E. WEISS INCORPORATED (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to BANK OF AMERICA, NATIONAL ASSOCIATION AS SUCCESSOR BY MERGER TO LA SALLE BANK NATIONAL ASSOCIATION AS TRUSTEE FOR FIRST FRANKLIN MORTGAGE LOAN TRUST 2007-1, MORTGAGE LOAN ASSET-BACKED CERTIFICATES, SERIES 2007-1 (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of LOS ANGELES, State of California, described as follows:

SEE ATTACHED LEGAL DESCRIPTION

Situs: 41009 KNOLL DR, PALMDALE, CA 93551

#### RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01-10-2007 and executed by HARUTYUN JULFAYAN A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, as Trustor, and Recorded 01-22-2007, Book , Page , Instrument 20070124590 of official records of LOS ANGELES County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

RECORDER MEMO: This COPY has not been QUALITY ASSURED.

19

RECORDER MEMO: This COPY has not been QUALITY ASSURED.

Trustee Sale No. 08-0771-CA

Loan No. 1044837485

Title Order No. 3619076

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

Said property was sold by said Trustee at public auction on **04-13-2009** at the place named in the Notice of Sale, in the county of LOS ANGELES California, in which the property is situated. Grantee, being the highest bidder at such sale, became the purchaser of said property and paid therefore to said trustee the amount bid being **\$399,000.00** in lawful money of the United States, or by the satisfaction, pro tanto, of the obligation then secured by said Deed. Of Trust.

DATE: 04-13-2009

ROBERT E. WEISS INCORPORATED, As Trustee

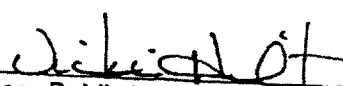
ROBERT E. WEISS, PRESIDENT

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

On 04-13-2009 before me, VICKI HILTON, the undersigned Notary Public in and for said county, personally appeared Robert E. Weiss, ~~President~~, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
Notary Public in and for said County and State



RECORDER MEMO: This COPY has not been QUALITY ASSURED.

Trustee Sale No. 08-0771-CA

Loan No. 1044837485

Title Order No. 3619076

PARCEL 1:

LOT 26 OF TRACT NO. 45566, IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED IN BOOK 1148 PAGES 72 TO 77, INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS AND OTHER MINERAL RIGHTS OF ANY KIND THAT MAY EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM W.F. RALSTON WINNARD AND HELEN HUNT WINNARD, HUSBAND AND WIFE, AS JOINT TENANTS, RECORDED IN BOOK 19512 PAGE 358, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM 1/8TH INTEREST IN ANY AND ALL OIL, OR MINERALS OF ANY KIND THAT MAY BE EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM MAME E WINNARD AND WELLINGTON L. WINNARD, HER HUSBAND, RECORDED IN BOOK 1973 PAGE 267, OFFICIAL RECORDS.

PARCEL 2:

NONEXCLUSIVE EASEMENTS APPURTENANT TO PARCEL 1 ABOVE, ON AND OVER THE "COMMON AREA" AS DEFINED IN THE DECLARATION OF ANNEXATION FOR ACCESS, USE, OCCUPANCY, ENJOYMENT, INGRESS AND EGRESS OF THE AMENITIES LOCATED THEREON. THE COMMON AREA IS FOR THE USE OF OWNERS OF LOTS WHICH ARE SUBJECT TO THE DECLARATION AND IS NOT FOR THE USE OF THE GENERAL PUBLIC.

RECORDER MEMO: This COPY has not been QUALITY ASSURED.

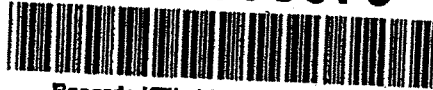


RECORDER MEMO: This COPY has not been QUALITY ASSURED.

This page is part of your document - DO NOT DISCARD



20090608373



Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

04/27/09 AT 08:00AM

Pages:  
0003

FEES:	12.00
TAXES:	0.00
OTHER:	0.00
PAID:	12.00



LEADSHEET



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SEQ:  
12

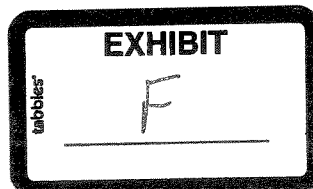
DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

ESU 1044

135



RECORDER MEMO: This COPY has not been QUALITY ASSURED.

RECORDER MEMO: This COPY has not been QUALITY ASSURED.

[RECORDING REQUESTED BY:]  
Fidelity National Title Insurance Company  
On behalf of Trustee Corps



[WHEN RECORDED MAIL TO  
AND MAIL TAX STATEMENTS TO:]  
TAYLOR BEAN AND WHITAKER MORTGAGE CORP.  
1417 N. Magnolia Avenue  
Ocala, FL 34475

[Space above this line for recorder's use only]

Trustee Sale#: CA0925842-2 Loan#: 7070511 Title Order#: G862454

## TRUSTEE'S DEED UPON SALE

The undersigned grantor declares:

- |    |  |              |
|----|--|--------------|
| 1) | The Grantee herein <u>WAS</u> the foreclosing beneficiary. |              |
| 2) | The amount of the unpaid debt together with costs was      | \$454,378.55 |
| 3) | The amount paid by the grantee at the trustee sale was     | \$362,945.00 |
| 4) | The documentary transfer tax is                            | \$0.00       |
| 5) | Said property is in the city of <u>PALMDALE</u>            |              |
| 6) | APN # <u>3001-080-023</u>                                  |              |

and MTC FINANCIAL INC., dba TRUSTEE CORPS (herein called Trustee), as the duly appointed Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to FEDERAL HOME LOAN MORTGAGE CORPORATION (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of Los Angeles, State of California, described as follows:

PARCEL 1.  
LOT 28 OF TRACT NO. 46568, IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED IN BOOK 1148 PAGES 72 TO 77, INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPT THEREFROM ALL OIL, GAS AND OTHER MINERAL RIGHTS OF ANY KIND THAT MAY EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM W.F. RALSTON WINNARD AND HELEN HUNT WINNARD, HUSBAND AND WIFE, AS JOINT TENANTS, RECORDED IN BOOK 19612 PAGE 358, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM 1/8TH INTEREST IN ANY AND ALL OIL, OR MINERALS OF ANY KIND THAT MAY BE EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM MANE E. WINNARD AND WELLINGTON L. WINNARD, HER HUSBAND, RECORDED IN BOOK 1973 PAGE 267, OFFICIAL RECORDS.

PARCEL 2  
NONEXCLUSIVE EASEMENTS APPURTENANT TO PARCEL 1 ABOVE, ON AND OVER THE 'COMMON AREA' AS DEFINED IN THE DECLARATION OF ANNEXATION FOR ACCESS, USE, OCCUPANCY, ENJOYMENT, INGRESS AND EGRESS OF THE AMENITIES LOCATED THEREON. THE COMMON AREA IS FOR THE USE OF OWNERS OF LOTS WHICH ARE SUBJECT TO THE DECLARATION AND IS NOT FOR THE USE OF THE GENERAL PUBLIC.

RECITALS:

RECORDER MEMO: This COPY has not been QUALITY ASSURED.

RECORDER MEMO: This COPY has not been QUALITY ASSURED.

Trustee Sale#: CA0925842-2 Loan#: 7070511 Investor #: 501742654 Title Order#: G862454

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 02/15/2008 and executed by NADAV LEVI, A SINGLE MAN, as Trustor, and Recorded on 02/27/2008 as Document No. 20080335559 of official records of Los Angeles County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 04/21/2009. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being \$362,945.00 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATED: 04/21/2009

MTC FINANCIAL INC. DBA TRUSTEE CORPS, as Successor Trustee

By: NIVIN T. YOUSSEF, Vice President

STATE OF California

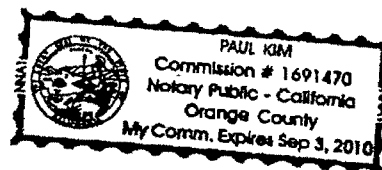
COUNTY OF Orange

On 04/21/2009 before me, Paul Kim, a notary public, personally appeared NIVIN T. YOUSSEF who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Notary Public in and for said County and State



# SUMMONS ON FIRST AMENDED COMPLAINT (CITACION JUDICIAL)

FOR COURT USE ONLY  
(SOLO PARA USO DE LA CORTE)

**CONFORMED COPY  
OF ORIGINAL FILED**  
Los Angeles Superior Court

NOV 23 2010

John A. Clarke, Executive Officer/Clerk  
By Amber LaFleur-Clayton, Deputy  
A.E. LaFLEUR-CLAYTON

**NOTICE TO DEFENDANT:** SELENE RMOF REO ACQUISITION II, LLC; MTC  
(**AVISO AL DEMANDADO**): FINANCIAL, INC. DBA TRUSTEE CORPS; YOSEF COHEN, an individual; ALL PERSONS UNKNOWN, CLAIMING ANY LEGAL OR EQUITABLE RIGHT, TITLE, ESTATE, LIEN, OR INTEREST IN THE PROPERTY DESCRIBED IN THE COMPLAINT ADVERSE TO PLAINTIFF'S TITLE, OR ANY CLOUD ON PLAINTIFF'S TITLE THERETO, AND DOES 1 through 500, inclusive

**YOU ARE BEING SUED BY PLAINTIFF:** BANK OF AMERICA, NATIONAL  
(**LO ESTÁ DEMANDANDO EL DEMANDANTE**): ASSOCIATION AS SUCCESSOR BY MERGER TO LASALLE BANK NATIONAL ASSOCIATION AS TRUSTEE FOR FIRST FRANKLIN MORTGAGE LOAN TRUST 2007-1. MORTGAGE LOAN ASSET-BACKED CERTIFICATES, SERIES 2007-1

**NOTICE!** You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **¡AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), en el Centro de Ayuda de las Cortes de California, ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 o más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:

(El nombre y dirección de la corte es):

Los Angeles Superior Court

CASE NUMBER:

(Número del Caso):

BC 413430

111 N. Hill St.

Los Angeles, CA 90012-3117

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

Stuart B. Wolfe, Esq. (SBN 156471)

(949) 475-9200 (949) 475-9203

Andrew A. Bao, Esq. (SBN 10508)

WOLFE & WYMAN LLP

Irvine, CA 92614

DATE:

**JOHN A. CLARKE, CLERK**

Clerk, by

(Secretario)

**AMBER LaFLEUR-CLAYTON**

, Deputy

(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

**NOTICE TO THE PERSON SERVED:** You are served

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):
3. ☐ on behalf of (specify):

- under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)
- ☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)
- ☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)
- ☐ other (specify):

4. ☐ by personal delivery on (date):

[SEAL]

NOV 23 2010

CONFORMED COPY  
OF ORIGINAL FILED  
Los Angeles Superior Court

NOV 23 2010

John A. Clarke, Executive Officer/Clerk  
By A.E. LaFleur-Clayton Deputy

1 Stuart B. Wolfe (SBN 156471)  
2 Andrew A. Bao (SBN 247092)  
3 WOLFE & WYMAN LLP  
4 5 Park Plaza, Suite 1100  
Irvine, California 92614-5979  
Telephone: (949) 475-9200  
Facsimile: (949) 475-9203

5 Attorneys for Plaintiff  
6 BANK OF AMERICA, NATIONAL  
7 ASSOCIATION AS SUCCESSOR BY  
8 MERGER TO LASALLE BANK  
9 NATIONAL ASSOCIATION AS TRUSTEE  
FOR FIRST FRANKLIN MORTGAGE  
LOAN TRUST 2007-1. MORTGAGE LOAN  
ASSET-BACKED CERTIFICATES,  
SERIES 2007-1

10  
11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 COUNTY OF LOS ANGELES - UNLIMITED

13  
14 BANK OF AMERICA, NATIONAL  
15 ASSOCIATION AS SUCCESSOR BY MERGER  
16 TO LASALLE BANK NATIONAL  
17 ASSOCIATION AS TRUSTEE FOR FIRST  
FRANKLIN MORTGAGE LOAN TRUST 2007-1.  
MORTGAGE LOAN ASSET-BACKED  
CERTIFICATES, SERIES 2007-1,

18 Plaintiff,

19 v.

