Case No. 80615

IN THE SUPREME COURT OF NEVADA

PANORAMA TOWERS CONDOMINIUM UNIT OWNERS' ASSOCIATION, a Nevada non-profit corporation,

Appellant,

VS.

LAURENT HALLIER, an individual; PANORAMA TOWERS I, LLC, a Nevada limited liability company; PANORAMA TOWERS I MEZZ, LLC, a Nevada limited liability company; and M.J. DEAN CONSTRUCTION, INC., a Nevada corporation,

Respondents.

Electronically Filed Sep 21 2020 06:21 p.m. Elizabeth A. Brown Clerk of Supreme Court

APPEAL

from the Eighth Judicial District Court, Clark County, Nevada The Honorable Susan H. Johnson, District Judge District Court Case No. A-16-744146-D

APPELLANT'S APPENDIX VOL 11 OF 27

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ndings of Fact, Conclusions of Law and			
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aintiffs' Opposition to Defendant's 2/1	10/20	27	4754–4771
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Coincidentally, an individual who was previously employed by Sierra Glass, the 14. window installer at the Panorama Towers project, and who worked on the Panorama project, was employed by one of the subcontractors working on the Unit 300 repair. He informed me that Sierra Glass had previously installed TWS windows on its projects, but fabricated its own windows for the Panorama project. This explained why there were no manufacturer's markings on the Unit 300 windows.

- As noted, the Builders assert, based on the incorrect assumption that TWS 15. windows were installed in the Panorama Towers, that because the TWS instructions did not require head flashings, they were not required at Panorama. Even if these were TWS windows at Panorama, that would not be true.
- 16. As noted, I am an AAMA accredited and certified window installation instructor. Attached for reference are excerpts from the applicable AAMA training manual, 2000 edition (Exhibit B). The Home Rule Doctrine described in the manual states (at 9-3 to 9-4):

Because of the large number of specifications, codes, and standards that affect the fenestration industry, conflicts between their requirements will inevitably arise. When a conflict occurs, one should remember the concept of "Home Rule Doctine," which means "the most stringent requirement applies."

- In this instance, the head flashings were required by the EIFS manufacturer, Sto. 17. Attached is the Sto installation detail showing the proper installation of head flashing over the window assembly (Exhibit C). Regardless of whether these windows were manufactured by TWS, Sierra Glass or someone else, had the manufacture not specified head flashings, the Home Rule Doctrine would have required that the EIFS installer comply with the more stringent Sto requirement to install head flashings.
- 18. Significantly, the head flashings that were required to be installed by the EIFS installer, had they been installed, would have been part of the exterior EIFS cladding system, not part of the window assembly.

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1210 S. Valley View Blvd. Suite 208 Las Vegas, NV 89102

702-868-1115

LYNCH HOPPER, LLP 1210 S. Valley View Blvd. Suite 208 Las Vegas, NV 89102 702-868-1115 19. I declare under the penalty of perjury under the laws of Nevada that the foregoing is true and correct. If called as a witness, I could and would competently testify thereto.

11.15.18

Omar Hindiyeh

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FRANCIS I. LYNCH, ESQ. (#4145) LYNCH HOPPER, LLP 2 1210 South Valley View Boulevard #208 Las Vegas, Nevada 89102 3 T: (702) 868-1115 F: (702) 868-1114 4 SCOTT WILLIAMS (California Bar #78588) 5 WILLIAMS & GUMBINER, LLP 1010 B Street, Suite 200 San Rafael, California 94901 6 T: (415) 755-1880 7 F: (415) 419-5469 Admitted Pro Hac Vice 8 WILLIAM L. COULTHARD, ESQ. (#3927) 9 MICHAEL J. GAYAN, ESQ. (#11125) KEMP, JONES & COULTHARD, LLP 3800 Howard Hughes Parkway, 17th Floor 10 Las Vegas, Nevada 89169 11 T: (702) 385-6000 kjc@kempjones.com F: (702) 385-6001 m.gayan@kempjones.com Counsel for Defendant Panorama Towers Condominium Unit Owners' Association 14

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DISTRICT COURT

CLARK COUNTY, NEVADA

LAURENT HALLIER, an individual; PANORAMA TOWERS I, LLC, a Nevada limited liability company; PANORAMA TOWERS I MEZZ, LLC, a Nevada limited liability company; and M.J. DEAN CONSTRUCTION, INC., a Nevada corporation, Plaintiffs,

VS.

PANORAMA TOWERS CONDOMINIUM UNIT OWNERS' ASSOCIATION, a Nevada non-profit corporation,

Defendant.

Case No.: A-16-744146-D

Dept. No.: XXII

Defendant's Opposition to Plaintiffs/ Counter-Defendants Laurent Hallier, Panorama Towers I, LLC, Panorama Towers I Mezz, LLC, and M.J. Dean Construction, Inc.'s Motion for **Reconsideration of their Motion for Summary Judgment on Defendant/** Counter-Claimant Panorama Tower Condominium Unit Owners' Association's April 5, 2018 Amended **Notice of Claims**

Hearing Date: February 12, 2019

Hearing Time: 8:30 a.m.

3800 Howard Hughes Parkway, 17th Floor Las Vegas, Nevada 89169 Tel. (702) 385-6000 • Fax: (702) 385-6001

PANORAMA TOWERS CONDOMINIUM UNIT OWNERS' ASSOCIATION, a Nevada non-profit corporation, and Does 1 through 1000,

Counterclaimants,

VS.

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LAURENT HALLIER, an individual; et al., Counterdefendants.

I.

INTRODUCTION

The Builders, in line with their ongoing barrage of pre-discovery motion practice, seek reconsideration of the Court's ruling, filed November 30, 2018, on their motion for summary judgment, filed August 3, 2018 (MSJ). Just as they did at the MSJ hearing, the Builders reassert their argument that the HOA's specification of head flashings in their amended Chapter 40 notice, an additional detail the Builders demanded, was somehow an improper "new issue." The Builders cannot have it both ways. They cannot seek more specificity about the alleged window design defects and then label them as "new" defects in order to avoid the consequences of their request for more details.

Much like they did in their motion challenging the HOA's standing, the Builders play word games by treating generic verbiage used by the HOA's expert as if it were a generally accepted term of art in the construction industry. The Builders distort the HOA's expert's words into an alleged admission that the inclusion of head flashings in the amended notice is in fact a new issue.

The Builders' motion for reconsideration lacks procedural or substantive merit. The motion is procedurally improper for two reasons. First, the Builders did not timely seek reconsideration or base their request on any new evidence. Second, even if the Court were to give any weight to the Builders'

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word games, the question here involves a disputed issue of fact that cannot be resolved on a motion for summary judgment.

And the motion is devoid of substance because it is based on wordplay and demonstrably incorrect assertions by the Builders' window expert. Specifically, the Builders assert that, because head flashings are (i) not "drainage" components and (ii) not part of the "window assembly," the HOA has improperly asserted a "new" defect not included within the original Chapter 40 notice. As shown below, there is no merit to these assertions.

II.

DISCUSSION

The Builders' motion is both untimely and not based on anything new.

Preliminarily, the Builders' motion should be denied on two separate procedural grounds. First, EDCR 2.24 requires that motions for reconsideration be filed within 10 days of the challenged order. Rule 2.24 provides in relevant part:

- (a) No motions once heard and disposed of may be renewed in the same cause, nor may the same matters therein embraced be reheard, unless by leave of the court granted upon motion therefor, after notice of such motion to the adverse parties.
- (b) A party seeking reconsideration of a ruling of the court, other than any order which may be addressed by motion pursuant to N.R.C.P. 50(b), 52(b), 59 or 60, must file a motion for such relief within 10 days after service of written notice of the order or judgment unless the time is shortened or enlarged by order.

EDCR 2.24 (emphasis added). The district court may deny a motion for reconsideration on this basis alone. See Carmar Drive Trust v. Bank of America, N.A., 386 P.3d 988 (D. Nev. Dec. 16, 2016) (holding district court "within its discretion in denying" untimely motion for reconsideration).

The obvious reason for this requirement is that motions for reconsideration should be filed expeditiously while the matter is still fresh in the court's mind. Here, the present motion was filed on Tel. (702) 385-6000 • Fax: (702) 385-6001

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December 17, 2018, 17 days after the challenged order, i.e., the Court's order filed on November 30, 2018, ruling on the Builders' MSJ.

Second, a district court need not consider arguments made for the first time in a motion for reconsideration. See Arnold v. Kip, 123 Nev. 410, 417, 168 P.3d 1050, 1054 (2007) (observing that a district court has discretion in deciding to consider the merits of arguments made for the first time in a motion for reconsideration); Achrem v. Expressway Plaza Ltd., 112 Nev. 737, 742, 917 P.2d 447, 450 (1996) ("Points or contentions not raised in the original hearing cannot be maintained or considered on rehearing.").

The Builders' motion purports to be based on "new evidence," but there is nothing "new" involved here. The present motion is based on an alleged variance between the original Chapter 40 notice and the amended notice. The Builders filed the MSJ on August 3, 2018, four months after the HOA's amended notice was filed, and so had more than ample time to analyze the alleged variance between the two notices. Based on that analysis, the Builders asserted in their MSJ that the missing head flashing was a "new" defect. They supported that assertion with the declaration of their architect expert, Michelle Robbins, AIA, who declared that "the alleged omission of the head flashing is a new issue which the Association could have identified by way of its Initial Chapter 40 Notice" (MSJ, Ex 8, at 1:24–26).

So, what is the excuse for now asking the Court to reconsider an issue that was fully briefed and argued - for nearly three hours - at the MSJ hearing on October 2, 2018? The Builders' excuse for now reopening this fully addressed and resolved issue is that, in opposing the Builders' subsequent motion challenging the HOA's standing, the HOA filed a declaration by Omar Hindiyeh, one of its experts, in which he stated, "the head flashings that were required to be

¹ The Hindiveh declaration, which was filed as part of the HOA's opposition package on November 16, 2018, is attached to the Builders' present motion as Exhibit E (November 16 Declaration).

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installed by the EIFS installer, had they been installed, would have been part of the exterior EIFS cladding system, not part of the window assembly." Mot. at 5:24–26.

This, the Builders contend, is entirely "new information," which they presumably could not have known when they filed their MSJ. However, whether or not head flashing is part of a "window assembly," and whatever significance that might have (which will be addressed below), was an issue fully out in the open and one that Robbins could readily have opined on in her declaration in support of the MSJ. It did not require Hindiyeh's subsequent declaration to put the Builders in a position to now argue that the head flashings were not part of the window assembly; the Builders and their expert were fully capable of doing that on their own.

The Builders have provided no legitimate reason for now reopening an issue that was fully briefed and argued to the Court.

В. The Builders' motion falls short of the requirements for summary judgment on the HOA's head flashing defect.