20 SELENE RMOF REO ACQUISITION II, LLC;  
21 MTC FINANCIAL, INC. DBA TRUSTEE  
22 CORPS; YOSEF COHEN, an individual; ALL  
23 PERSONS UNKNOWN, CLAIMING ANY  
24 LEGAL OR EQUITABLE RIGHT, TITLE,  
ESTATE, LIEN, OR INTEREST IN THE  
PROPERTY DESCRIBED IN THE COMPLAINT  
ADVERSE TO PLAINTIFF'S TITLE, OR ANY  
CLOUD ON PLAINTIFF'S TITLE THERETO,  
AND DOES 1 through 500, inclusive,

25 Defendants.  
26  
27  
28

Case No.:

BC 413430

PLAINTIFF'S VERIFIED FIRST  
AMENDED COMPLAINT FOR:

1. QUIET TITLE;
2. DECLARATORY RELIEF;
3. CANCELLATION OF INSTRUMENTS;
4. SLANDER OF TITLE;
5. TEMPORARY RESTRAINING ORDER, PRELIMINARY AND PERMANENT INJUNCTION

///

**COMES NOW** Plaintiff, BANK OF AMERICA, NATIONAL ASSOCIATION AS SUCCESSOR BY MERGER TO LASALLE BANK NATIONAL ASSOCIATION AS TRUSTEE FOR FIRST FRANKLIN MORTGAGE LOAN TRUST 2007-1. MORTGAGE LOAN ASSET-BACKED CERTIFICATES, SERIES 2007-1 (hereinafter "Plaintiff") and allege as follows:

**GENERAL ALLEGATIONS**

1. Plaintiff is, and at all times relevant to this action was, a National Association engaged in business in the County of Los Angeles, State of California.

2. Plaintiff is the current owner and claims an interest in certain real property commonly referred to as 41009 Knoll Drive, Palmdale, CA ("Subject Property") under a Trustee's Deed Upon Sale dated April 13, 2009, and recorded on April 16, 2009, in the Official Records of the County of Los Angeles, Instrument Number 20090548630. The Subject Property is legally described in the Trustee's Deed Upon Sale identified as **Exhibit "2,"** attached hereto and incorporated by reference.

3. Plaintiff is informed and believes and thereon alleges that Defendant SELENE RMOF REO ACQUISITION II LLC ("SELENE") is a limited liability company and was and is engaged in business in the County of Los Angeles, California. Plaintiff is informed and believes and thereon alleges that SELENE claims an ownership interest in the Subject Property. This ownership interest is solely derived from an unenforceable Trustee's Deed Upon Sale dated April 21, 2009 and recorded on April 27, 2009 in the Official Records of the County of Los Angeles, Instrument Number 20090608373. A true and correct copy of the Trustee's Deed Upon Sale attached hereto as **Exhibit "3"** and incorporated herein by reference.

4. Plaintiff is informed and believes and thereon alleges that Defendant YOSEF COHEN, an individual, is and at all times herein was a resident of the County of Los Angeles.

5. Plaintiff is informed and believes and thereon alleges that Defendant MTC FINANCIAL, INC. DBA TRUSTEE CORPS is a California corporation and was and is engaged in business in the County of Los Angeles, California as trustee, under the Trustee's Deed Upon Sale dated April 21, 2009 and recorded on April 27, 2009 in the Official Records of the County of Los Angeles, Instrument Number 20090608373.

6. Defendants herein named as "ALL PERSONS UNKNOWN, CLAIMING ANY LEGAL OR EQUITABLE RIGHT, TITLE, ESTATE, LIEN, OR INTEREST IN THE PROPERTY DESCRIBED IN THE COMPLAINT ADVERSE TO PLAINTIFF'S TITLE, OR ANY CLOUD ON PLAINTIFF'S TITLE THERETO" (hereinafter sometimes referred to as the "UNKNOWN DEFENDANTS") are unknown to Plaintiff. These UNKNOWN DEFENDANTS, and each of them, claim some right, title, estate, lien or interest in the hereinafter described property adverse to Plaintiff's title and their claims, and each of the, constitute a cloud on Plaintiff' title to the property.

7. Plaintiff is ignorant of the true names and capacities of defendants sued herein as DOES 1 through 500, and therefore sue the defendants by such fictitious names. Plaintiff will amend this complaint to allege their true names and capacities when ascertained. Plaintiff is informed and believes and thereon alleges that each of these fictitiously named defendants claims some right, title, estate, lien or interest in the hereinafter described property adverse to Plaintiff's title and their claims, and each of the, constitute a cloud on Plaintiff's title to the property. Each fictitiously-named defendant is in some way liable to Plaintiff or claims some right, title, or interest in the Subject Property that is subsequent to and subject to the interest of Plaintiff, or both.

8. Plaintiff is informed and believes, and on that basis alleges, that the named Defendants and DOES 1 through 500, were at all material times, the agents, servants, employees or partners of each of the other defendants and in doing the things alleged herein said defendants and each of them, were acting within the course and scope of their agency, and with the consent, approval and/or ratification of each of the other defendants.

9. Plaintiff is further informed and believes, and on that basis alleges, that all named Defendants and DOES 1 through 500, and each of them, ratified, consented to and/or approved the conduct of each of the remaining Defendants so named.

#### **SPECIFIC ALLEGATIONS**

10. Harutyun Julfayan, a married man and as his sole and separate property, made, executed, and delivered to First Franklin Financial Corporation a promissory note dated January 10, 2007 for the sum of \$740,000.00 ("Note"). The Note was secured by a deed of trust dated January 10, 2007 in favor of First Franklin Financial Corporation ("Deed of Trust"). The Deed of Trust was

1 recorded on January 22, 2007 in the Official Records of the County of Los Angeles as Instrument  
2 Number 20070124590.

3 11. Plaintiff is the successor-in-interest to the Note and Deed of Trust alleged above.

4 12. Plaintiff is informed and believes, and on that basis alleges that on or about January  
5 11, 2008, Defendant YOSEF COHEN, an individual, purportedly executed a Substitution of Trustee  
6 and Full Reconveyance falsely claiming that the Note and Deed of Trust had been satisfied in full.  
7 This document was recorded against the Subject Property on January 15, 2008 as Instrument  
8 Number 20080084780 in the Official Records of the County of Los Angeles, attached hereto as  
9 **Exhibit "1"** and incorporated herein by reference.

10 13. This Substitution of Trustee and Full Reconveyance (**Exhibit 1**) was wrongfully and  
11 fraudulently recorded by Defendant YOSEF COHEN. Defendant YOSEF COHEN purported to be  
12 the true trustee and beneficiary under the Deed of Trust. However, Defendant YOSEF COHEN was  
13 not the trustee or beneficiary under the Deed of Trust and had no authority to record this document.  
14 The Substitution of Trustee and Full Reconveyance wrongfully claimed that borrower Harutyun  
15 Julfayan satisfied the obligations under the Note and Deed of Trust. In fact, the obligations under  
16 the Note and Deed of Trust were never fully satisfied.

17 14. Plaintiff is informed and believes, and on that basis alleges, that Harutyun Julfayan  
18 thereafter transferred his interest in the Subject Property to Nadav Levi, an individual.

19 15. Plaintiff is informed and believes, and on that basis alleges, that Nadav Levi, a single  
20 man, obtained a loan from T.J. Financial, Inc. for the sum of \$417,000.00 on the Subject Property  
21 ("JUNIOR LOAN"). The JUNIOR LOAN was secured by a deed of trust in recorded against the  
22 Subject Property on February 27, 2008 as Instrument No. 2008033559 in the Official Records of the  
23 County of Los Angeles.

24 16. When Harutyun Julfayan, the trustor, defaulted on the Note and Deed of Trust,  
25 Plaintiff initiated non-judicial foreclosure proceedings and acquired its ownership interest in the  
26 Subject Property under the Trustee's Deed Upon Sale dated April 13, 2009 and recorded on April  
27 16, 2009 (**Exhibit 2**).

28 17. Plaintiff is further informed and believes, and on that basis alleges, that Federal Home



1 Loan Mortgage Corporation obtained its purported ownership interest in Subject Property under the  
 2 Trustee's Deed Upon Sale dated April 21, 2009, and recorded April 27, 2009 through separate non-  
 3 judicial foreclosure proceedings (**Exhibit 3**).

4 18. Plaintiff is further informed and believes and on that basis alleges that Federal Home  
 5 Loan Mortgage Corporation transferred its purported interest in the Subject Property to Taylor, Bean  
 6 & Whitaker via a quit claim deed dated January 13, 2010, attached hereto as **Exhibit "4"** and  
 7 incorporated herein by reference. Plaintiff is further informed and believes and on that basis alleges  
 8 that Taylor, Bean & Whitaker transferred its purported interest in the Subject Property to SELENE  
 9 via a quit claim deed dated January 14, 2010, attached hereto as **Exhibit "5"** and incorporated herein  
 10 by reference.

11 19. Plaintiff is further informed and believes, and on that basis alleges, that all of the  
 12 Defendants' purported interests in the subject property arose solely from the fraudulently and  
 13 wrongfully recorded Substitution of Trustee and Full Reconveyance. Defendants herein had actual  
 14 and/or constructive knowledge of Plaintiff's interest in the Subject Property at all relevant times  
 15 herein, as all necessary notices were given to Defendants. Therefore, any interest in the subject  
 16 property that was obtained after April 13, 2009 is void as a matter of law, as they all derive from the  
 17 fraudulent and forged Substitute of Trustee and Full Reconveyance.

### 18 **FIRST CAUSE OF ACTION**

#### 19 **(Against all Defendants – Quiet Title)**

20 20. Plaintiff repeats, re-alleges, and incorporates herein by reference, the allegations set  
 21 forth in Paragraphs 1 through 19, inclusive, with the same force and effect as though fully set forth at  
 22 length.