Nevada no longer applies the "slightest doubt" standard for summary judgment under Rule 56 and now uses the standard and case law of the federal courts. Wood v. Safeway, Inc., 121 P.3d 1026, 1029–31 (Nev. 2005). To prevent summary judgment, the nonmoving party "must, by affidavit or otherwise, set forth specific facts demonstrating the existence of a genuine issue for trial " Id. at 1031 (quoting Bulbman, Inc. v. Nevada Bell, 825 P.2d 588, 591 (Nev. 1992)). "Summary judgment, however, may not be used as a shortcut to the resolving of disputes upon facts material to the determination of the legal rights of the parties." Collins v. Union Federal Sav. & Loan Ass'n, 662 P.2d 610, 619 (Nev. 1983) (quoting *Parman v. Petricciani*, 272 P.2d 492, 496 (Nev. 1954)). "A factual dispute is genuine when the evidence is such that a rational trier of fact could return a verdict for the nonmoving party." *Id.*; *Posadas v. City of Reno*, 851 P.2d 438, 441–42 (Nev. 1993). The

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"substantive law controls which factual disputes are material" so as to preclude summary judgment. Collins, 662 P.2d at 619.

Nevada law places additional limitations on a trial court's use of summary judgment, and the Nevada Supreme Court has instructed trial judges to exercise "great caution" in granting summary judgment. Posadas, 851 P.2d at 442. When considering a motion for summary judgment, the district court must view "the evidence, and any reasonable inferences drawn from it, . . . in a light most favorable to the nonmoving party." Winn v. Sunrise Hosp. & Medical Center, 277 P.3d 458, 462 (Nev. 2012). Furthermore, "the trial court should not pass upon the credibility of opposing affidavits, unless the evidence tendered by them is too incredible to be accepted by reasonable minds." Short v. Hotel Riviera, Inc., 378 P.2d 979, 984 (Nev. 1963) (quoting 6 Moore's Federal Practice 2070); see also Sawyer v. Sugarless Shops, Inc., 792 P.2d 14, 15–16 (Nev. 1990). Finally, the summary judgment tool is not meant "to cut litigants off from their right to trial by jury if they really have issues to try." Short, 378 P.2d at 984 (citing Sartor v. Arkansas Gas Corp., 321 U.S. 620 (1944)).

Whether intentionally or not, the Builders' Motion makes no mention of the Rule 56 standard they must meet to obtain summary adjudication of the HOA's claims related to the critical head flashing missing from every window in both towers. Rather than demonstrate the lack of any genuine issue of material fact for trial, which Nevada law requires, the Builders simply point to a single out-of-context statement from the HOA's expert. Summary judgment does not come that easily. Based on the response from the HOA's expert, see Exhibit 1, the law precludes summary judgment and requires the factfinder to decide the issue.

C. The Builders' motion lacks substance because it is based on nothing more than a combination of inaccurate word play and incorrect expert testimony.

Chapter 40 "pre-litigation notices are presumed valid under NRS 40.645." D.R. Horton, Inc. v. Eighth Jud. Dist. Ct., 123 Nev. 468, 481, 168 P.3d 731, 741 (2007). A contractor must challenge a

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kjc@kempjones.com 12 Chapter 40 notice with specificity, and, when challenged, the district courts must "determine whether a notice preserves a contractor's opportunity to repair." Id. "[T]he district court should use its wide discretion to ensure that a contractor is not utilizing NRS 40.645 as a shield for the purpose of delaying the commencement of repairs or legitimate litigation." Id. at 482, 168 P.3d at 741 (emphasis added).

Here, the Builders continue to use Chapter 40 and this action as a shield to block the HOA from moving forward with legitimate litigation related to the significant design deficiencies impacting all windows in both towers. The Court should not allow the Builders to continue delaying this case with piecemeal, pre-discovery dispositive motion practice and requests to reconsider the Court's decisions. The Builders have all of the information they need to exercise their right to repair, a right they already disclaimed as to all window-related defects.

The HOA's original Chapter 40 notice provided in relevant part (at 1, emphasis added):

The window assemblies in the residential tower units were defectively designed such that water entering the assemblies does not have an appropriate means of exiting the assemblies. There are no sill pans, proper weepage components or other drainage provisions designed to direct water from and through the window assemblies to the exterior of the building.

The amended notice elaborates on this, as required by the Court's order sought by the Builders, explaining that the universal design deficiencies in the windows involve the failure of the plans to specify pan flashings and head flashings (at 3:14-25).

The Builders, playing a game of semantics, claim that the head flashings are a new defect because (i) they are not "drainage provisions," and (2) they are not part of the "window assemblies." These contentions will be addressed in order.

1. The head flashings are drainage provisions.

The Builders argue, "Head flashings are not designed to drain (i.e., capture water that has already gotten behind the window and allow it to exit through a window assembly); rather, head

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flashings are used solely to prevent water from entering the system." Mot. at 6:23–25. This argument is based on the accompanying declaration of Simon Loadsman (Mot., Ex. C), which states:

- In my opinion, head flashings do not fall within the purview of "sill pans, proper weepage components or other drainage provisions designed to direct water from and through the window assemblies to the exterior of the building."
- 4. In my opinion, head flashings cannot be confused with sill pans. Whereas sill pans are designed to capture water and direct it through a window assembly, head flashings are not designed to capture and direct water through window assemblies. Head flashings are simply designed to prevent water from entering the window assembly, not drain water from within it.

Loadsman is wrong.

As explained in the accompanying declaration of Omar Hindiyeh, head flashings serve two purposes. Hindiyeh Dec. at ¶¶ 7–9. First, they prevent water intrusion into the wall or window assemblies at the primary barrier level, as Loadsman says.

Second, contrary to what Loadsman says, head flashings also "collect and drain unwanted water – that may have infiltrated from conditions above, such as stacked window wall assemblies – out and away from the window wall system"; i.e., water that gets inside the wall assembly, behind the cladding and from above a window, will be collected by the head flashing and drained out over the top of the window to the building exterior. Hindiyeh Dec. at $\P 9$.

These dual functions of the head flashing are entirely consistent with the HOA's original Chapter 40 notice, which stated that the window assemblies lacked "drainage provisions designed to direct water from and through the window assemblies to the exterior of the building."

2. The head flashings are part of the overall window assemblies for all practical purposes because they integrate with and protect the windows.

As noted, the Builders' pretext for filing the present motion is that Omar Hindiyeh allegedly admitted in his November 16 Declaration that "the head flashings that were required to be installed by the EIFS installer, had they been installed, would have been part of the exterior EIFS cladding system, not part of the window assembly." Mot. at 5:24–26. Because, according to the Builders, the

head flashings are not part of the window assembly, they are not included in the original Chapter 40 notice.

Wrong!

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As shown by the Hindiyeh declaration, the Builders' motion for reconsideration is based on word play and semantics. The term "window assembly" is not an accepted term of art in the construction industry that has a specific, recognized meaning. It can have different meanings depending on the context in which it is used.

In his November 16 Declaration, Hindiyeh was distinguishing head flashing from the definition of "Apertures" as used in Section 4.2 of the HOA's CC&Rs, which state in part:

> (e) Apertures. Where there are apertures in any boundary, including but not limited to windows ... such boundaries shall be extended to include the windows ... including all frameworks, window casings and weather stripping thereof....

Hindiyeh explains that he had two reasons for stating in the November 16 Declaration that the head flashings at Panorama were not part of the window assemblies. First, he was using the term "window assembly" to refer to the above definition of "Apertures," which includes "windows ... all frameworks, window casings and weather stripping thereof." In that context head flashing was not part of the window assembly.

Second, as explained in his more recent declaration, the head flashing was not part of the window assembly from a sequencing standpoint. Hindiyeh Dec. at 3:14-18. That is, had the head flashings been installed by the EIFS installer, they would have been part of the EIFS system because, sequentially, the window assemblies were already in place when the EIFS installer performed its installation work, including the head flashings and the EIFS cladding.

Looking to the bigger picture, head flashings are just one of the many elements of the exterior window wall drainage system. All the elements in the building envelope must work together to realize the intended water penetration resistance of the installed window products. In the context of this bigger picture, and considering the relationship between the head flashing and the window, it

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is accurate to state that the head flashing, which is installed above and folds over the top of the window frame, is part of the window assembly. Hindiyeh Dec. at 3:19-24.

In sum, head flashing does not fall within the definition of "Apertures" as defined in Section 4.2 of the CC&Rs. Nonetheless, it is accurate to state that head flashing, regardless of which contractor installs it, is part of the window assembly.

Accordingly, the head flashings in the Panorama Towers are included within the term "window assemblies" as used in the HOA's original Chapter 40 notice.

III.

CONCLUSION

Because the Builders' Motion for Reconsideration lacks procedural or substantive merit, the HOA respectfully requests an order denying the motion in its entirety.

DATED this 22nd day of January 2019.

Respectfully submitted,

SCOTT WILLIAMS (Admitted Pro Hac Vice)

WILLIAMS & GUMBINER, LLP

1010 B Street, Suite 200 San Rafael, California 94901

T: (415) 755-1880

F: (415) 419-5469

Counsel for Defendant Panorama Towers Condominium Unit Owners' Association

KEMP, JONES & COULTHARD, LLP

Certificate of Service

I hereby certify that on the 22nd day of January, 2019, the foregoing **Defendant's Opposition** to Plaintiffs/ Counter-Defendants Laurent Hallier, Panorama Towers I, LLC, Panorama Towers I Mezz, LLC, and M.J. Dean Construction, Inc.'s Motion for Reconsideration of their Motion for Summary Judgment on Defendant/ Counter-Claimant Panorama Tower Condominium Unit Owners' Association's April 5, 2018 Amended Notice of Claims was served on the following by Electronic Service to all parties on the Court's service list.