23 21. As specifically alleged above, the Substitute of Trustee and Full Reconveyance  
 24 falsely and fraudulently represented that Plaintiff's lien in the subject property was satisfied in full.  
 25 Under these circumstances, California law regards this Substitution of Trustee and Full  
 26 Reconveyance void *ab initio* as a forged document, in which an unauthorized person fraudulently  
 27 misrepresented himself as the beneficiary. The JUNIOR LOAN was obtained solely as a result of  
 28 this Substitution of Trustee and Full Reconveyance being wrongfully recorded. The JUNIOR

1 LOAN was the only means by which Federal Home Loan Mortgage Corporation was able to obtain  
 2 its purported ownership interest in Subject Property under the Trustee's Deed Upon Sale dated April  
 3 21, 2009, and recorded April 27, 2009 (**Exhibit 3**). This purported ownership interest is now  
 4 allegedly held by SELENE. As these interests derived solely from the fraudulent Substitution of  
 5 Trustee and Full Reconveyance, these purported interests in the subject property are also void as a  
 6 matter of law.

7 22. As a result, Plaintiff seeks to Quiet Title against the Defendants, and each of them,  
 8 with regard to ownership of the Subject Property. Plaintiff contends that SELENE's interest in the  
 9 subject property is void as a matter of law. At the very least, Plaintiff's Deed of Trust was senior  
 10 and superior to Federal Home Loan Mortgage Corporation's Junior Loan. As plaintiff initiated  
 11 foreclosure proceedings and recorded a trustee's deed upon sale prior to Federal Home Loan  
 12 Mortgage Corporation holding its trustee's sale, Plaintiff also contends that its' foreclosure sale on  
 13 April 13, 2009 extinguished the JUNIOR LOAN and any interests subsequently derived there from.

14 23. Plaintiff seeks to Quiet Title as of January 15, 2008, the date that Substitution of  
 15 Trustee and Full Reconveyance was wrongfully recorded.

16 24. Plaintiff does not know the names of the UNKNOWN DEFENDANTS which assert  
 17 an interest in the Subject Property but seeks to Quiet Title to any interests these UNKNOWN  
 18 DEFENDANTS may also have in the subject property.

## 19 SECOND CAUSE OF ACTION

### 20 (Against All Defendants – Declaratory Relief)

21 25. Plaintiff repeats, re-alleges, and incorporates herein by reference, each and all of the  
 22 allegations contained in Paragraphs 1 through 24, inclusive, with the same force and effect as though  
 23 fully set forth at length.

24 26. A present dispute and controversy has arisen and now exists between Plaintiff on the  
 25 one hand, and Defendants, and each of them, on the other, with regard to ownership of the Subject  
 26 Property. Plaintiff contends that SELENE's alleged interest in the subject property is void as a  
 27 matter of law, as it was obtained exclusively from the fraudulent Substitution of Trustee and Full  
 28 Reconveyance. Plaintiff further contends that its Deed of Trust was senior and superior to the

1 JUNIOR LOAN and in light of plaintiff's foreclosure sale, any interest in the subject property  
2 subsequent to the foreclosure has been extinguished as a matter of law.

3 27. A declaration by this Court is necessary and appropriate in order to resolve the  
4 present dispute and controversy between the parties with regard to title of the Subject Property.  
5 Plaintiff is informed and believes and based thereon alleges that Defendants, and each of them, deny  
6 such contention. Plaintiff has no other adequate remedy at law other than a declaratory judgment to  
7 resolve the present dispute and controversy as to title to the subject property.

### 8 THIRD CAUSE OF ACTION

#### 9 **(Against All Defendants - Cancellation of Instrument)**

10 28. Plaintiff repeats, re-alleges, and incorporates herein by reference, each and all of the  
11 allegations contained in Paragraphs 1 through 27, inclusive, with the same force and effect as though  
12 fully set forth at length.

13 29. The Substitution of Trustee and Full Reconveyance (**Exhibit 1**) was fraudulently  
14 recorded and misrepresents that the Note and Deed of Trust were satisfied in full. If this instrument  
15 is left outstanding, Plaintiff will continue to suffer irreparable harm to its interests in the subject  
16 property.

17 30. On April 13, 2009, Plaintiff foreclosed on the subject property and obtained a  
18 trustee's deed upon sale (**Exhibit 2**). Federal Home Loan Mortgage Corporation's Trustee's Deed  
19 Upon Sale dated April 21, 2009 and recorded on April 27, 2009 (**Exhibit 3**) was recorded after  
20 plaintiff had already foreclosed on the subject property. If **Exhibit 3** is left outstanding, Plaintiff  
21 will continue to suffer irreparable harm to its interests in the subject property. The interest derived  
22 from **Exhibit 3** has and will continue to be transferred from one party to another, which would  
23 continue to damage plaintiff's interest in the subject property.

24 31. The quitclaim deeds (**Exhibits 4 and 5**) were derivative interests obtained from the  
25 improper foreclosure sale on April 21, 2009. If left outstanding, Plaintiff will continue to suffer  
26 irreparable harm to its interests in the subject property, as there will be competing interests to  
27 plaintiff's claim to title.

28 32. Based on the facts set forth herein, plaintiff requests that this court cancels and

otherwise nullifies these documents as a matter of law.

#### **FOURTH CAUSE OF ACTION**

##### **(Against Defendant YOSEF COHEN and Does 251-500 - Slander of Title)**

33. Plaintiff repeats, re-alleges, and incorporates herein by reference, each and all of the allegations contained in Paragraphs 1 through 32, inclusive, with the same force and effect as though fully set forth at length.

34. Plaintiff is further informed and believes, and on that basis alleges, that Defendant YOSEF COHEN, an individual, made false and disparaging remarks about Plaintiff's interest in the Subject Property by recording the Substitution of Trustee and Full Reconveyance without any legal or factual basis and thereby slandered Plaintiff's title in and to its Subject Property as herein above alleged.

35. Plaintiff is further informed and believes, and on that basis alleges, that Defendant YOSEF COHEN, an individual, published the Substitution of Trustee and Full Reconveyance by virtue of causing it to be recorded with the Los Angeles County Recorder. This document thus became a public record that wrongfully slanders Plaintiff's title to the subject property.

36. The Substitution of Trustee and Full Reconveyance, was not privileged in that Defendant YOSEF COHEN, an individual, was not the true trustee under the Deed of Trust and had no authority to record the Substitution of Trustee and Full Reconveyance. The Substitution of Trustee and Full Reconveyance was also wrongly recorded in that Harutyun Julfayan, a married man as his sole and separate property, did not pay off his loan to Plaintiff in full and did not satisfy his obligations under the loan documents.

37. As a result, as hereinabove alleged, Plaintiff has incurred and will continue to incur damages, including but not limited to attorney's fees and costs to litigate this matter and to cancel the wrongfully recorded Substitution of Trustee and Full Reconveyance.

38. Plaintiff is informed and believes, and thereupon alleges, that Defendant YOSEF COHEN acted with malice in recording the Substitution of Trustee and Full Reconveyance and acted recklessly or intentionally in causing the document to be recorded. In so doing, Defendant COHEN was acting without a factual or legal basis and did so with a conscious disregard for Plaintiff's rights

1 and with a specific intent to defraud and injure Plaintiff. Accordingly, such actions constitute fraud,  
 2 oppression and malice under California Civil Code §3294. By virtue of Defendant YOSEF  
 3 COHEN's willful and wrongful conduct as herein above alleged, Plaintiff is entitled to punitive and  
 4 exemplary damages as determined by this court.

### 5 **FIFTH CAUSE OF ACTION**

#### 6 **(Against all Defendants - Preliminary and Permanent Injunction)**

7 39. Plaintiff repeats, re-alleges, and incorporates herein by reference, each and all of the  
 8 allegations contained in Paragraphs 1 through 38, inclusive, with the same force and effect as though  
 9 fully set forth at length.

10 40. As a result of the wrongful and unlawful acts of Defendants, and each of them, as  
 11 hereinabove alleged Plaintiff will have sustained and will continue to sustain great and irreparable  
 12 injury.

13 41. Plaintiff cannot be fully compensated in damages and is without an adequate remedy  
 14 at law because the exact amount of damages Plaintiff will sustain will be difficult to determine.

15 42. Plaintiff is likely to succeed on the merits of the above-entitled matter because the  
 16 Substitution of Trustee and Full Reconveyance is patently false and was recorded without either a  
 17 factual or legal basis.

18 43. As a result of the hereinabove allegations, Plaintiff is entitled to an injunction  
 19 restraining Defendants, and each of them, from transferring, hypothecating or encumbering the  
 20 Subject Property. The wrongful interest in the subject property in SELENE's possession has already  
 21 been transferred several times.

### 22 **PRAYER FOR RELIEF**

23 **THEREFORE**, Plaintiff prays for judgment against Defendants, and each of them, as  
 24 follows:

### 25 **ON THE FIRST CAUSE OF ACTION**

26 1. For a Judgment and Order that Plaintiff was the owner of the Subject Property free  
 27 and clear of any right, title, estate or interest of all Defendants and each of them from January 15,  
 28 2008 to present;

2. That a copy of the judgment may be recorded;

**ON THE SECOND CAUSE OF ACTION**

1. For a judicial declaration of the parties' respective rights, and a declaration that Plaintiff was the owner of the Subject Property free and clear of any right, title, estate or interest of all Defendants and each of them from January 15, 2008 to present;

2. For a judicial declaration that the Substitution of Trustee and Full Reconveyance is void as a matter of law;

3. That Plaintiff's Note and Deed of Trust secured by the subject property is senior to the JUNIOR LOAN;

4. That Plaintiff's trustee's deed upon sale resulting from the non-judicial foreclosure is valid and fully enforceable;

5. That Plaintiff's trustee's sale dated April 13, 2009 and recorded April 16, 2009 extinguished the JUNIOR LOAN;

6. That the trustee's deed upon sale dated April 21, 2009 and recorded on April 27, 2009 is void as a matter of law;

7. That all conveyances, lien, interests, encumbrances or other interests in the subject property derivative of and obtained by virtue of the trustee's deed upon sale dated April 21, 2009 and recorded on April 27, 2009, are unenforceable and of no force and effect;

**ON THE THIRD CAUSE OF ACTION**

8. That Defendants, and each of them, deliver the purported Substitution of Trustee and Full Reconveyance (**Exhibit 1**) immediately to the clerk of the court for cancellation;

9. That Defendants, and each of them, deliver the purported Trustee's Deed Upon Sale dated April 21, 2009 (**Exhibit 3**) immediately to the clerk of the court for cancellation;

10. That Defendants, and each of them, deliver the quitclaim deeds (**Exhibits 4 and 5**) immediately to the clerk of the court for cancellation;

11. For damages, in the event that Defendants, and each of them, fail to surrender the documents listed herein for cancellation pursuant to the judgment damages in an amount to be proven at trial;

the Los Angeles County Recorder's office;

(d) For an order requiring Defendants to show cause, if any they have, why they should not be enjoined as set forth in this Complaint, during the pendency of this action, and for a temporary restraining order, a preliminary injunction and a permanent injunction, all enjoining Defendants and each of them, and their agents, servants and employees, and all persons acting under, in concert with, or with them, from transferring, hypothecating or encumbering the Subject Property, and claiming an interest senior to Plaintiff's interest.