/s/ Angela Embrey

An employee of Kemp, Jones & Coulthard, LLP

Exhibit 1

1	FRANCIS I. LYNCH, ESQ. (Nevada Bar # 4145)					
2	LYNCH HOPPER, LLP 1445 American Pacific, Suite 110 #293					
3	Henderson, Nevada 89074					
3	Telephone: (702) 868-1115					
4	Facsimile:(702) 868-1114					
5	SCOTT WILLIAMS, ESQ. (California Bar # 785	88)				
	WILLIAMS & GUMBINER LLP	,				
6	1010 B. Street, Suite 200					
7	San Rafael, CA 94901 Telephone:(415) 755-1880					
8	Facsimile:(415) 419-5469					
	Admitted Pro Hac Vice					
9	WILLIAM L. COLUTIAND FOO (#2027)					
10	WILLIAM L. COULTHARD, ESQ (#3927) MICHAEL J. GAYAN, ESQ. (#11825)					
11	KEMP, JONES & COULDTHARD, LLP					
11	3800 Howard Hughes Parkway, 17th Floor					
12	Las Vegas, Nevada 89169					
13	Telephone: (702) 385-6000 Facsimile: (702) 385-6001					
	Attorneys for Defendant					
14	PANORAMA TOWERS CONDOMINIUM					
15	UNIT OWNER'S ASSOCIATION					
16						
16	EIGHTH JUDICIAL DISTRICT COURT CLARK COUNTY, NEVADA					
17						
18	CLARK COON	TI, NEVADA				
19	LAURENT HALLIER, an individual;					
20	PANORAMA TOWERS I, LLC, a Nevada	CASE NO.: A-16-744146-D				
21	limited liability company; PANORAMA TOWERS I MEZZ, LLC, a Nevada limited	DEPT. NO.: XXII				
Z1	liability company and M.J. DEAN	DEI 1. No.: AMI				
22	CONSTRUCTION, INC., a Nevada Corporation,					
23	Plaintiffs,	DECLARATION OF OMAR HINDIYEH				
		IN SUPPORT OF DEFENDANT'S				
24	VS.	OPPOSITION TO PLAINTIFFS'				
25	PANORAMA TOWERS CONDOMINIUM	MOTION FOR DECLARATORY RELIEF REGARDING STANDING				
26	UNIT OWNERS' ASSOCIATION, a Nevada non-profit corporation,					
26						
27	Defendant.					
28						

PANORAMA TOWERS CONDOMINIUM UNIT OWNERS' ASSOCIATION, a Nevada non-profit corporation, and Does 1 through 1000,

Counterclaimants,

VS.

LAURENT HALLIER, an individual; et al.,

Counterdefendants.

DECLARATION OF OMAR HINDIYEH IN SUPPORT OF DEFENDANT'S OPPOSITION TO PLAINTIFFS' MOTION FOR RECONSIDERATION

- I, Omar Hindiyeh, state as follows:
- 1. I received a Bachelor of Science degree in civil engineering from San Jose State University in 1978. I am a licensed general contractor in California (license no. 757672) and in Nevada (license no. 53133). I am the owner and president of CMA Consulting (CMA), formed in 1985, which specializes in construction management and forensic investigation services. Attached is copy of my CV, which includes my licenses, certifications and professional affiliations (Exhibit A).
- 2. Among other things, I am and an accredited and certified window installation instructor for the American Architectural Manufacturers Association (AAMA) (there are only three of us in the State of California). AAMA promulgates standards and guidelines for window installation that are generally accepted nationwide and are often adopted by the building code bodies that draft the building codes.
- 3. If called as a witness, I could and would testify to the matters stated herein based on my own personal knowledge.
- 4. I have previously submitted declarations in this case, including one filed on November 16, 2018, in support of the HOA's opposition to the Builders' motion for declaratory relief (November 16 Declaration). In that declaration I stated (at 5:24-26):

Significantly, the head flashings that were required to be installed by the EIFS installer, had they been installed, would have been part of the exterior EIFS cladding system, not part of the window assembly.

- 5. Having read the Builders' motion for reconsideration, which focuses on the above statement, this appears to be a matter of semantics. The term "window assembly" is not an accepted term of art in the construction industry that has a specific, recognized meaning. It can have different meanings depending on the context in which it is used.
- 6. In my November 16 Declaration, I was distinguishing head flashing from the definition of "Apertures" as used in Section 4.2 of the HOA's CC&Rs, which state in part:
 - (e) Apertures. Where there are apertures in any boundary, including but not limited to windows ... such boundaries shall be extended to include the windows ... including all frameworks, window casings and weather stripping thereof....
- 7. I had two reasons for stating in the November 16 Declaration that the head flashings at Panorama were not part of the window assemblies:
- (a) I was using the term "window assembly" to refer to the above definition of "Apertures," which includes "windows ... all frameworks, window casings and weather stripping thereof." In that context the head flashing was not part of the window assembly.
- (b) Also, the head flashing was not part of the window assembly from a sequencing standpoint. That is, had the head flashings been installed by the EIFS installer, they would have been part of the EIFS system because, sequentially, the window assemblies were already in place when the EIFS installer performed its installation work, including the head flashings and the EIFS cladding.
- 8. Looking to the bigger picture, head flashings are just one of the many elements of the exterior window wall drainage system. All the elements in the building envelope must work together to realize the intended water penetration resistance of the installed window products. In the context of this bigger picture, and considering the relationship between the head flashing and the window, it is accurate to state that the head flashing, which is installed above and folds over the top of the window frame, is part of the window assembly.
- 9. Attached is a diagram showing how head flashing fits within the window assembly. Head flashings are used to integrate the window with the wall system in two significant ways.

- 10. First, they insure the integrity of the drainage plane by preventing water intrusion into the wall or window assemblies at the primary barrier level. In the attached diagram, the lower portion of the horizontal element and the lower vertical element of the head flashing divert and prevent water from entering the window assembly from the top of the window.
- Second, head flashings collect and drain unwanted water that may have 11. infiltrated from conditions above, such as stacked window wall assemblies - out and away from the window wall system. In the diagram, the upper vertical and sloped horizontal elements of the head flashing collect water that has accumulated behind the exterior cladding and drain it over the top of the window frame.
- I declare under the penalty of perjury under the laws of Nevada that the foregoing 12. is true and correct. If called as a witness, I could and would competently testify thereto.

DATED this 21st day of January 2019.

Omar Hindiyeh

Exhibit A

OMAR HINDIYEH CMA CONSULTING PRESIDENT

EXPERIENCE

CMA Consulting, Livermore, CA, Owner, President 1985-Present. Construction Management and Building Construction Consulting Firm. Responsible for and perform the following: Pre-construction planning (cost feasibility studies, technical inspections, construction contracts negotiation, quality control, specification writing), on-site construction inspection and management of all phases of construction including earthwork, paving, concrete, carpentry, roofing, fenestrations, stucco, cladding, plumbing, mechanical, electrical; etc., building component studies, forensic construction defect investigations.

OSO Developers, Inc., San Jose, CA, Owner, President, Vice President 1980-1987. General Engineering and Building Construction Firm. Responsible for and performed the following: Earth-moving, excavating, grading, trenching, paving and concrete foundation work; building construction of all phases of construction including carpentry, roofing, fenestrations, stucco, cladding, plumbing, mechanical, electrical etc., new construction, alteration, improvement and repair of single-family and multi-family residential structures; light commercial and industrial structures; building construction inspection and general engineering consulting work.

Chemtech, San Jose, CA, Owner, President, 1983-1987. Hazardous Chemical Storage Facility Construction Firm. Responsible for and performed the following: Design and construction of flammable and toxic materials storage system facilities; hazardous materials management planning; procedural monitoring training.

CM4 Engineers, San Jose, CA, Owner, Vice-President, 1984-1985. Construction Management and Engineering Consulting Firm. Responsible for and perform the following: Pre-construction planning (cost feasibility studies, technical inspections, construction contracts negotiation, quality control, specification writing), on-site construction management of all phases of construction including carpentry, roofing, fenestrations, stucco, cladding, plumbing, mechanical, electrical; etc.

Aspen Roofing Systems, San Jose, CA, Owner, President, 1982-1986. Roofing Construction and Subcontracting Firm; specialists in re-roofing with tile. Responsible for and performed the following: Supervision of design staff, performed engineering calculations and design of structural roof framing upgrades on commercial and residential structures; new construction and repair of concrete, clay and slate tile roof systems; shake and shingle roof systems; built-up roof systems; single ply roof and waterproofing membrane systems; design and installation of roof flashing, etc.

Garden City Associates, San Jose, CA, Employee, Assistant Civil Engineer, Construction Coordinator, Supervisor, 1978-1979. Large commercial and residential earth moving, paving and grading projects. Coordinated work schedules; operations; and assisted in supervising employees from initial design stages to the finished product.

Supervised: demolition work, rough grading, finish grading, underground plumbing and electrical and concrete and asphaltic concrete paving operations.

EDUCATION

- San Jose State University, San Jose, CA May 1978
- Bachelor of Science Degree in Civil Engineering with emphasis in Construction

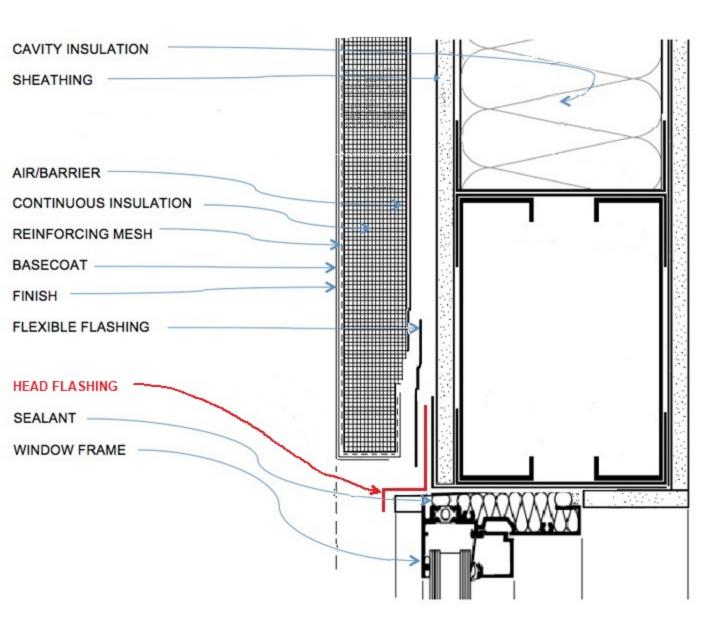
LICENSES AND CERTIFICATIONS

- State of California, General Building Contractor, Roofing Contractor, Asbestos Abatement Contractor, License #757672, 1986
- State of Nevada, General Building Contractor, License #0053133, 2002
- State of Nevada, Roofing Contractor, License #0054183, 2002
- Engineer-in-Training Certification, 1977
- Professional Construction Cost Estimator Certification, 1989
- ICBO Certified Building Inspector (Western States), 1990
- OSHA 30 Certified Safety Inspector, 2010
- AAMA Certified Installation Master, 2014
- AAMA Window and Door Installer Accredited Instructor, 2017

ORGANIZATIONS AND AFFILIATIONS

- AAMA American Architectural Manufacturers Association
- ASTM American Society for Testing and Materials
 - Committee D08 Roofing and Waterproofing
 - Committee E06 Performance of Buildings
- ASPE American Society of Professional Estimators
- CSLB Contractors State License Board (CA)
- Nevada State Contractors Board
- ICC International Code Council
- NFPA National Fire Protection Association
- WESTCON Western Construction Consultants Association
- FEWA Forensic Expert Witness Association

Diagram Attachment



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2 3 4 5 6 7 8 9 10	RPLY PETER C. BROWN, ESQ. Nevada State Bar No. 5887 JEFFREY W. SAAB, ESQ. Nevada State Bar No. 11261 DEVIN R. GIFFORD, ESQ. Nevada State Bar No. 14055 BREMER WHYTE BROWN & O'MEARA LLP 1160 N. TOWN CENTER DRIVE SUITE 250 LAS VEGAS, NV 89144 TELEPHONE: (702) 258-6665 FACSIMILE: (702) 258-6662 pbrown@bremerwhyte.com jsaab@bremerwhyte.com dgifford@bremerwhyte.com Attorneys for Plaintiffs, LAURENT HALLIER; PANORAMA TOWERS I, PANORAMA TOWERS I MEZZ, LLC; and M.J. I CONSTRUCTION, INC.	DEAN
12	DISTRICT	COURT
13	CLARK COUNT	TY, NEVADA
14		
	LAURENT HALLIER, an individual; PANORAMA TOWERS I, LLC, a Nevada limited liability company; PANORAMA TOWERS I MEZZ, LLC, a Nevada limited liability company; and M.J. DEAN CONSTRUCTION, INC., a Nevada Corporation, Plaintiffs, vs. PANORAMA TOWERS CONDOMINIUM UNIT OWNERS' ASSOCIATION, a Nevada non-profit corporation, Defendant. PANORAMA TOWERS CONDOMINIUM UNIT OWNERS' ASSOCIATION, a Nevada non-profit corporation, Counter-Claimant,	Case No. A-16-744146-D Dept. XXII PLAINTIFFS/COUNTER- DEFENDANTS' REPLY IN SUPPORT OF MOTION FOR DECLARATORY RELIEF REGARDING STANDING AND OPPOSITIONS TO DEFENDANT/COUNTERCLAIMANT'S COUNTER-MOTIONS TO EXCLUDE INADMISSIBLE EVIDENCE AND FOR RULE 56(F) RELIEF
27	vs.))
28	LAURENT HALLIER, an individual; PANORAMA TOWERS I, LLC, a Nevada)))

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limited liability company; PANORAMA
 1
    TOWERS I MEZZ, LLC, a Nevada limited
    liability company; and M.J. DEAN
    CONSTRUCTION, INC., a Nevada Corporation;
 3
    SIERRA GLASS & MIRROR, INC.; F.
    ROGERS CORPORATION; DEAN ROOFING
    COMPANY; FORD CONTRACTING, INC.:
    INSULPRO, INC.; XTREME EXCAVATION;
    SOUTHERN NEVADA PAVING, INC.;
    FLIPPINS TRENCHING, INC.; BOMBARD
    MECHANICAL, LLC; R. RODGERS
    CORPORATION; FIVE STAR PLUMBING &
 7
    HEATING, LLC, dba SILVER STAR
    PLUMBING; and ROES 1 through, inclusive,
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                 Counter-Defendants.
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11
          COME NOW Plaintiffs/Counter-Defendants Laurent Hallier, Panorama Towers I, LLC,
    Panorama Towers I Mezz, LLC and M.J. Dean Construction, Inc. (hereinafter collectively referred
12
13
    to as "the Builders"), by and through their attorneys of record Peter C. Brown, Esq., Jeffrey W. Saab,
14
    Esq. and Devin R. Gifford, Esq. of the law firm of Bremer Whyte Brown & O'Meara LLP, and
15
    hereby file their Reply in Support of Motion for Declaratory Relief Regarding Standing ("Reply")
    and Oppositions to Defendant/Counter-Claimant's Counter-Motions ("Counter-Motions") to
16
    Exclude Inadmissible Evidence and For Rule 56(F) Relief ("Oppositions").
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18
          This Reply and Oppositions are made and based upon the attached Memorandum of Points
    and Authorities, the pleadings and papers on file herein, including the instant Motion, the Declaration
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BREMER WHYTE BROWN &
O'MEARA LLP
1160 N. Town Center Drive
Suite 250
Las Vegas, NV 89144
(702) 258-6665

1	of Peter C. Brown, Esq., and any and all evidence and/or testimony accepted by this Honorable Court	
2	at the time of the hearing on the Motion and Counter-Motions.	
3	Dated: January 22, 2019 BREMER WHYTE BROWN & O'MEARA LLP	
4		
5	By: Peter C. Brown, Esq.	
6	Nevada State Bar No. 5887 Jeffrey W. Saab, Esq.	
7	Nevada State Bar No. 11261 Devin R. Gifford, Esq.	
8	Nevada State Bar No. 14055 Attorneys for Plaintiffs/Counter-Defendants	
9	LAURENT HALLIER, PANORAMA TOWERS I, LLC, PANORAMA	
10	TOWERS I MEZZ, LLC, and M.J. DEAN CONSTRUCTION, INC.	
11	NOTICE OF MOTION	
12	TO: ALL INTERESTED PARTIES AND THEIR RESPECTIVE COUNSEL:	
13	YOU AND EACH OF YOU WILL PLEASE TAKE NOTICE that	
14	PLAINTIFFS/COUNTER-DEFENDANTS' REPLY IN SUPPORT OF MOTION FOR	
15	DECLARATORY RELIEF REGARDING STANDING AND OPPOSITIONS TO	
16	DEFENDANT/COUNTERCLAIMANT'S COUNTER-MOTIONS TO EXCLUDE	
17	INADMISSIBLE EVIDENCE AND FOR RULE 56(F) RELIEF will come on for hearing before	
18	the above-entitled Court on the 12 th day of February 2019 at 8:30 a.m.	
19	Dated: January 22, 2019 BREMER WHYTE BROWN & O'MEARA LLP	
20		
21		
22	By: Peter C. Brown, Esq.	
23	Nevada State Bar No. 5887 Jeffrey W. Saab, Esq.	
24	Nevada State Bar No. 11261 Devin R. Gifford, Esq.	
25	Nevada State Bar No. 14055 Attorneys for Plaintiffs/Counter-Defendants	
26	LAURĖNT HALLIER, PANORAMA TOWERS I, LLC, PANORAMA	
27	TOWERS I MEZZ, LLC, and M.J. DEAN CONSTRUCTION, INC.	
28		

BREMER WHYTE BROWN & O'MEARA LLP 1160 N. Town Center Drive Suite 250 Las Vegas, NV 89144 (702) 258-6665

AFFIDAVIT OF PETER C. BROWN, ESQ. IN SUPPORT OF PLAINTIFFS/COUNTER-DEFENDANTS LAURENT HALLIER, PANORAMA TOWERS I, LLC, PANORAMA TOWERS I MEZZ, LLC, AND M.J. DEAN CONSTRUCTION, INC.'S REPLY IN SUPPORT OF MOTION FOR DECLARATORY RELIEF REGARDING STANDING

STATE OF NEVADA) ss. CLARK COUNTY)

- I, **PETER C. BROWN, ESQ**., do swear under penalty of perjury of the laws of the State of Nevada as follows:
 - 1. I am duly licensed to practice law before all Courts of the State of Nevada, and I am an attorney with the law firm Bremer Whyte Brown & O'Meara, LLP.
 - 2. I am one of the attorneys representing for Plaintiffs/Counter-Defendants in this matter.
 - 3. I know the following facts to be true of my own knowledge, and if called to testify I could competently do so.
 - 4. This Declaration is submitted in support of Plaintiffs/Counter-Defendants Laurent Hallier, Panorama Towers I, LLC, Panorama Towers I Mezz, LLC, and M.J. Dean Construction, Inc.'s Reply in Support of Motion for Declaratory Relief Regarding Standing.
 - 5. On or about February 24, 2016, the Defendant/Counter-Claimant, Panorama Tower Condominium Unit Owners' Association (hereinafter "Association"), through its counsel, separately served Laurent Hallier (the principal of Panorama Towers I, LLC), M.J. Dean Construction, Inc. ("M.J. Dean") and others with a "Notice to Contractor Pursuant to Nevada Revised Statutes, Section 40.645" ("Chapter 40 Notice"). Other than the addressee's name, the Chapter 40 Notices served on Mr. Hallier and M.J. Dean are the same.
 - 6. Attached as **Exhibit "I"** is a true and correct copy of the Findings of Fact and Conclusions of Law and Order Regarding Motion for Declaratory Relief from the *One Queensridge Place HOA, Inc. v. Perini Building Company, et al.*, case, Case No., A-12-661825-D.
 - 7. Attached as **Exhibit "J"** is a true and correct copy of the Affidavit of John A. Martin, Jr., SE.
 - 8. Attached as Exhibit "K" is a true and correct copy of the Affidavit of Ashley Allard.

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

The Association attempts to treat the Builders' Motion for Declaratory Relief incorrectly as a Motion for Summary Judgment, offering a litany of contentions to create a material dispute aimed at beating a Motion for Summary Judgment. The Association fails to establish why the Builders' Motion is improperly brought as a Motion for Declaratory Relief. Even if the Builders' Motion were considered a Motion for Summary Judgment, the Association still fails to satisfy its burden of proof. Sill Pan Flashings are classified, at the very least, as fixtures within the apertures, a fact the Association does not dispute. Other courts, based on rulings in other cases, would agree that the Association lacks standing to assert window defects alleging water intrusion. Despite the Association's contention, Texas Wall Systems was the manufacturer of the Windows at Panorama and it did not require head flashings. The EIFS manufacturer likewise did not require head flashings.

The Association's reliance on the parol evidence rule to seek exclusion of the Loadsman Affidavit and the AAMA Glossary is misguided. Both of these pieces of evidence fall outside of the purview of the parol evidence rule. On this basis, Defendant/Counter-Claimant's Counter-Motion to Exclude the Builders' Inadmissible Parol Evidence should be denied.

Because the Association has failed to satisfy its burden under NRCP 56(f), the Defendant/Counter-Claimant's Counter-Motion for NRCP 56(f) relief should be denied.

II. <u>LEGAL ARGUMENTS</u>

A. The Association Fails to Prove Why the Builders' Motion is Improperly Brought as a Motion for Declaratory Relief

The Association fails to provide substantive law, statutes or rules that support the position that the Builders' Motion for Declaratory Relief is improper. In its Opposition, the Association cites to several cases in support of the purported position that declaratory relief is not appropriately brought without some other motion as a vehicle, like a Motion to Dismiss or Motion for Summary Judgment. None of these cases adequately support the Association's position.

The Association notes that the *Baldonado v. Wynn Las Vegas, LLC* case merely references summary judgment of declaratory relief claims. Nothing in this case mentions a Motion for

28 summary judgment of declaratory rener claims. Nothing

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Summary Judgment. *Baldanado* addressed several issues in the context of Nevada's employment law. One such issue involved whether declaratory relief was appropriately sought. The *Baldanado* Court noted that contrary to the appellants' assertion that they merely desired an interpretation of a statute, appellants had actually requested a step further, that the interpretation be applied to grant them injunctive relief, thereby voiding the applicable policy and damages. The *Baldanado* Court ruled that such issues are not appropriate for declaratory relief actions when an administrative remedy is provided for by statute. In the present case, there is no such applicable administrative remedy.