**ON ALL CAUSES OF ACTION**

13. For such other and further relief as the court deems just and proper.

DATED: November 23, 2010

WOLFE & WYMAN LLP

By: 

STUART B. WOLEE

KELLY ANDREW BEALL

Attorneys for Plaintiff

**BANK OF AMERICA, NATIONAL  
ASSOCIATION AS SUCCESSOR BY MERGER  
TO LASALLE BANK NATIONAL  
ASSOCIATION AS TRUSTEE FOR FIRST  
FRANKLIN MORTGAGE LOAN TRUST 2007-1.  
MORTGAGE LOAN ASSET-BACKED  
CERTIFICATES. SERIES 2007-1**

H:\Matters\Home Loan Services, Inc. (1385.001)\132 (FHLMC)\Pleadings\FAC.doc

## VERIFICATION

## STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I have read the foregoing Plaintiff's Verified First Amended Complaint for: 1) Quiet Title; 2) Declaratory Relief; 3) Cancellation of Instruments; 4) Slander of Title; 5) Temporary Restraining Order; and 6) Preliminary and Permanent Injunction and know its contents.

☐ CHECK APPLICABLE PARAGRAPHS

☐ I am a party to this action. The matters stated in the foregoing document are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

☒ I am ☒ an Officer ☐ a partner ☐ a \_\_\_\_\_ of Home Loan Services, Inc. as Attorneys in Fact for Bank of America as Successor to Lasalle Bank National Association, a party to this action, and am authorized to make this verification for and on its behalf, and I make this verification for that reason. ☐ I am informed and believe and on that ground allege that the matters stated in the foregoing document are true. ☐ The matters stated in the foregoing document are true of my own knowledge, except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

☐ I am one of the attorneys for \_\_\_\_\_ a party to this action. Such party is absent from the county of aforesaid where such attorneys have their offices, and I make this verification for and on behalf of that party for that reason. I am informed and believe and on that ground allege that the matters stated in the foregoing document are true.

Executed on November, 2010, at \_\_\_\_\_, California.  
I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Bryan G. Kusch  
Type or Print Name

[Signature]  
Signature

## PROOF OF SERVICE

1013a (3) CCP Revised 5/1/88

## STATE OF CALIFORNIA, COUNTY OF

I am employed in the county of \_\_\_\_\_, State of California.

I am over the age of 18 and not a party to the within action; my business address is: \_\_\_\_\_

On, \_\_\_\_\_ I served the foregoing document described as \_\_\_\_\_

\_\_\_\_\_ on \_\_\_\_\_ in this action

- ☐ by placing the true copies thereof enclosed in sealed envelopes addressed as stated on the attached mailing list;  
☐ by placing ☐ the original ☐ a true copy thereof enclosed in sealed envelopes addressed as follows:

☐ BY MAIL

☐ \*I deposited such envelope in the mail at \_\_\_\_\_, California.  
The envelope was mailed with postage thereon fully prepaid.

☐ As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at \_\_\_\_\_ California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

Executed on \_\_\_\_\_, at \_\_\_\_\_, California.

☐ \*(BY PERSONAL SERVICE) I delivered such envelope by hand to the offices of the addressee.

Executed on \_\_\_\_\_, at \_\_\_\_\_, California.

☐ (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

☐ (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

\_\_\_\_\_  
Type or Print Name

\_\_\_\_\_  
Signature

\*(BY MAIL SIGNATURE MUST BE OF PERSON DEPOSITING ENVELOPE IN MAIL SLOT, BOX, OR BAG)

\*\* (FOR PERSONAL SERVICE SIGNATURE MUST BE THAT OF MESSENGER)

Legal  
Solutions  
& Plus

Rev. 7/99



# **EXHIBIT 1**

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**20080084780**

Pages:  
003



Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

Fee: 21.00

Tax: 0.00

Other: 0.00

Total: 21.00

01/15/08 AT 01:18PM

1564140

200801150010081 Counter

**TITLE(S) :**

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LEAD SHEET

**Assessor's Identification Number (AIN)**

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

EC44001

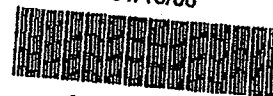
**THIS FORM IS NOT TO BE DUPLICATED**

2

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL DOCUMENT  
AND TAX STATEMENT TO:41009 Knoll Dr.  
Palmdale CA. 93551

01/15/08



20080084780

Space Above This Line for Recorder's Use Only

A.P.N.: 3001-080-023

File No.:

**SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE**

The Undersigned, present Beneficiary under that certain Deed of Trust dated 1/10/07 executed  
by Harutyun Julfayan as Trustor to First Franklin Financial as original Trustee  
and recorded on 1/22/07 as Instrument No. 070124590, in Book, Page(s), Official Records of the  
County of Los Angeles State of CA. **HEREBY APPOINTS AND SUBSTITUTES THE UNDERSIGNED**  
as the new and substituted Trustee thereunder in accordance with the terms and provisions contained  
therein, whose address is 41009 Knoll Dr.  
Palmdale CA. 93551 and

As such duly appointed and substituted Trustee thereunder, the undersigned **DOES HEREBY RECONVEY** to the  
person or persons legally entitled thereto, without warranty all the estate, title and interest acquired by the  
original Trustee and by the undersigned as the said substituted Trustee under said Deed of Trust. Wherever the  
text of this document so requires, the singular includes the plural.

Dated: 1-11-2008  
Beneficiary(ies):

By: Yosef Cohen  
Authorized Signer

State of California

County of Los Angeles

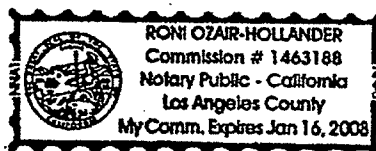
On Jan. 11, 2008 before me, Roni Ozair-Hollander <sup>Notary</sup> personally  
(Insert Name of Notary Public and Title)

appeared Yusef Cohen who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf on which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Roni Ozair-Hollander (Seal)



## **EXHIBIT 2**

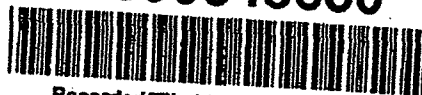
RECORDER MEMO: This COPY has not been QUALITY ASSURED.

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0004

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

04/16/09 AT 08:00AM

FEES:	15.00
TAXES:	0.00
OTHER:	0.00
PAID:	15.00

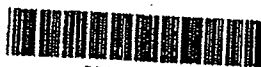


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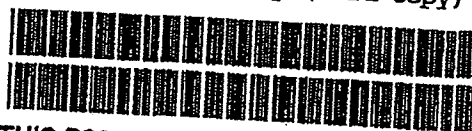
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19

DAR - Title Company (Hard Copy)



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RECORDING REQUESTED BY  
FIRST AMERICAN TITLE INSURANCE COMPANY

WHEN RECORDED MAIL TO:

BANK OF AMERICA, NATIONAL ASSOCIATION  
AS SUCCESSOR BY MERGER TO LA SALLE  
BANK NATIONAL ASSOCIATION AS TRUSTEE  
FOR FIRST FRANKLIN MORTGAGE LOAN  
TRUST 2007-1, MORTGAGE LOAN ASSET-  
BACKED CERTIFICATES, SERIES 2007-1  
C/O FIRST FRANKLIN  
150 ALLEGHENY CENTER  
PITTSBURGH, PA 15212



2

MAIL TAX STATEMENTS TO

Same as above

Trustee Sale No. 08-0771-CA

Loan No. 1044837485

Space above this line for recorder's use only  
Title Order No. 3619076 - WTS

# TRUSTEE'S DEED UPON SALE

APN 3001-080-023

The undersigned grantor declares:

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE COMPANY  
AS AN ACCOMMODATION ONLY

- 1) The Grantee herein was the foreclosing beneficiary.
- 2) The amount of the unpaid debt together with costs was \$811,539.14
- 3) The amount paid by the grantee at the trustee sale was \$399,000.00
- 4) The documentary transfer tax is \$NONE
- 5) Said property is in the CITY of PALMDALE

and ROBERT E. WEISS INCORPORATED (herein called Trustee), as the duly appointed Trustee or substituted Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to BANK OF AMERICA, NATIONAL ASSOCIATION AS SUCCESSOR BY MERGER TO LA SALLE BANK NATIONAL ASSOCIATION AS TRUSTEE FOR FIRST FRANKLIN MORTGAGE LOAN TRUST 2007-1, MORTGAGE LOAN ASSET-BACKED CERTIFICATES, SERIES 2007-1 (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of LOS ANGELES, State of California, described as follows:

SEE ATTACHED LEGAL DESCRIPTION

Situs: 41009 KNOLL DR, PALMDALE, CA 93551

## RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 01-10-2007 and executed by HARUTYUN JULFAYAN A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY, as Trustor, and Recorded 01-22-2007, Book , Page , Instrument 20070124590 of official records of LOS ANGELES County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

RECORDER MEMO: This COPY has not been QUALITY ASSURED.

Trustee Sale No. 08-0771-CA

Loan No. 1044837485

Title Order No. 3619076

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

Said property was sold by said Trustee at public auction on **04-13-2009** at the place named in the Notice of Sale, in the county of LOS ANGELES California, in which the property is situated. Grantee, being the highest bidder at such sale, became the purchaser of said property and paid therefore to said trustee the amount bid being **\$399,000.00** in lawful money of the United States, or by the satisfaction, pro tanto, of the obligation then secured by said Deed. Of Trust.

DATE: 04-13-2009

ROBERT E. WEISS INCORPORATED, As Trustee

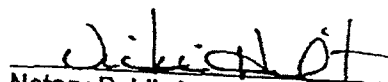
  
ROBERT E. WEISS, PRESIDENT

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

On 04-13-2009 before me, VICKI HILTON, the undersigned Notary Public in and for said county, personally appeared Robert E. Weiss, ~~President~~, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
Notary Public in and for said County and State



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RECORDER MEMO: This COPY has not been QUALITY ASSURED.

Trustee Sale No. 08-0771-CA

Loan No. 1044837485

Title Order No. 3619076

PARCEL 1:

LOT 26 OF TRACT NO. 45566, IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED IN BOOK 1148 PAGES 72 TO 77, INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS AND OTHER MINERAL RIGHTS OF ANY KIND THAT MAY EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM W.F. RALSTON WINNARD AND HELEN HUNT WINNARD, HUSBAND AND WIFE, AS JOINT TENANTS, RECORDED IN BOOK 19512 PAGE 358, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM 1/8TH INTEREST IN ANY AND ALL OIL, OR MINERALS OF ANY KIND THAT MAY BE EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM MAME E WINNARD AND WELLINGTON L. WINNARD, HER HUSBAND, RECORDED IN BOOK 1973 PAGE 267, OFFICIAL RECORDS.

PARCEL 2:

NONEXCLUSIVE EASEMENTS APPURTENANT TO PARCEL 1 ABOVE, ON AND OVER THE "COMMON AREA" AS DEFINED IN THE DECLARATION OF ANNEXATION FOR ACCESS, USE, OCCUPANCY, ENJOYMENT, INGRESS AND EGRESS OF THE AMENITIES LOCATED THEREON. THE COMMON AREA IS FOR THE USE OF OWNERS OF LOTS WHICH ARE SUBJECT TO THE DECLARATION AND IS NOT FOR THE USE OF THE GENERAL PUBLIC.

RECORDER MEMO: This COPY has not been QUALITY ASSURED.