The *Public Employees' Benefits Program* case merely provides one example where declaratory relief was granted via a Motion for Summary Judgment. The case does not stand for the premise that Motions for Declaratory Relief are inappropriate. *Gordon v. Mckee* similarly provides an example of the use of a summary judgment motion seeking declaratory relief and does not stand for the premise that Motions for Declaratory Relief are per se inappropriate.

Lastly, the Association points to *Cox. v. Glenbrook* to stand for the position that declaratory relief is inappropriate because issues of fact should have to be tried and determined in the same manner as issues of fact are tried and determined in other civil cases. The Association's reliance on the *Cox* case is misguided. Of note, the Association misquotes the case by adding in the term "[must]," essentially re-writing part of the *Cox* Court's ruling (*See* Opp. Pg. 9, Ln 16-19).

In *Cox*, the servient estate sought a declaration as to the extent of an easement. The *Cox* Court evaluated the language of the easement in light of the facts of the case, and formulated decisions on several fronts. The one question the *Cox* Court did not decide was whether the development would cause an unreasonable burden on the servient estate *in the future*. The *Cox* Court reasoned that because there were no presently ascertainable facts illustrating what impact the not-yet-constructed development would have once built, the Court was not yet in a position to evaluate those facts and make a decision. Contrary to the Association's assertion, the *Cox* Court did <u>not</u> hold that courts are precluded from analyzing factual questions when formulating rulings on declaratory relief. The *Cox* Court did just that.

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Many courts have analyzed and ruled in the movant's favor on Motions for Declaratory Relief, both in Nevada and other states. For example, in *One Queensridge Place Homeowners' Association, Inc. v. Perini Building Company, et al.*, the Honorable Joanna S. Kishner analyzed an almost identical Motion for Declaratory Relief on Standing and granted it. (*See Exhibit "I"*, Findings of Fact and Conclusions of Law re: Motion for Declaratory Relief in *Queensridge* matter).

Motions for Declaratory Relief have been ruled upon and granted in other jurisdictions as well. In *Alvarado v. McCoy*, a California District Court granted a Motion for Declaratory Relief, in part. (*See* Alvarado v. McCoy, 2010 U.S. Dist. LEXIS 101605). Similarly, in *Satchell v. FedEx Express*, a California District Court granted the plaintiffs' Motion for Declaratory Relief. (*Satchell v. FedEx Express*, 2008 U.S. Dist. LEXIS 105690.

The Association has failed to establish that Motions for Declaratory Relief are per se improper. Moreover, Courts have routinely granted Motions for Declaratory Relief, including in Clark County.

B. Even if the Builders' Motion Were a Motion for Summary Judgment, the Builders Would Still Prevail

i. The Association's Failure to Assert a Triable Issue of Fact Disputing That Omitted Sill Pan Flashings Are Classified as Fixtures in Apertures is Fatal to Their Opposition

The Association spends a great deal of time arguing that the Builders' Motion is not in fact a Motion for Declaratory Relief, but rather, a Motion for Summary Judgment. Based upon that assertion, the Association cites to numerous cases to contend that summary judgment is unwarranted. The Builders did not file a Motion for Summary Judgment. Even if they had, however, the Association has failed to satisfy its burden in opposing the Motion.

The primary theme in the Opposition on this point is that because the Builders used an expert affidavit, which the Association then similarly does, an issue of fact has been generated, precluding the court's ability to make a ruling. The Association cites to case law suggesting that a trial judge may not, in granting summary judgment, evaluate the credibility of opposing affidavits. (See Opp.

Pg. 11, Ln. 19-20; citing Short v. Hotel Riviera, Inc. 378 P.2d 979 (1963)). In a subsequent case that distinguished itself from the *Short* case, the Nevada Supreme Court also said the following:

> In [Short v. Hotel], a case classic for its liberality in permitting inferences to overcome a motion for summary judgment, at least some minimum standards were established for the quality of facts that should be shown to allow the trial court to pass upon as controverted evidence. But the rule is well-settled that the opposing party is not entitled to have the motion for summary judgment denied on the mere hope that at trial he will be able to discredit movant's evidence; he must at the hearing be able to point out to the court something indicating the existence of a triable issue of fact. Bair v. Berry, 86 Nev. 26, 29 (1970).

Because they ignore pertinent parts of Section 4.2(e) of the Declaration, describing apertures, the Association fails to establish a triable issue of fact as to whether flashings fall within the scope of "other fixtures included in such apertures." (See Exhibit D, Pg. 38, Sec. 4.2(e))

By offering Mr. Hindiyeh's lengthy affidavit, which provides the predominant support for the Association's arguments, the Association is asking the Court to do exactly what they complain about of the Builders, to evaluate the credibility of an affidavit. In contrast to Mr. Hindiyeh's affidavit, the Builders have complete faith in the Court's ability to evaluate the evidence even absent their expert's, Mr. Loadsman, affidavit. His affidavit merely provides context and support for arguments that are readily apparent based on the evidence presented in the Motion. The Court is fully capable of analyzing the Declaration without relying on Mr. Loadsman's affidavit and ruling that, based upon the language in the Declaration, the omitted sill pan flashings necessarily fall within the definition of "apertures," which includes "windows, doors and other fixtures located in such **apertures**, including all frameworks, windows casings and weatherstripping." (See Exhibit D., Pg. 38, Sec. 4.2(e)) (emphasis added).

The Association also argues that summary judgment should not be used as a tool to shortcut resolution of triable issues. The issues presented in this case revolve around the impact that alleged water intrusion has on the structural elements of the building. The triable issues in this matter do not involve whether the Association has standing to assert certain claims. Standing issues should be resolved at the outset of litigation. Besides, it is unclear what additional evidence or facts the Association intends to investigate that would somehow help them substantiate their argument that

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flashings fall outside of the unit boundaries. Certainly, the Association fails to clarify this point. That said, the Association clearly had no reservations about arguing exactly how and why they do not believe flashings fall within the unit boundaries and they do not claim they are missing any pieces of information in doing so. The Association has already presented its standing arguments, which involved the use of Mr. Hindiyeh's interpretation of portions of the Declaration. His qualifications to do so are not substantiated in the least. It is ironic that the Association criticizes the Builders' expert's (Mr. Loadsman) affidavit of interpreting the terms of the Declaration when Mr. Loadsman in actuality does none of the kind.

The Association spends a great deal of time criticizing the use of the Builders' expert, Mr. Loadsman, and his affidavit. Despite their contention that the Court is precluded from evaluating the credibility of competing expert affidavits, the Association asks this Court to scrutinize Mr. Loadsman's affidavit and his credentials to the point of seeking a motion to exclude it. First, the Builders' Motion is not one for summary judgment, so Rule 56(e) does not apply. Second, contrary to the Association's position that Mr. Loadsman "says nothing about his competence...", Mr. Loadsman does explain his credentials. What more is needed? Third, contrary to the Association's argument that Mr. Loadsman opines as to the missing head flashings, he says nothing about head flashings. The Builders, therefore, are not asking the Court to weigh conflicting expert opinions on the subject of whether head flashings should have been installed. Instead, the Association is asking the Court to do that.

Even if applying the Motion for Summary Judgment standard to view the evidence in favor of the non-movant, the Association still cannot prevail. The root of the Association's Opposition regarding pan flashings is that despite that the fact that pan flashings comprise part of the window system and window assemblies, they fall outside of the definition of "apertures," as described in the Declaration. The Association relies entirely on its expert on this point (unlike the Builders who rely on the evidence presented to the Court with the added support of an expert affidavit to provide context and support for what is already plainly evident). Even if the Court were to view what the Association's expert's claims as true, that still does not preclude summary judgment.

Association's expert's claims are conclusory in nature and not supported by facts. Moreover, neither 2 the Association, nor its expert, address the fact that pan flashings fit squarely within the classification of "other fixtures located in such apertures." (See Exhibit 2 to Opp., Pg. 4, Par's 9 & 10; See also, 4 Exhibit D, Pg. 38, Sec. 4.2(e)) 5 Both the Opposition and Mr. Hindiyeh cite to Section 4.2(e) "Apertures," as follows: "[w]here there are apertures in any boundary, including but not limited to windows... 6 such boundaries shall be extended to include the windows...including all 7 frameworks, window casings and weatherstripping thereof..." (See Exhibit 2 to Opp., Pg. 4, Ln. 3-5; *See also*, Opp. Pg. 8, Ln. 2-4). 8 However, there is key information both the Association and Mr. Hindiyeh conveniently omit. That 9 is, Section 4.2(e) more completely states: 10 "Where there are apertures in any boundary, including, but not limited to, 11 windows, doors, bay windows and skylights, such boundaries shall be extended to include the windows, doors and other fixtures located in such 12 **apertures,** including all frameworks, windows casings and weatherstripping thereof, except that exterior surfaces made of glass or other transparent 13 materials..." (Exhibit D, Pg. 38, Section 4.2(e)) (emphasis added). Even taking the Association's and Mr. Hindiyeh's arguments that the missing flashings fall outside the description of "window," "frameworks," "casings," or "weatherstripping" as true, the fact that 15 these flashings would certainly be categorized as "other fixtures located in such apertures" is 16 17 completely ignored. NRCP 56(e) states, in part: 18 "When a motion for summary judgment is made and supported as provided in this rule, an adverse party may not rest upon the mere allegations or denials 19 of his pleading, but his response, by affidavits or as otherwise provided in this rule, must set forth specific facts showing that there is a genuine issue for trial. 20 If he does not so respond, summary judgment, if appropriate, shall be entered against him." NRCP 56(e) (emphasis added). 21 Because the Association has failed to oppose this argument, it is an admission that it is true. So even 22 if the statements above were accepted as true, the Association still fails to raise a material issue of 23 disputed fact as to whether the omitted flashings would comprise "other fixtures located in such 24 apertures." (See Exhibit D, Pg. 38, Section 4.2(e)) 25 /// 26 27 28

i. The Association Does Not Dispute that the Declaration Unambiguously Includes Sill Pan Flashings

The Association argues that the Builders have impliedly admitted that the Declaration is ambiguous, and therefore summary judgment in their favor is inappropriate. The Builders contention has never been that the Declaration is ambiguous. On the contrary, the Declaration unambiguously considers apertures, including windows, and other fixtures located in such apertures, including frameworks, casings and weatherstripping, to be within the boundaries of a unit. (*See* Exhibit D, Pg. 38, Section 4.2(e)). The Association only disputes that flashings fall outside of the definition of "frameworks, casings and weatherstripping." (*See* Opp. Pg. 15, Ln. 16 – Pg. 16, Ln. 7; *See also*, Exhibit 2 to Opp., affidavit of Omar Hindiyeh, Par.'s 9 & 10). In doing so, the Association hypocritically uses the AAMA glossary to argue that flashings do not fall within the definition of these terms. If anything, the inclusion of these specific examples of what *does* fall within the apertures is a testament to the definition's breadth in defining "other fixtures." (*See* Exhibit D, Pg. 38, Section 4.2(e)).

Therefore, even if the Builders had sought summary adjudication, the Builders would succeed.

C. Contrary to The Association's Contention, Sill Pan Flashings *Do* Form Part of the Window Apertures, and Therefore the Association Does Not Have Standing to Raise These Issues Against the Builders

The Association tries to treat the Builders' Motion for Declaratory Relief as a Motion for Summary Judgment, then offers a litany of contentions to create a material dispute aimed at beating a motion for summary judgment. The Association first attempts to convolute what is clear and unambiguous from the Declaration by either regurgitating several portions that are either misconstrued, misquoted or simply do not assist with the Association's arguments.

i. The Association's "Statement of Facts" Comprises Incomplete Trimmings From the Declaration That Take it Completely Out of Context

Like a patchwork quilt, the Association cherry-picks random portions of the Declaration and incorporates them into a so-called "Statement of Facts," none of which support the Association's position that flashings fall outside of the unit boundaries.

The Association provides several examples of "Common Elements" taken from Section 1.39 of the Declaration, including "...all apparatus, installation, and equipment of any Building existing for the use of one or more of the Owners; [and] [a]n easement of support in every portion of a Unit which contributes to the support of the Building, other Units and/or any part of the Common Elements." (See Opp., Pg. 4; Ln 11-17). As can be seen, the Association patches together random portions of various subsections into one sentence, taking the Declaration completely out of context. The Association omits in their Opposition the first sentence of Section 1.39, which states: "Common Elements shall mean all portions of the Property other than the Units." (See Exhibit D, Pg. 16, Sec. 1.39). Furthermore, the section that provides "all apparatus, installation and equipment of any Building..." is clearly referring to equipment devices, as it talks about pumps, tanks, motors, compressors, and ducts, not window parts. (See Exhibit D, Pg. 16, Sec. 1.39(c)). If the term "all apparatus, installation and equipment" were interpreted to include window parts, then arguably, every portion of the building could be categorized as "all apparatus, installation and equipment."

Moreover, the Association's allusion to Section 1.39(e) regarding easements of support is misconstrued. First, the windows at the Project do not contribute to the structural support of the Panorama towers. (See Exhibit "J", Affidavit of John A. Martin, Jr., S.E.) The buildings will stand with or without the windows and the curbs they sit on when installed. (Id.; See also, Exhibit "K", Affidavit of Ashley Allard – attesting to the floor plan of Unit 300). Second, the argument that missing flashings is causing corrosion to critical building components designed to support the building is outlandish. (See Opp., Pg. 15. Ln. 4-5). There is no absolutely no evidence that this has occurred or is occurring. Besides, neither windows, nor curb walls upon which windows sit, are part of the principal structure of the Panorama Towers, and not essential to their overall structure stability. (See Exhibit "J", Affidavit of John A. Martin, Jr., S.E.) Even if water did get into the curb wall, this does not compromise the primary structural integrity of the Panorama towers, as the Association suggests. (See Opp., Pg. 15. Ln. 4-5).

The Association extracts various portions of Section 1.128 which addresses about the physical boundaries of a Unit not being determined by interpretation of Deeds or Plats. (*See Opp.*

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27 28 Pg. 4, Ln 18-22). However, the Association is way off-base in including these provisions because this section of the Declaration discusses how to interpret boundary lines when settling or lateral shifting of the buildings has occurred. (See Exhibit D., CC&R's, Pg. 28, Sec. 1.128). There is no evidence of that here.

The Association also incorporates the last sentence of Section 1.128 into their "Statement of Facts," which discusses what a "Unit" includes. (See Opp., Pg. 4; Ln. 20-22). The Builders agree that a Unit includes all improvements situated within its boundaries, including interior walls, appliances, cabinets, interior doors and all electrical, heating, plumbing and other utility fixtures. Nothing in this sentence suggests that a Unit excludes parts of the window system, so it is unclear why the Association threw this section in, except perhaps to confuse the reader.

The Association then includes the part of the Declaration that refers to apertures. (See Opp. Pg. 4, Ln. 23 – Pg. 5, Ln. 3). Following that section, the Association then inputs another section that would seem to contradict the prior section regarding apertures. (See Opp. Pg. 5, Ln. 4-5). To help clarify the Association's misconception on this point, apertures and any fixtures therein are an exception to the general premise that items within walls are not part of the Unit. (See Exhibit D, CC&R's, Pg. 38, Sections 4.2(e)-(f)). Besides, there can be no dispute that sill pan flashings are not contained inside walls, but rather, are located in the apertures, or openings, of the building, comprising part of the window system, which too is included in the aperture (See Exhibit B., Amended Chapter 40 Notice, Pgs. 16-17 - revealing that flashings, had they been incorporated, fit inside the building apertures, or openings, and not inside any walls; See also, Opp., Pg. 7, Ln. 19-23 – agreeing that, as for sill pan flashings, they form part of the window system; *See also*, Exhibit 2 to Opp., Affidavit of Omar Hindiyeh, Pg. 4, Ln 13-14 – admitting that sill pan flashings would form part of the window assemblies; See also, Exhibit "L", Affidavit of Simon Loadsman; See also, **Exhibit "M"**, Affidavit of Michelle Robbins)). The Builders' experts agree that sill pan flashings, had they been installed, would form part of the building apertures, or openings. Id. Even the Association and its expert agree, as they too contend that sill pan flashings are installed in the window openings. (See Opp., Pg. 6, Ln. 13-14).

Next, the Association argues that it has a maintenance obligation for drainage systems. (*See* Opp. Pg. 5, Ln 6-9). Not surprisingly, the Association again misconstrues the Declaration, specifically section 6.3(c). Section 6.3(c) is titled: "Specific Maintenance Obligation (Drainage and Landscaping)," and begins by stating: "[t]he Board shall cause all drainage related systems <u>and related</u> landscape installation on the Property to be inspected..." (Exhibit D, Pg. 44) (emphasis added). It is telling, but not surprising, that the Association excluded this portion of Section 6.3(c) in their Opposition. Obviously, this section refers only to drainage systems that are *related to landscape installations*. Sill pan flashings, which would be part of the tower structure windows, have nothing to do with landscaping.

In their Motion, the Builders present the Court with the relevant portions of the Declaration that pertain to maintenance obligations of unit owners. (See Mot, Pg. 15, Ln. 4-27). A plain reading of that section makes it clear that maintenance obligations for the tower windows falls on the unit owner. It is telling that the Association's Opposition completely ignores the Builders' Motion on this point, which includes provisions which unequivocally state that unit owners are responsible for maintaining, repairing, replacing, finishing and restoring all portions of their Unit, which specifically includes the windows. (See Mot. Pg. 15, Ln 4 - 27; See also, Exhibit D, Pg. 45, Section 6.4).

The Association's "Statement of Facts" includes a section from the Uniform Common-Interest Ownership Act ("UCIO Act"), NRS 116.2102, to perhaps argue that the Act prevails over the Declaration in determining what falls within unit boundaries, and therefore, flashings fall outside the unit. (*See* Opp. Pg. 5, Ln 15-23). The problem however is that NRS 116.2102 prefaces its entire section with the statement: "Except as otherwise provided by the Declaration." (*See* Opp. Pg. 5, Ln. 15; *See also*, NRS 116.2102). There is a built-in provision in the Act that defers to the Declaration. Whatever the Association's argument was in relation to the UCIO Act, therefore, fails.

ii. The Board's Decision to Treat One Unit's Repairs as "Common Elements" Cannot, Alone, Modify the Terms of the Declaration

The Association's next argument aimed at proving flashings form part of the "Common Elements" involves an affidavit from Mr. Kariger, an alleged resident and the president of the Association's Board. (*See Opp. Pg. 6, Ln. 1-16; See also, Exhibit 1 to Opp.*). According to Mr.

Kariger's affidavit, the Association, "after reviewing the matter in detail," decided to treat the "failed and/or missing window components" as common elements and therefore assumed responsibility for the repairs. First, it is unclear what sort of "detailed review" a group of board members did for them to determine that "failing and/or missing" window components fell within the common areas. *See Id.* However, the fact that the Board was not able to even determine whether the window components were either "failing" or "missing" means that such investigation was meager, at best. The fact that the affidavit uses "and/or" means the Board's mere decision to take responsibility for one instance of alleged water intrusion did not rest upon a determination of whether the issue derived from the missing window components at all. More surprising is that Mr. Kariger even admits in his affidavit that the "failing" or "missing" elements are in fact "window components." *Id.*

Irrespective of the obvious misgivings of the Kariger affidavit, it should be obvious that a simple Board decision aimed at appeasing a unit owner by paying for repairs to some portions of his unit, does not automatically modify the written terms of the Declaration. The Association cannot simply change the language of the Declaration, like those sections that define Unit boundaries, by virtue of a mere Board decision. (*See* Exhibit D, Pg. 80, Section 13.4 – providing that changing the boundaries of a unit requires unanimous consent of the owners whose units are directly affected and the consent of a majority of owners and declarant). Rather, a detailed and coordinated process need be undertaken. (*See* Exhibit D, Pg. 80-81, Sec. 13.1-13.7).

Section 13.1 provides that the Declaration "may be amended only by vote or agreement of a Majority of Owners. *Id.* Section 13.1 also states that "[t]he procedure for amendment must follow the procedures set forth in the Act." *Id.* To preclude any further mischaracterization by the Association, it is worth noting that in accordance with the last section of Section 13.1, the procedure for amendments to the Declaration as contained in Article 13 do *not* conflict with the requirements of NRS 116.2117 "Amendment of Declaration."

Here, the Association's argument that the Board has unfettered, unilateral power to alter the provisions of the Declaration is a direct violation of the Declaration and NRS 116.2117. The Association did not receive unanimous consent of all impacted unit owners, it did not receive a

majority vote from all association members, and it did not record any written amendments to the Declaration with the County.

Therefore, the Board's alleged decision, following repairs to one unit, does not and cannot alter the scope of a unit's boundaries as contained in the Declaration.

D. The Association's Own Expert, Mr. Hindiyeh, Tacitly Admits that Sill Pan Flashings Form Part of a Unit

Despite the Association's contentions that the Builders' Motion would collapse without the use of its Simon Loadsman's affidavit, the Association hypocritically utilizes its own expert, Omar Hindiyeh, to play the Association's "starring role" in arguing, among numerous other things, that sill pan flashings do not comprise part of the Unit.