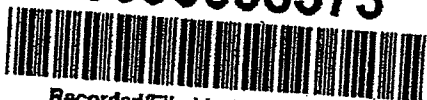
# **EXHIBIT 3**

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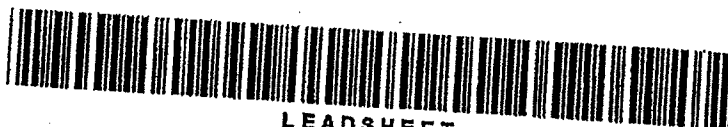


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Recorder's Office, Los Angeles County,  
California

04/27/09 AT 08:00AM

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TAXES:	0.00
OTHER:	0.00
PAID:	12.00



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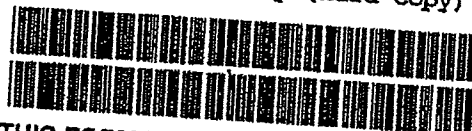
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RECORDER MEMO: This COPY has not been QUALITY ASSURED.

[RECORDING REQUESTED BY:]  
Fidelity National Title Insurance Company  
On behalf of Trustee Corps

[WHEN RECORDED MAIL TO  
AND MAIL TAX STATEMENTS TO:]

TAYLOR BEAN AND WHITAKER MORTGAGE CORP.  
1417 N. Magnolia Avenue  
Ocala, FL 34475



[Space above this line for recorder's use only]

Trustee Sale#: CA0925842-2 Loan#: 7070511 Title Order#: G862454

## TRUSTEE'S DEED UPON SALE

The undersigned grantor declares:

- |    |  |              |
|----|--|--------------|
| 1) | The Grantee herein <u>WAS</u> the foreclosing beneficiary. |              |
| 2) | The amount of the unpaid debt together with costs was      | \$454,378.55 |
| 3) | The amount paid by the grantee at the trustee sale was     | \$362,945.00 |
| 4) | The documentary transfer tax is                            | \$0.00       |
| 5) | Said property is in the city of <u>PALMDALE</u>            |              |
| 6) | APN # <u>3001-080-023</u>                                  |              |

and MTC FINANCIAL INC., dba TRUSTEE CORPS (herein called Trustee), as the duly appointed Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to FEDERAL HOME LOAN MORTGAGE CORPORATION (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of Los Angeles, State of California, described as follows:

### PARCEL 1.

LOT 26 OF TRACT NO. 46566, IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED IN BOOK 1148 PAGES 72 TO 77, INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPT THEREFROM ALL OIL, GAS AND OTHER MINERAL RIGHTS OF ANY KIND THAT MAY EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM W.F. RALSTON WINNARD AND HELEN HUNT WINNARD, HUSBAND AND WIFE, AS JOINT TENANTS, RECORDED IN BOOK 19812 PAGE 358, OFFICIAL RECORDS. ALSO EXCEPT THEREFROM 1/8TH INTEREST IN ANY AND ALL OIL, OR MINERALS OF ANY KIND THAT MAY BE EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM MANE E. WINNARD AND WELLINGTON L. WINNARD, HER HUSBAND, RECORDED IN BOOK 1973 PAGE 267, OFFICIAL RECORDS.

### PARCEL 2

NONEXCLUSIVE EASEMENTS APPURTENANT TO PARCEL 1 ABOVE, ON AND OVER THE 'COMMON AREA' AS DEFINED IN THE DECLARATION OF ANNEXATION FOR ACCESS, USE, OCCUPANCY, ENJOYMENT, INGRESS AND EGRESS OF THE AMENITIES LOCATED THEREON. THE COMMON AREA IS FOR THE USE OF OWNERS OF LOTS WHICH ARE SUBJECT TO THE DECLARATION AND IS NOT FOR THE USE OF THE GENERAL PUBLIC.

RECITALS:

RECORDER MEMO: This COPY has not been QUALITY ASSURED.

12

RECORDER MEMO: This COPY has not been QUALITY ASSURED.

Trustee Sale#: CA0925842-2 Loan#: 7070511 Investor #: 501742854 Title Order#: G862454

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 02/15/2008 and executed by NADAV LEVI, A SINGLE MAN, as Trustor, and Recorded on 02/27/2008 as Document No. 20080335559 of official records of Los Angeles County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 04/21/2009. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being \$362,945.00 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATED: 04/21/2009

MTC FINANCIAL INC. DBA TRUSTEE CORPS, as Successor Trustee

By: NIVIN T. YOUSSEF, Vice President

STATE OF California

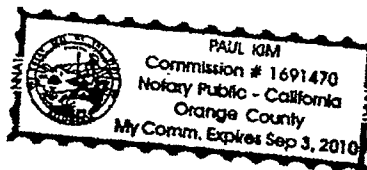
COUNTY OF Orange

On 04/21/2009 before me, Paul Kim, a notary public, personally appeared NIVIN T. YOUSSEF who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Notary Public in and for said County and State



# **EXHIBIT 4**

This page is part of your document - DO NOT DISCARD



**20100666304**



Pages:  
0005

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

05/17/10 AT 08:00AM

FEES:	48.00
TAXES:	0.00
OTHER:	0.00
PAID:	48.00



LEADSHEET



201005170300003

00002372027



002684823

SEQ:  
11

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

T29

2

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE COMPANY  
RECORDED AT THE REQUEST OF:

WHEN RECORDED, MAIL TO:  
**EQUITY LOAN SERVICES**  
**1100 SUPERIOR AVENUE #200**  
**CLEVELAND, OHIO 44114**  
**ATTENTION: NATONAL RECORDINGS**



4368017

Apr 3001-060-023

## QUIT CLAIM DEED

(Print the title of the document in this area exactly as it appears on the original)

TAYLOR, BEAN & WHITMAN  
41732625 CA  
FIRST AMERICAN ELS  
QUIT CLAIM DEED

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE COMPANY  
AS AN ACCOMMODATION ONLY

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE COMPANY  
AS AN ACCOMMODATION ONLY

THIS PAGE WAS ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION PER  
CALIFORNIA GOVERNMENT CODE, SEC. 27361.6

112



3

## RECORDING REQUESTED BY

WHEN RECORDED, RETURN TO:  
**EQUITY LOAN SERVICES**  
 1100 SUPERIOR AVENUE, SUITE 800  
 CLEVELAND, OHIO 44114  
 NATIONAL RECORDING - TEAM 1  
 Accommodation Recording Per Client Request

Title Order No. 707011 / 0637214

Borrow No.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## Quitclaim Deed

THE UNDERSIGNED GRANTEE (S) DECLARE (S)

DOCUMENTARY TRANSFER TAX IS \$

☐ unincorporated area☐ City of

Parcel No. 3001-000-003

☒ computed on full value of interest or property conveyed, or☐ computed on full value less value of liens or encumbrances remaining at time of sale, and

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

FEDERAL HOME LOAN MORTGAGE CORPORATION

hereby REMISE, RELEASE AND FOREVER QUITCLAIM to

**TAYLOR, BEAN & WHITAKER MORTGAGE CORP.**, whose address is 1417 N. Magnolia Ave,  
 Ocala, Florida 34475

the following described real property in the

County of Los Angeles, state of California

And being that certain property described on Exhibit "A" attached hereto and incorporated herein  
 by reference.

Dated January 13, 2010STATE OF CALIFORNIA Texas  
COUNTY OF BentonOn January 13, 2010 before me,John R. Hodack  
(Notary Public and Notary of the State)personally appeared Gloria WrightAssistant Treasurer

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) were subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal

Signature John R. Hodack

(This space for official notary seal)

MAIL TAX STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE; IF NO PARTY SHOWN, MAIL AS DIRECTED ABOVE

Name

Street Address

City &amp; State

"The value of the property in this conveyance, exclusive of liens and encumbrances is \$100.00 or less, and there is no additional consideration received by the grantor, R & T 11911"

Exhibit A

4

PARCEL 1:

LOTS 26 OF TRACT NO. 45566, IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED IN BOOK 1148, PAGES 72 TO 77 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS AND OTHER MINERAL RIGHTS OF ANY KIND THAT MAY EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM W. F. RALSTON WINNARD AND HELEN HUNT WINNARD, HUSBAND AND WIFE, AS JOINT TENANTS, RECORDED IN BOOK 19512 PAGE 358 OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM 1/8TH INTEREST IN ANY AND ALL OIL, OR MINERALS OF ANY KIND THAT MAY BE EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM MAME E. WINNARD AND WELLINGTON L. WINNARD, HER HUSBAND, RECORDED IN BOOK 1973 PAGE 267, OFFICIAL RECORDS.

PARCEL 2:

NONEXCLUSIVE EASEMENTS APPURTENANT TO PARCEL 1 ABOVE, ON AND OVER THE "COMMON AREA" AS DEFINED IN THE DECLARATION OF ANNEXATION FOR ACCESS, USE, OCCUPANCY, ENJOYMENT, INGRESS AND EGRESS OF THE AMENITIES LOCATED THEREON. THE COMMON AREA IS FOR THE USE OF OWNERS OF LOTS WHICH ARE SUBJECT TO THE DECLARATION AND IS NOT FOR THE USE OF THE GENERAL PUBLIC.

5

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me \_\_\_\_\_, a notary public, personally  
appeared \_\_\_\_\_

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

**WITNESS my hand and official seal.**

**Signature of Notary Public**

**I certify (or declare) under penalty of perjury that the foregoing is true and correct**

5, 17, 10  
Date

*John P. ...*  
DPS - agent

# **EXHIBIT 5**

This page is part of your document - DO NOT DISCARD



**20100666305**



Pages:  
**0006**

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

05/17/10 AT 08:00AM

FEES:	51.00
TAXES:	NFPR
OTHER:	0.00
PAID:	NFPR



LEADSHEET



201005170300003

00002372028



002684823

SEQ:  
12

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE COMPANY



2

WHEN RECORDED, RETURN TO:  
EQUITY LOAN SERVICES  
1100 SUPERIOR AVENUE, SUITE 200  
CLEVELAND, OHIO 44114  
NATIONAL RECORDING - TEAM 1  
Accommodation Recording Per Client Request

e:

**MAIL TAX STATEMENTS TO:**

Selene Finance LP  
9990 Richmond Avenue  
Suite 100  
Houston, TX 77042  
Attn: Tax Department

5647316

(SPACE ABOVE THIS LINE IS FOR RECORDER'S USE)

4368017

Apr 3001-080-023

**GRANT DEED**

TRANSFER TAX  
NOT A PUBLIC RECORD

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE COMPANY  
AS AN ACCOMMODATION ONLY

The undersigned grantor declares:  
Documentary Transfer Tax not shown pursuant to Section  
11932 of the Revenue and Taxation Code, as amended

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged on this 14th day of January, 2010, and delivered and effective as of that same day, **TAYLOR, BEAN & WHITAKER MORTGAGE CORP.**, a Florida corporation, Debtor in Possession pursuant to Chap. 11 Bankruptcy Case No. 3:09-bk-07047-JAF in the United States Bankruptcy Court, Middle District of Florida, Jacksonville Division ("Grantor"), hereby grants to **SELENE RMOF REO ACQUISITION II LLC**, a Delaware limited liability company, as Grantee, the following described real property (together with all rights-of-way or use, easements, servitudes, licenses, tenements, driveways, approaches, pavements, hereditaments, curbs and street front privileges and appurtenances thereunto belonging), with all improvements and fixtures located thereon, located in the County of LOS ANGELES, State of California (the "Property"):

See Exhibit "A" attached hereto and incorporated herein.