Despite the steadfast contention that expert affidavits cannot be used to weigh evidence for purposes of Motions for Summary Judgment, which is how the Association is treating the Builder's Motion, the Association offers a **6-page** affidavit of their purported expert, Omar Hindiyeh. This affidavit carries with it numerous, unsubstantiated arguments that attempt to prop up the Association's flimsy claims, some of which are entirely unrelated to Mr. Hindiyeh's purported "expertise." This affidavit is nothing more than a brutally self-serving document that inevitably contradicts itself, a far cry from the minimal affidavit the Builders utilized in their Motion, which was aimed merely to provide context and support to a couple of the Builders' arguments. Mr. Hindiyeh boasts that he is "an accredited and certified window installation instructor for the AAMA, which promulgates standards and guidelines for window installation that are generally accepted nationwide..." (*See* Exhibit 2 to Opp., Pg. 2, Par. 2). It is interesting that the Association so heavily scrutinizes the Builders' use of the AAMA glossary in light of the fact that Mr. Hindiyeh's primary claim-to-fame is his involvement with the very organization that published the AAMA Glossary.

Mr. Hindiyeh makes sweeping contentions in his affidavit that lack proof and merit. First, Mr. Hindiyeh claims that alleged water intrusion at Unit 300 was directly affected by the lack of pan flashing and weepage components. Mr. Hindiyeh provides no basis for how he was able to make that determination. Second, Mr. Hindiyeh's apparent contention that water intrusion into the substrate could somehow compromise the structural integrity of the exterior walls is preposterous.

Mr. Hindiyeh has not done *any* testing and has no proof that *any* damage to the structural integrity of the walls has occurred, nor could he. It does not appear that Mr. Hindiyeh is even qualified to render such opinion, as he is not a structural engineer.

The Association is big on criticizing others' use of affidavits, but their expert's affidavit falls short even of their own mark. The Opposition cites to *Saka v. Sahara-Nevada Corp.* to argue that "it is not sufficient that pleadings be supported by affidavits alleging specific facts; these facts must be made upon the affiant's own personal knowledge, and there must be an affirmative showing of his competency to testify to them." (*See* Opp. Pg. 12, Ln 20-25). If that is not the height of hypocrisy, it is unclear what is. Mr. Hindiyeh's affidavit fails to provide an affirmative showing that he is competent to testify on matters concerning the impact water might have on the structural integrity of buildings or their walls. Certainly, his affidavit lacks *any* facts to suggest that he has personal knowledge of this.

One thing that Mr. Hindiyeh got right, however, was the fact that pan flashings do indeed form part of the window system and window assemblies. (*See* Opp., Pg. 7, Ln. 19-23.; *See also*, Exhibit 2 to Opp., Pg. 3, Ln. 25-27; *See also*, Exhibit 2 to Opp., Affidavit of Omar Hindiyeh, Pg. 4, Ln 13-14). The problem, however, comes when Mr. Hindiyeh tries to backtrack by saying that even though pan flashings form part of the window system, they do not fall within the window "apertures, as defined by the Declaration." (*See* Exh 2 to Opp, Affidavit of Omar Hindiyeh, Pg. 3, Ln. 25-26). This is ridiculous and problematic for several reasons.

Mr. Hindiyeh's affidavit provides no basis as to his qualifications to interpret the Declaration or the intent of its drafters. Also, it is apparent that the only way he was comfortable opining that sill pan flashings do not comprise "apertures" was by conditioning his statement by saying, "as defined in the Declaration." (See Exh 2 to Opp, Affidavit of Omar Hindiyeh, Pg. 3, Ln. 25-26). It is hard to imagine how one could possibly argue that sill pan flashings do not fall inside apertures. Apertures can generally be described as openings. (See "aperture." Merriam-Webster Online Dictionary. 2004. http://www.merriam-webster.com (21 Jan. 2019); See Exhibit "L", Affidavit of Simon Loadsman; See also, Exhibit "M", Affidavit of Michelle Robbins, AIA). Even the

Association's so-called "Sto Details" and the two plans attached to the Amended Chapter 40 Notice 1 2 10

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aptly show that sill pan flashings form part of the aperture. (See Exhibit B, Pg. 17). The Unit 300 repair photos attached to the Amended Chapter 40 Notice provide a good illustration of why sill pan flashings, if installed, would be installed in the apertures of the building. (See Exhibit B, Pg. 20-21). There is no dispute that windows and their frameworks, casings and weaterstripping fall within the apertures, or openings, of a building. All these items, as is plainly shown in the photos, rest atop the short curb wall. Id. Sill pan flashings, had they been installed, would similarly rest atop the curb walls, inside the aperture, or opening, of the building. (See Exhibit "XX", Affidavit of Simon Loadsman). Yet, Mr. Hindiyeh has the audacity to say that the although windows, their frameworks, casings and weatherstripping fall within the "apertures," sill pan flashings do not.

Let's break down what Mr. Hindiyeh is actually saying: (a) he agrees that windows comprise part of the apertures; and (b) that sill pan flashing comprises a portion of the window system/assembly (supra); but (c) he claims sill pan flashing does not comprise part of the apertures. (See Exh 2 to Opp, Affidavit of Omar Hindiyeh, Pg. 3, Ln. 25-26). Deductive reasoning tells us, therefore, that Mr. Hindiyeh believes that although windows fall within apertures, window systems/assemblies do not. This must mean therefore that Mr. Hindiyeh considers the terms window and window system/assembly to be mutually exclusive terms. In other words, Mr. Hindiyeh is asserting that a window does not comprise part of a window system/assembly. This is nonsensical.

Another problem with Mr. Hindiyeh's affidavit is that he omits, just like the Opposition, key terms from the definition of "apertures" per the Declaration. Instead of the Association or its purported expert, Mr. Hindiyeh, transcribing complete sections of the Declaration, they yet again pick out tidbits of information that seemingly suit their needs. Both the Opposition and Mr. Hindiyeh cite to Section 4.2(e) "Apertures," but only include the following: "where there are apertures in any boundary, including but not limited to windows... such boundaries shall be extended to include the windows...including all frameworks, window casings and weatherstripping thereof..." (See Exhibit 2 to Opp., Pg. 4, Ln. 3-5; See also, Opp. Pg. 8, Ln. 2-4). However, there is key information both the Association and Mr. Hindiyeh conveniently omit. Either the Association never gave its expert the

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whole section 4.2(e) to review to make his determination (which would be grounds to strike his opinions), or both the Association and the expert want the Court to ignore what the Declaration actually says. That is, Section 4.2(e) states, in more complete terms:

"Where there are apertures in any boundary, including, but not limited to, windows, doors, bay windows and skylights, such boundaries shall be extended to include the windows, doors **and other fixtures located in such apertures**, including all frameworks, windows casings and weatherstripping thereof, except that exterior surfaces made of glass or other transparent materials..." (Exhibit D, Pg. 38, Section 4.2(e)) (emphasis added).

Did the Association and its expert really think they could get away with omitting this portion of the Declaration? The Builders did not omit that portion from their Motion. (*See* Mot., Pg. 13). Mr. Hindiyeh is critical that the Declaration specifically omits flashings, but the language is overinclusive and clearly indicates that *all fixtures* in the apertures are part of the Unit. (*See* Exhibit 2 to Opp., Affidavit of Omar Hindiyeh, Pg. 4, Ln 10-15; *See also*, Exhibit D, Pg. 38, Section 4.2(e)). Section 4.2(e) provides some *examples* of items that fall within the apertures, including frameworks, window casings and weatherstripping. The section also *specifically* omits exterior glass. The broad nature of the language in Section 4.2(e) ("all fixtures" in apertures), combined with specific omissions (i.e., exterior glass), therefore, unambiguously means that all fixtures located in the apertures are part of the unit, include portions that comprise the window system/assembly. The Opposition is bereft of any argument in dispute of this point.

According to Mr. Hindiyeh's interpretation of the Declaration, only those items specifically listed in the Declaration are included in the apertures, but nothing else. (*See* Exhibit 2 to Opp., Affidavit of Omar Hindiyeh, Pg. 4, Par. 10). This makes no logical sense because why, then, would the drafters of the Declaration include the phrase: "and other fixtures located in such apertures" if they did not mean it? The Association is obviously aware of the damaging nature this overinclusive language has on their arguments, but instead of facing it head on, they avoid it by omitting key language from the Declaration. Not every item that would fall within an aperture could reasonably be described in the Declaration. The list could potentially be endless. Therefore, the Declaration unambiguously includes parts of the window system/assembly in the definition of "apertures."

E. Other Courts Would Agree that The Window-Related Defects in the Association's Amended Chapter 40 Notice Could Not Conceivably Fall Under the Common Elements

In One Queensridge Place Homeowners' Association, Inc. v. Perini Building Company, et al., the Honorable Joanna S. Kishner analyzed an almost identical Motion and granted it. (See Exhibit "I", Findings of Fact and Conclusions of Law re: Motion for Declaratory Relief in Queensridge matter). In doing so, Judge Kishner ruled that among all the fixed window-related defects, most of which alleged water intrusion, the only one that could not conceivably fall within the "common elements" was the scratched/pitted glass defect. Id. At 19. Even then, Judge Kishner noted that since the scratched/pitted glass defect was only alleged to be on the inside of the glass, that therefore meant that all of the window defects pertaining to "fixed windows" were part of the unit and not conceivably related to the common elements. Id. Importantly, the Declaration in the Queensridge case, the one that Judge Kishner analyzed, had the same pertinent language regarding the apertures. In short, the language regarding "apertures" in the Queensridge Declaration provided:

"Where there are Apertures in any boundary, including, but not limited to windows, doors, bay windows and skylights, such boundaries shall be extended to include the windows, doors and other fixtures located in such Apertures, including all frameworks, window casings and weather stripping thereof, except that exterior surfaces made of glass or other transparent materials and exteriors or doors facing all vestibules shall not be included in the boundaries of the Unit and shall therefore be Common Elements (*See* Exhibit "I", Pg. 10, Ln. 20-27).

Judge's Kishner's ruling gives credence to the position that based upon the Declaration's language concerning apertures, the only aspect of the windows that are excluded from the units is solely the exterior glass itself. Given the contention that the windows in both cases deal with water intrusion, and the legal reasoning utilized in the *Queensridge* matter, the Builders firmly believe that Judge Kishner would agree that the alleged lack of weatherproofing of the windows in the present case falls within the auspice of the unit, not the common elements.