Grantor will warrant and forever defend the right and title to the Property unto Grantee against the lawful claims of all persons owning, holding or claiming by, through or under Grantor, but not otherwise, subject only to the matters set forth on Exhibit "B" attached hereto and made a part hereof by this reference.

CA GRANT DEED (TRW)  
2125396v2

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE COMPANY  
AS AN ACCOMMODATION ONLY

7070511

12E

By accepting this deed, Grantee expressly acknowledges and agrees that, except for the limited warranties of title set forth in this deed, neither Grantor nor any of its parent, officers, directors, employees, agents, representatives or attorneys (together with Grantor, the "Grantor Parties") has made any guaranties, promises, statements, assurances, representations or warranties, express or implied, to Grantee including, without limitation, any pertaining to the status of title to the Property, the suitability of the Property for any purpose, the profitability of owning or operating the Property, the physical or environmental condition thereof, the suitability, habitability or merchantability or fitness of the Property for Grantee's intended use or for any use whatsoever, the rental income or expenses thereof, the net or gross acreage contained therein, the zoning thereof, the existence or satisfaction of any local, state or federal approvals or permits for the development or use thereof, the availability or existence of water, sewer or other utilities, the existence or nonexistence of any hazardous substances or materials in, on or under the Property, or as to any other past, present or future matter whatsoever. Grantee has made such independent investigations and engaged in such other due diligence as it deems to be warranted into the physical condition, title, nature, validity, enforceability, collectability and value of the Property, and all other facts Grantee deems material for its purchase of the Property, and Grantee is entering into this transaction solely on the basis of that investigation and Grantee's own judgment. Grantee acknowledges that it has not relied, and is not relying, upon any information, document, sales brochures or other literature, maps, sketches, drawings, plans, projection, pro forma, statement, representation, guarantee or warranty (whether express or implied, oral or written, material or immaterial) that may have been given by or made by or on behalf of Grantor or any of the Grantor Parties.

GRANTEE ACKNOWLEDGES AND AGREES THAT IT HAS SATISFIED ITSELF REGARDING THE CONDITION OF THE PROPERTY, AND THAT THE PROPERTY IS BEING ACQUIRED "AS IS AND WITH ALL FAULTS." BY ACCEPTANCE OF THIS DEED, GRANTEE HEREBY ASSUMES THE RESPONSIBILITY AND RISK OF ALL DEFECTS TO AND CONDITIONS OF THE PROPERTY, INCLUDING ANY SUCH DEFECTS AND CONDITIONS THAT CANNOT BE OBSERVED BY CASUAL INSPECTION. GRANTEE HEREBY RELEASES THE GRANTOR PARTIES FROM ANY AND ALL AMOUNTS, ACTIONS, DEMANDS, CLAIMS, COSTS, EXPENSES, DAMAGES AND LIABILITIES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND COSTS) (COLLECTIVELY, THE "RELEASED LIABILITIES") RELATING TO OR ARISING FROM THE CONDITION OR STATUS OF, OR ANY OTHER MATTER IN ANY WAY PERTAINING TO, THE PROPERTY, WHETHER SUCH RELEASED LIABILITIES ARE KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, PATENT OR LATENT.

This deed is given pursuant to one or more orders issued pursuant to Section 363 of the Bankruptcy Code in United States Bankruptcy Court, Middle District of Florida, Jacksonville Division, in Case No. 3:09-bk-07047-JAF.

[Signature appears on following page.]

4

**TAYLOR, BEAN & WHITAKER MORTGAGE  
CORP., a Florida corporation**

By: \_\_\_\_\_

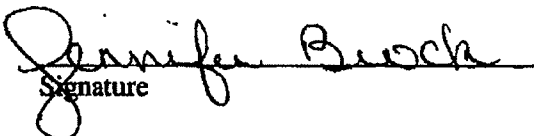
Neil Luria  
Chief Restructuring Officer

(Corporate Seal)

STATE OF FLORIDA           )  
  ) ss  
COUNTY OF MARION        )

On January 14, 2010, before me, **JENNIFER BROCK**, a Notary Public in and for said State, personally appeared Neil Luria, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

  
Signature

NOTARY PUBLIC-STATE OF FLORIDA  
Jennifer Brock  
Commission #DD884541  
Expires: MAY 10, 2013  
BONDED THRU ATLANTIC BONDING CO., INC.



**EXHIBIT A**

**Legal**

**PARCEL 1:**

LOTS 26 OF TRACT NO. 45566, IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED IN BOOK 1148, PAGES 72 TO 77 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS AND OTHER MINERAL RIGHTS OF ANY KIND THAT MAY EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM W. F. RALSTON WINNARD AND HELEN HUNT WINNARD, HUSBAND AND WIFE, AS JOINT TENANTS, RECORDED IN BOOK 19512 PAGE 358 OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM 1/8TH INTEREST IN ANY AND ALL OIL, OR MINERALS OF ANY KIND THAT MAY BE EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM MAME E. WINNARD AND WELLINGTON L. WINNARD, HER HUSBAND, RECORDED IN BOOK 1973 PAGE 267, OFFICIAL RECORDS.

**PARCEL 2:**

NONEXCLUSIVE EASEMENTS APPURTENANT TO PARCEL 1 ABOVE, ON AND OVER THE "COMMON AREA" AS DEFINED IN THE DECLARATION OF ANNEXATION FOR ACCESS, USE, OCCUPANCY, ENJOYMENT, INGRESS AND EGRESS OF THE AMENITIES LOCATED THEREON. THE COMMON AREA IS FOR THE USE OF OWNERS OF LOTS WHICH ARE SUBJECT TO THE DECLARATION AND IS NOT FOR THE USE OF THE GENERAL PUBLIC.

41732625 TAYLOR, BEAN & WHITMAN  
CA  
FIRST AMERICAN ELS  
GRANT DEED

**EXHIBIT "B"**  
**(To Grant Deed)**

**PERMITTED ENCUMBRANCES**

The conveyance and foregoing warranty of title are expressly subject to (i) any liens, conditions, restrictions, reservations and easements affecting the Property that are contained in duly recorded deeds, plats and other instruments constituting constructive notice in the chain of title that may have not expired by a time limitation contained therein or otherwise become ineffective, (ii) any taxes or assessments to be paid by Grantor or Grantee that are to be prorated for the year of closing as set forth herein or that are not yet due and payable, (iii) any standard printed exceptions in title insurance commitments, (iv) rights of all tenants or persons in possession of the Property, (v) any unrecorded claims for liabilities and/or encumbrances for labor and material furnished for improvements on the Property, (vi) all building and zoning ordinances, regulations and conditions, and (vii) all matters that would be revealed by a current and accurate survey of the Property.

This page is part of your document - DO NOT DISCARD



**20090691202**



Pages:  
0010

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

05/11/09 AT 03:01PM

FEES:	63.00
TAXES:	0.00
OTHER:	0.00
PAID:	63.00



LEADSHEET



200905110030040

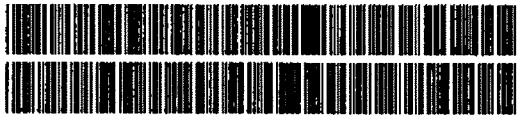
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002099270

SEQ:  
01

DAR - Counter (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

E123763

RECORDING REQUESTED BY



WHEN RECORDED MAIL TO

NAME Kelly Andrew Beall (SBN  
162456)  
MAILING WOLFE & WYMAN LLP  
ADDRESS 5 Park Plaza, Suite  
1100  
CITY, STATE Irvine, CA  
ZIP CODE 92614

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

TITLE(S)

NOTICE OF PENDENCY OF ACTION [LIS PENDENS]

RECORDER MEMO: This COPY has not been QUALITY ASSURED.

3

RECORDER MEMO: This COPY has not been QUALITY ASSURED.

**W**  
**WOLFE & WYMAN LLP**  
ATTORNEYS & COUNSELORS AT LAW

1 **Stuart B. Wolfe (SBN 156471)**  
2 **Kelly Andrew Beall (SBN 162456)**  
3 **WOLFE & WYMAN LLP**  
4 **5 Park Plaza, Suite 1100**  
5 **Irvine, California 92614-5979**  
6 **Telephone: (949) 475-9200**  
7 **Facsimile: (949) 475-9203**  
8  
9 **Attorneys for Plaintiff**  
10 **BANK OF AMERICA, NATIONAL**  
11 **ASSOCIATION AS SUCCESSOR BY**  
12 **MERGER TO LASALLE BANK**  
13 **NATIONAL ASSOCIATION AS TRUSTEE**  
14 **FOR FIRST FRANKLIN MORTGAGE**  
15 **LOAN TRUST 2007-1. MORTGAGE LOAN**  
16 **ASSET-BACKED CERTIFICATES,**  
17 **SERIES 2007-1**

11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
12 **COUNTY OF LOS ANGELES - UNLIMITED**

14 **BANK OF AMERICA, NATIONAL**  
15 **ASSOCIATION AS SUCCESSOR BY MERGER**  
16 **TO LASALLE BANK NATIONAL**  
17 **ASSOCIATION AS TRUSTEE FOR FIRST**  
18 **FRANKLIN MORTGAGE LOAN TRUST 2007-1.**  
19 **MORTGAGE LOAN ASSET-BACKED**  
20 **CERTIFICATES, SERIES 2007-1,**

21 **Plaintiff,**

22 **v.**

23 **FEDERAL HOME LOAN MORTGAGE**  
24 **CORPORATION; MTC FINANCIAL, INC. DBA**  
25 **TRUSTEE CORPS; YOSEF COHEN, an**  
26 **individual; ALL PERSONS UNKNOWN,**  
27 **CLAIMING ANY LEGAL OR EQUITABLE**  
28 **RIGHT, TITLE, ESTATE, LIEN, OR INTEREST**  
**IN THE PROPERTY DESCRIBED IN THE**  
**COMPLAINT ADVERSE TO PLAINTIFF'S**  
**TITLE, OR ANY CLOUD ON PLAINTIFF'S**  
**TITLE THERETO, AND DOES 1 through 500,**  
**inclusive,**

**Defendants.**

Case No.: BC413430

**NOTICE OF PENDENCY OF ACTION**  
**[LIS PENDENS]**

Property:  
41009 Knoll Drive  
Palmdale, CA 93551

///

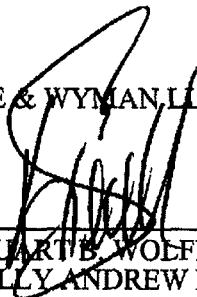
4

1 **TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD:**

2 **NOTICE IS GIVEN** that the above-captioned action was commenced in the above-  
3 captioned court by Plaintiff, BANK OF AMERICA, NATIONAL ASSOCIATION AS  
4 SUCCESSOR BY MERGER TO LASALLE BANK NATIONAL ASSOCIATION AS TRUSTEE  
5 FOR FIRST FRANKLIN MORTGAGE LOAN TRUST 2007-1. MORTGAGE LOAN ASSET-  
6 BACKED CERTIFICATES, SERIES 2007-1 against Defendants FEDERAL HOME LOAN  
7 MORTGAGE CORPORATION; MTC FINANCIAL, INC. DBA TRUSTEE CORPS; YOSEF  
8 COHEN, an individual; ALL PERSONS UNKNOWN, CLAIMING ANY LEGAL OR  
9 EQUITABLE RIGHT, TITLE, ESTATE, LIEN, OR INTEREST IN THE PROPERTY  
10 DESCRIBED IN THE COMPLAINT ADVERSE TO PLAINTIFF'S TITLE, OR ANY CLOUD ON  
11 PLAINTIFF'S TITLE THERETO, AND DOES 1 through 500, inclusive. The action is now  
12 pending in the above court.

13 The real property which is the subject of the first cause of action in the above-captioned  
14 action is commonly known as 41009 Knoll Drive, Palmdale, CA 93551 and is located within the  
15 County of Sacramento and within this judicial district. The legal description of the Subject Property  
16 is set forth in Attachment "1."

17  
18 DATED: May 11, 2009

19  
20  
21 By:   
22 STUART B. WOLFE  
23 KELLY ANDREW BEALL  
24 Attorneys for Plaintiff  
25 BANK OF AMERICA, NATIONAL  
26 ASSOCIATION AS SUCCESSOR BY MERGER  
27 TO LASALLE BANK NATIONAL  
28 ASSOCIATION AS TRUSTEE FOR FIRST  
FRANKLIN MORTGAGE LOAN TRUST 2007-1.  
MORTGAGE LOAN ASSET-BACKED  
CERTIFICATES, SERIES 2007-1

H:\Matters\Home Loan Services, Inc. (1385.001)\132 (FHLMC)\Pleadings\Lia Pendens.doc

RECORDER MEMO: This COPY has not been QUALITY ASSURED.

WOLFE & WYMAN LLP  
ATTORNEYS & COUNSELLORS AT LAW

## CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Orange

On 5-11-09 before me, Rebecca Nichols, Notary  
(Here insert name and title of the officer)

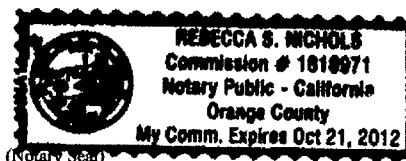
personally appeared KELLY ANDREW BEALL

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Rebecca Nichols  
Signature of Notary Public



### ADDITIONAL OPTIONAL INFORMATION

#### DESCRIPTION OF THE ATTACHED DOCUMENT

Notice of Pendency of  
(Title or description of attached document)  
Action  
(Title or description of attached document continued)

Number of Pages 6 Document Date 5-11-09

(Additional information)

#### CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)  
☐ Corporate Officer

(Title)

- ☒ Partner(s)  
☒ Attorney-in-Fact  
☐ Trustee(s)  
☐ Other

#### INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they- is /are ) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - ♦ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - ♦ Indicate title or type of attached document, number of pages and date.
  - ♦ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

RECORDER MEMO: This COPY has not been QUALITY ASSURED.

**EXHIBIT 1**

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7

# EXHIBIT 1

Order No. 19558204

LEGAL DESCRIPTION

EXHIBIT "ONE"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel 1.

Lot 26, of Tract No. 45566, in the City of Palmdale, County of Los Angeles, State of California, as per map recorded in Book 1148 Page(s) 72 to 77 of maps, in the office of the County Recorder of said county.

Except therefrom all oil, gas and other minerals of any kind that may exist in or under said land, as reserved in the deed from W F. Ralston Winnard and Helen Hunt Winnard, husband and wife, as joint tenants, recorded in Book 19512 Page 358, Official Records.

Also except therefrom 1/8th interest in any and all oil or minerals of any kind that may exist in or under said land, as reserved in the deed from Mame E. Winnard and Wellington Winnard, her husband, recorded in Book 1973 Page 267, Official Records.

Parcel 2.

Nonexclusive easements appurtenant to Parcel 1 above, on and over the "common area" as defined in the Declaration of Annexation for access, use, occupancy, enjoyment, ingress and egress of the amenities located thereon. The common area is for the use of owners of lots which are subject to the Declaration and not for the use of the general public.

Assessor's Parcel No: 3001-080-023

RECORDER MEMO: This COPY has not been QUALITY ASSURED.

8555220-80

9

**PROOF OF SERVICE**

**STATE OF CALIFORNIA** )  
 ) ss.  
**COUNTY OF ORANGE** )

I am employed in the County of Orange, State of California. I am over the age of 18 and not a party to the within action. My business address is 5 Park Plaza, Suite 1100, Irvine, California 92614-5979.

On May 11, 2009, I served the document(s) described as **NOTICE OF PENDENCY OF ACTION [LIS PENDENS]** on all interested parties in said action by placing a true copy thereof in a sealed envelope addressed as stated on the ATTACHED SERVICE LIST.

☒ **BY MAIL:** as follows:

☒ **STATE** - I am "readily familiar" with Wolfe & Wyman LLP's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Irvine, California, in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one (1) day after date of deposit for mailing in affidavit.

☐ **BY EXPRESS MAIL** as follows: I caused such envelope to be deposited in the U.S. Mail at Irvine, California. The envelope was mailed with Express Mail postage thereon fully prepaid.

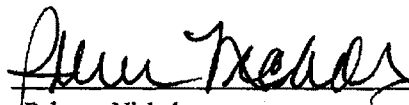
☐ **BY CERTIFIED MAIL** as follows: I am "readily familiar" with Wolfe & Wyman LLP's practice for the collection and processing of correspondence for mailing with the United States Postal Service; such envelope will be deposited with the United States Postal Service on the above date in the ordinary course of business at the business address shown above; and such envelope was placed for collection and mailing, by Certified United States Mail, Return Receipt Requested, on the above date according to Wolfe & Wyman LLP's ordinary business practice.

☐ **BY OVERNIGHT COURIER SERVICE** as follows: I caused such envelope to be delivered by overnight courier service to the offices of the addressee. The envelope was deposited in or with a facility regularly maintained by the overnight courier service with delivery fees paid or provided for.

☐ **BY FACSIMILE** as follows: I caused such documents to be transmitted to the telephone number of the addressee listed on the attached service list, by use of facsimile machine telephone number. The facsimile machine used complied with California Rules of Court, Rule 2004 and no error was reported by the machine. Pursuant to California Rules of Court, Rule 2006(d), a transmission record of the transmission was printed.

☒ **STATE** I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on May 11, 2009 at Irvine, California.

  
Rebecca Nichols

16

**SERVICE LIST**  
**Los Angeles Superior Court – Case No.**  
**Bank of America v. FHLMC**  
**W&W File No. 1385-132**  
**[Revised: May 11, 2009]**

5	FEDERAL HOME LOAN MORTGAGE CORPORATION 41009 Knoll Drive Palmdale, CA 93551	Sent via Certified Mail – return receipt requested Receipt Number: 7001 2510 0005 8937 7726
7	MTC FINANCIAL, INC. DBA TRUSTEE CORPS 41009 Knoll Drive Palmdale, CA 93551	Sent via Certified Mail – return receipt requested Receipt Number: 7001 2510 0005 8937 7719
10	YOSEF COHEN 41009 Knoll Drive Palmdale, CA 93551	Sent via Certified Mail – return receipt requested Receipt Number: 7001 2510 0005 8937 7702
12	FEDERAL HOME LOAN MORTGAGE CORPORATION c/o Trustee Corps 2112 Business Center Drive, 2 <sup>nd</sup> Flr. Irvine, CA 92612	Sent via Certified Mail – return receipt requested Receipt Number: 7001 2510 0005 8937 7696
15	MTC FINANCIAL, INC. DBA TRUSTEE CORPS 2112 Business Center Drive, 2 <sup>nd</sup> Flr. Irvine, CA 92612	Sent via Certified Mail – return receipt requested Receipt Number: 7001 2510 0005 8937 7689
18	FEDERAL HOME LOAN MORTGAGE CORPORATION c/o Taylor Bean & Whitaker Mortgage Corp. 1417 N. Magnolia Ave. Ocala, FL 34475	Sent via Certified Mail – return receipt requested Receipt Number: 7001 2510 0005 8937 7672
21	FEDERAL HOME LOAN MORTGAGE CORPORATION 444 South Flower Street, 44 <sup>th</sup> Floor Los Angeles, CA 90071	Sent via Certified Mail – return receipt requested Receipt Number: 7001 2510 0005 8937 7665

This page is part of your document - DO NOT DISCARD



**20100666304**



Pages:  
0005

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

05/17/10 AT 08:00AM

FEES:	48.00
TAXES:	0.00
OTHER:	0.00
PAID:	48.00



LEADSHEET



201005170300003

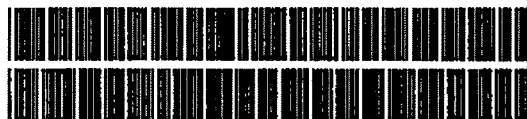
00002372027



002684823

SEQ:  
11

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

T29

EXHIBIT

EXHIBIT I

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE COMPANY

RECORDED AT THE REQUEST OF:

WHEN RECORDED, MAIL TO:  
**EQUITY LOAN SERVICES**  
**1100 SUPERIOR AVENUE #200**  
**CLEVELAND, OHIO 44114**  
**ATTENTION: NATIONAL RECORDINGS**



4368017

APN 3001-080-023

## QUIT CLAIM DEED

(Print the title of the document in this area exactly as it appears on the original)

41732625 TAYLOR, BEAN & WHITMAN  
CA  
FIRST AMERICAN ELS  
QUIT CLAIM DEED

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE COMPANY  
AS AN ACCOMMODATION ONLY

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE COMPANY  
AS AN ACCOMMODATION ONLY

## RECORDING REQUESTED BY

WHEN RECORDED, RETURN TO:  
**EQUITY LOAN SERVICES**  
 1100 SUPERIOR AVENUE, SUITE 200  
 CLEVELAND, OHIO 44114  
 NATIONAL RECORDING - TEAM 1  
 Accommodation Recording Per Client Request

Title Order No. 700811 / 853214

Snow No.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## Quitclaim Deed

THE UNDERSIGNED GRANTEE (S) DECLARE (S)

DOCUMENTARY TRANSFER TAX IS \$

☐ unincorporated area ☐ City of

Parcel No. 3901-980-023

☒ computed on full value of interest or property conveyed, or  
☐ computed on full value less value of liens or encumbrances remaining at time of sale, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
**FEDERAL HOME LOAN MORTGAGE CORPORATION**

hereby REMISE, RELEASE AND FOREVER QUITCLAIM to

**TAYLOR, BEAN & WHITAKER MORTGAGE CORP.**, whose address is 1417 N. Magnolia Ave,  
 Ocala, Florida 34475

the following described real property in the

County of Los Angeles

, state of California

And being that certain property described on Exhibit "A" attached hereto and incorporated herein  
 by reference.

Date January 13, 2010

STATE OF CALIFORNIA Texas  
 COUNTY OF Benton

on January 13, 2010 before me,

John R. Hodack  
 (Print name and title of the officer)

, personally appeared Gloria Wright

Assistant Treasurer

who proved to me on the basis of satisfactory evidence to be the  
 person(s) whose name(s) were subscribed to the within instrument  
 and acknowledged to me that he/she/they executed the same in  
 his/her/their authorized capacity(ies), and that by his/her/their  
 signature(s) on the instrument the person(s), or the entity upon behalf  
 of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal

Signature John R. Hodack



(This area for official notary seal)

MAINTAIN STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE; IF NO PARTY SHOWN, MAIL AS DIRECTED ABOVE

Name

Street Address

City &amp; State

"The value of the property in this  
 conveyance, exclusive of liens and  
 encumbrances is \$100.00 or less, and  
 there is no additional consideration  
 received by the grantor, R & T 11911"

# Exhibit A

4

## PARCEL 1:

LOTS 26 OF TRACT NO. 45566, IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED IN BOOK 1148, PAGES 72 TO 77 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS AND OTHER MINERAL RIGHTS OF ANY KIND THAT MAY EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM W. F. RALSTON WINNARD AND HELEN HUNT WINNARD, HUSBAND AND WIFE, AS JOINT TENANTS, RECORDED IN BOOK 19512 PAGE 358 OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM 1/8TH INTEREST IN ANY AND ALL OIL, OR MINERALS OF ANY KIND THAT MAY BE EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM MAME E. WINNARD AND WELLINGTON L. WINNARD, HER HUSBAND, RECORDED IN BOOK 1973 PAGE 267, OFFICIAL RECORDS.

## PARCEL 2:

NONEXCLUSIVE EASEMENTS APPURTENANT TO PARCEL 1 ABOVE, ON AND OVER THE "COMMON AREA" AS DEFINED IN THE DECLARATION OF ANNEXATION FOR ACCESS, USE, OCCUPANCY, ENJOYMENT, INGRESS AND EGRESS OF THE AMENITIES LOCATED THEREON. THE COMMON AREA IS FOR THE USE OF OWNERS OF LOTS WHICH ARE SUBJECT TO THE DECLARATION AND IS NOT FOR THE USE OF THE GENERAL PUBLIC.



*Juan Perez*  
DPS - agent

This page is part of your document - DO NOT DISCARD



**20100666305**



Pages:  
0006

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

05/17/10 AT 08:00AM

FEES:	51.00
TAXES:	NEPR
OTHER:	0.00
PAID:	NEPR



LEADSHEET



201005170300003

00002372028



002684823

SEQ:  
12

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

T29

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE COMPANY



2

WHEN RECORDED, RETURN TO:  
EQUITY LOAN SERVICES  
1100 SUPERIOR AVENUE, SUITE 200  
CLEVELAND, OHIO 44114  
NATIONAL RECORDING - TEAM 1  
Accommodation Recording Per Client Request

e:

**MAIL TAX STATEMENTS TO:**

Selene Finance LP  
9990 Richmond Avenue  
Suite 100  
Houston, TX 77042  
Attn: Tax Department

5647316

(SPACE ABOVE THIS LINE IS FOR RECORDER'S USE)

**GRANT DEED**

TRANSFER TAX  
NOT A PUBLIC RECORD

4368017  
Apr 3001-080-023

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE COMPANY  
AS AN ACCOMMODATION ONLY

The undersigned grantor declares:  
Documentary Transfer Tax not shown pursuant to Section  
11932 of the Revenue and Taxation Code, as amended

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged on this 14th day of January, 2010, and delivered and effective as of that same day, **TAYLOR, BEAN & WHITAKER MORTGAGE CORP.**, a Florida corporation, Debtor in Possession pursuant to Chap. 11 Bankruptcy Case No. 3:09-bk-07047-JAF in the United States Bankruptcy Court, Middle District of Florida, Jacksonville Division ("Grantor"), hereby grants to **SELENE RMOF REO ACQUISITION II LLC**, a Delaware limited liability company, as Grantee, the following described real property (together with all rights-of-way or use, easements, servitudes, licenses, tenements, driveways, approaches, pavements, hereditaments, curbs and street front privileges and appurtenances thereunto belonging), with all improvements and fixtures located thereon, located in the County of LOS ANGELES, State of California (the "Property"):

See Exhibit "A" attached hereto and incorporated herein.

Grantor will warrant and forever defend the right and title to the Property unto Grantee against the lawful claims of all persons owning, holding or claiming by, through or under Grantor, but not otherwise, subject only to the matters set forth on Exhibit "B" attached hereto and made a part hereof by this reference.

CA GRANT DEED (TEW)  
2125396v2

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE COMPANY  
AS AN ACCOMMODATION ONLY

7070511

12E

By accepting this deed, Grantee expressly acknowledges and agrees that, except for the limited warranties of title set forth in this deed, neither Grantor nor any of its parent, officers, directors, employees, agents, representatives or attorneys (together with Grantor, the "Grantor Parties") has made any guaranties, promises, statements, assurances, representations or warranties, express or implied, to Grantee including, without limitation, any pertaining to the status of title to the Property, the suitability of the Property for any purpose, the profitability of owning or operating the Property, the physical or environmental condition thereof, the suitability, habitability or merchantability or fitness of the Property for Grantee's intended use or for any use whatsoever, the rental income or expenses thereof, the net or gross acreage contained therein, the zoning thereof, the existence or satisfaction of any local, state or federal approvals or permits for the development or use thereof, the availability or existence of water, sewer or other utilities, the existence or nonexistence of any hazardous substances or materials in, on or under the Property, or as to any other past, present or future matter whatsoever. Grantee has made such independent investigations and engaged in such other due diligence as it deems to be warranted into the physical condition, title, nature, validity, enforceability, collectability and value of the Property, and all other facts Grantee deems material for its purchase of the Property, and Grantee is entering into this transaction solely on the basis of that investigation and Grantee's own judgment. Grantee acknowledges that it has not relied, and is not relying, upon any information, document, sales brochures or other literature, maps, sketches, drawings, plans, projection, pro forma, statement, representation, guarantee or warranty (whether express or implied, oral or written, material or immaterial) that may have been given by or made by or on behalf of Grantor or any of the Grantor Parties.

GRANTEE ACKNOWLEDGES AND AGREES THAT IT HAS SATISFIED ITSELF REGARDING THE CONDITION OF THE PROPERTY, AND THAT THE PROPERTY IS BEING ACQUIRED "AS IS AND WITH ALL FAULTS." BY ACCEPTANCE OF THIS DEED, GRANTEE HEREBY ASSUMES THE RESPONSIBILITY AND RISK OF ALL DEFECTS TO AND CONDITIONS OF THE PROPERTY, INCLUDING ANY SUCH DEFECTS AND CONDITIONS THAT CANNOT BE OBSERVED BY CASUAL INSPECTION. GRANTEE HEREBY RELEASES THE GRANTOR PARTIES FROM ANY AND ALL AMOUNTS, ACTIONS, DEMANDS, CLAIMS, COSTS, EXPENSES, DAMAGES AND LIABILITIES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND COSTS) (COLLECTIVELY, THE "RELEASED LIABILITIES") RELATING TO OR ARISING FROM THE CONDITION OR STATUS OF, OR ANY OTHER MATTER IN ANY WAY PERTAINING TO, THE PROPERTY, WHETHER SUCH RELEASED LIABILITIES ARE KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, PATENT OR LATENT.

This deed is given pursuant to one or more orders issued pursuant to Section 363 of the Bankruptcy Code in United States Bankruptcy Court, Middle District of Florida, Jacksonville Division, in Case No. 3:09-bk-07047-JAF.

[Signature appears on following page.]

4

**TAYLOR, BEAN & WHITAKER MORTGAGE  
CORP., a Florida corporation**

By:

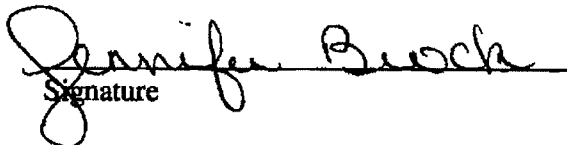
  
\_\_\_\_\_  
Neil Luria  
Chief Restructuring Officer

(Corporate Seal)

STATE OF FLORIDA                    )  
  ) ss  
COUNTY OF MARION                )

On January 14, 2010, before me, **JENNIFER BROCK**, a Notary Public in and for said State, personally appeared Neil Luria, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

  
\_\_\_\_\_  
Signature

NOTARY PUBLIC-STATE OF FLORIDA  
Jennifer Brock  
Commission #DD884541  
Expires: MAY 10, 2013  
BONDED THRU ATLANTIC BONDING CO., INC.

**EXHIBIT A**

**Legal**

**PARCEL 1:**


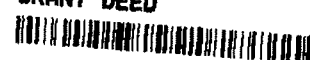
LOTS 26 OF TRACT NO. 45566, IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO MAP RECORDED IN BOOK 1148, PAGES 72 TO 77 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS AND OTHER MINERAL RIGHTS OF ANY KIND THAT MAY EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM W. F. RALSTON WINNARD AND HELEN HUNT WINNARD, HUSBAND AND WIFE, AS JOINT TENANTS, RECORDED IN BOOK 19512 PAGE 358 OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM 1/8TH INTEREST IN ANY AND ALL OIL, OR MINERALS OF ANY KIND THAT MAY BE EXIST IN OR UNDER SAID LAND, AS RESERVED IN THE DEED FROM MAME E. WINNARD AND WELLINGTON L. WINNARD, HER HUSBAND, RECORDED IN BOOK 1973 PAGE 267, OFFICIAL RECORDS.

**PARCEL 2:**

NONEXCLUSIVE EASEMENTS APPURTENANT TO PARCEL 1 ABOVE, ON AND OVER THE "COMMON AREA" AS DEFINED IN THE DECLARATION OF ANNEXATION FOR ACCESS, USE, OCCUPANCY, ENJOYMENT, INGRESS AND EGRESS OF THE AMENITIES LOCATED THEREON. THE COMMON AREA IS FOR THE USE OF OWNERS OF LOTS WHICH ARE SUBJECT TO THE DECLARATION AND IS NOT FOR THE USE OF THE GENERAL PUBLIC.

 TAYLOR, BEAN & WHITMAN  
41732625 CA  
FIRST AMERICAN ELS  
GRANT DEED  


**EXHIBIT "B"**  
**(To Grant Deed)**

**PERMITTED ENCUMBRANCES**

The conveyance and foregoing warranty of title are expressly subject to (i) any liens, conditions, restrictions, reservations and easements affecting the Property that are contained in duly recorded deeds, plats and other instruments constituting constructive notice in the chain of title that may have not expired by a time limitation contained therein or otherwise become ineffective, (ii) any taxes or assessments to be paid by Grantor or Grantee that are to be prorated for the year of closing as set forth herein or that are not yet due and payable, (iii) any standard printed exceptions in title insurance commitments, (iv) rights of all tenants or persons in possession of the Property, (v) any unrecorded claims for liabilities and/or encumbrances for labor and material furnished for improvements on the Property, (vi) all building and zoning ordinances, regulations and conditions, and (vii) all matters that would be revealed by a current and accurate survey of the Property.