F. <u>Despite the Association's reliance on Hearsay Statements from a Supposed Former Laborer on the Project, Texas Wall Systems Was the Manufacturer of the Windows</u>

The Association argues that Texas Wall Systems was not the manufacturer of the windows at the Project, but was instead Sierra Glass. The only evidence presented is hearsay testimony from

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a laborer working on the Unit 300 repairs at Panorama, who claims that Sierra Glass was the manufacturer. (*See* Exhibit 2 to Opp., Affidavit of Omar Hindiyeh, Pg. 5, Par. 14). This is simply not true. There is a difference between assembling window product and manufacturing window product, which is perhaps what the laborer is confused about. In fact, often times, pre-manufactured window product can be fabricated and assembled at the site by the installer. Windows made out of curtain wall systems, like those found at the Project, are not typically labeled by the manufacturer of the window. (*See* Exhibit "L", Affidavit of Simon Loadsman). Therefore, the fact that manufacturer labels or product markings were not included on the Unit 300 windows is not surprising. *Id*.

The fact that there exist shop drawings evidencing that Texas Wall Systems designed and manufactured the windows carries a great deal of weight. Texas Wall Systems developed very detailed Shop drawings for the Project. *Id.* These drawings are extremely detailed, intricate, stamped for approval, and have the identifying markings such that could only lead to one conclusion - that Texas Wall Systems manufactured the windows. (*See Exhibit "N"*, Texas Wall Systems Shop Drawings). It would be highly uncommon in the industry for a manufacturer to develop extremely detailed and costly shop drawings for a project where the manufacturer did not have a contract or work order to perform the work or supply the material. *Id.*

Besides, if Texas Wall Systems were not the manufacturer of the windows for Sierra Glass, the installer, then there would be no evidence that Texas Wall Systems was paid by Sierra Glass for its work or supply of materials relating to the Panorama Project. According to an Unconditional Waiver and Release relating to the Project, Texas Wall Systems executed a lien release in favor of Sierra Glass, its customer. (*See* Exhibit "O", Unconditional Waiver and Release Upon Progress Payment). If Texas Wall Systems were not the manufacturer of the Project windows, then why else would they be getting paid by Sierra Glass, the window installer?

G. Head Flashings Were Not Required at the Project

i. Texas Wall Systems, the Manufacturer, Did Not Call for Head Flashings

The Association suggests that TWS was not the manufacturer of the windows in order to challenge the Builders' contention that the manufacturer of the windows did not call for head

flashings. The Association suggests, instead, that it was Sierra Glass. While this is untrue, it is unclear how exactly this helps the Association's argument. Whoever installed/manufactured them, no head flashings were called for on the Project, which is why they were not installed at the Project. As explained above, TWS was the manufacturer of the windows and TWS did not call for head flashings at the windows, per the TWS shop drawings. (See Exhibit "N", Texas Wall Systems Shop Drawings, Pg. 76, Detail 1 "Head Frame").

ii. The EIFS Manufacturer did Not Require Head Flashings

Contrary to the Association's blatant misconception, the EIFS manufacturer did <u>not</u> require head flashings. The only document the Association provides in support of this position is a predated, computer-generated image that has *nothing* to do with the Panorama Project. (*See* Exhibit B, Pg. 17). Instead of requiring head flashings, this so-called "detail" specifically states: "Verify requirements for head flashing with local codes and window manufacturer. If not required, seal between window head and EIFS." *Id.* The window manufacturer, TWS, did not require head flashings, so sealant was applied between the window head and the EIFS, as shown in the photos included in the Association's Amended Chapter 40 Notice. *Id.* At 23-24.

iii. The "Home Rule Doctrine," Whatever it is, Does Not Apply

The Association then argues that regardless if TWS manufactured the windows, the EIFS manufacturer required them. On that basis, the Association argues that the "Home Rule Doctrine" mandates that the most stringent guidelines should apply and therefore head flashings should have been installed. As noted above, the EIFS manufacturer did not require head flashings. Moreover, the Association's use of the "training manual" attached to Mr. Hiniyeh's affidavit is specious. (See Exhibit B to Exhibit 2 of Opp.). The Association cried out when the Builders introduced an AAMA glossary and analyzed a single term from it, even though AAMA is the same organization Mr. Hindiyeh brags about in his resume. The Association is hypocritical to criticize the Builders' use of the glossary when it was simply used to provide context. At least the Builders had the courage to introduce the complete AAMA glossary in their exhibits. In contrast, Mr. Hindiyeh cherry-picks portions of the "training manual," yet another attempt at trying to tunnel-vision the reader. A closer

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As explained, Mr. Hindiyeh's use of the "training manual" is misguided, and even hypocritical. Had the Builder's instead introduced this "training manual" in *their* initial Motion, there is little doubt that the Association would have counter-moved to strike it as "inadmissible parol evidence." (*See* Opp. Pg. 10, Ln. 20-25).

III. OPPOSITION TO DEFENDANT/COUNTER-CLAIMANT'S COUNTER-MOTION TO EXCLUDE INADMISSIBLE PAROL EVIDENCE

In its Opposition, the Association moves to exclude the Builder's use of 1) the Architectural Manufacturers Association Glossary ("Glossary") (*See* Exhibit E), and 2) the Affidavit of Simon Loadsman ("Loadsman Affidavit") (*See* Exhibit F), based on impermissible parol evidence. The crux of the Association's argument is that the Declaration is a contract in its entirety and hence bars any extrinsic evidence from supplementing it. The disputed evidence stems from the Builder's assertion in their Motion that "sill pan flashings" and "head flashings" fall outside the purview of the "common elements." This is a dispositive issue because if these two terms fall within the unit boundaries, then they are *per se* "Common Elements," for which the Association has no standing to litigate.

However, the Association's request should be denied. First, the doctrine of parol evidence does not apply to the entire Declaration because the Declaration, *as a whole*, is not a contract. The Declaration operates as a set of equitable servitudes with collateral obligations rather than a contract in its entirety. The disputed terms at issue here are not distinct contractual obligations. Second, assuming that the disputed issues do fall within the purview of contractual obligations, the parol evidence rule would not bar extrinsic evidence that does not vary or contradict the meaning of terms within the Declaration.

A. The Parameters and Applicability of the Parol Evidence Rule to the Disputed Issues

The parol evidence rule generally bars extrinsic evidence regarding prior or contemporaneous agreements that are contrary to the terms of an integrated contract. *Crow-Spieker No. 23 v. Robinson*, 97 Nev. 302, 305, 629 P.2d 1198, 1199 (1981). Put another way, extrinsic or parol evidence is inadmissible to contradict or vary the terms of an unambiguous written instrument, "since all prior

negotiations and agreements are deemed to have been merged therein." Kaldi v. Farmers Ins. Exch. 117 Nev. 273, 281, 21 P.3d 16, 21 (2001). 3 The "key consideration in application of the parol evidence rule, whether invoked by a party or a stranger to the contract, is whether the extrinsic evidence is being offered to reconstruct the 4 parties' contractual obligations." Thomson v. Canyon, 129 Cal. Rptr. 3d 525, 536 (Ct. App. 2011). As further stated in *Thomson v. Canyon*: 7 "...parties to an integrated written contract are bound by its terms under the parol evidence rule on the theory 'that the parties have determined that a 8 particular document shall be made the sole embodiment of their legal act for certain legal purposes [citation]. Hence, so far as that effect and those 9 purposes are concerned, they must be found in that writing and nowhere 10 else, no matter who may desire to avail himself of it,' even a nonsignatory. (9 Wigmore, Evidence (Chadbourn rev. 1981) § 2446, p. 156, original 11 italics; see Neverkovec v. Fredericks, supra, 74 Cal.App.4th 350, fn. 8 [citing treatise with approval on this point].) 'But so far as other effects and 12 purposes are concerned, the writing has not superseded their other conduct, nor other persons' conduct, and it may still be resorted to for any other 13 purpose for which it is material, either by other persons or by themselves.' 14 (9 Wigmore, Evidence, *supra*, § 2446, p. 156.)" 15 Thus, there are three required elements for the parol evidence rule to apply. First, there must be an **integrated** contract. Second, the disputed evidence must **contradict or vary** the terms of the 17 written instrument. Third, that written instrument must be **unambiguous**. (Supra). As explained in 18 Thomson v. Canyon, the key consideration in assessing whether the parol evidence rule is applicable, 19 is whether the parties intended for the document to be the sole embodiment of their legal act for 20 certain purposes. (Supra). 21 The primary flaws of the Association's Counter-Motion are that it assumes 1) the entire 22 Declaration is an integrated contract, including the specific definitions within, and that it was 23 intended to be the sole embodiment of specific legal acts, and 2) that the disputed extrinsic evidence 24 contradicts or varies the terms rather than simply assisting with their meanings. 25 /// 26 /// 27 28

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B. The Parol Evidence Rule Does Not Apply to the Disputed Issues Because They Are Not **Contractual Obligations**

For the parol evidence rule to apply to the Declaration, the threshold question must first be resolved of whether the Declaration is an integrated contract. Here, the Declaration is a set of covenants that run with the land, as well as equitable servitudes.

The Declaration is a product of the Nevada Revised Statutes. NRS 116.2101 permits the creation of a common-interest community "by recording a declaration executed in the same manner as a deed and, in a cooperative, by conveying the real estate subject to that declaration to the association." Furthermore, "CC&Rs become a part of the title to [a homeowner's] property." NRS 116.41095(2). Thus, the CC&Rs operate as specific conditional covenants and equitable servitudes to the underlying real estate deed between the individual condominium owners and the building owners. Under NRS 116.2105(1), a declaration must contain several required statements and "may contain any other matters the declarant considers appropriate."

As equitable servitudes and covenants, the terms of a declaration run with the land and hence are enforceable against the associations and individual owners. Pinnacle Museum Tower Association v. Pinnacle Market Development, 55 Cal.4th 223, 241 (2012).

The Association's Counter-Motion, however, fails to distinguish between enforceability of the Declaration and formation of a contract. Equitable servitudes and covenants can be held enforceable and binding against the parties, but enforceability alone does not equate into a contract. Put another way, obligations to perform do not suffice for contractual obligations.

The Nevada Supreme Court analyzed this distinction in the case of *United States Home Corp*. v. Ballesteros Trust, 415 P.3d 32 (2018). There, the issue was whether an arbitration agreement can exist within the Declaration of CC&Rs despite that the Declaration itself was not labeled a "contract." The Court followed analysis in *Pinnacle* and found that "[a]s Pinnacle recognizes, accepting the premise that CC&Rs can impose contractual obligations to which a homeowner assents by purchasing a unit leads to the conclusion that CC&Rs can state agreements to arbitrate, enforceable under the UAA or the FAA." (Supra).

The *Ballesteros* holding on this point is therefore that a declaration can have within it contractual obligations—such as an arbitration clause—that is binding on the parties. However, implicit in this holding is that while there can be contractual obligations within the Declaration, the Declaration **as a whole** is not a contract. In *Ballesteros*, the Court held that the arbitration clause was an enforceable contractual obligation, not that the entire document containing the arbitration clause was itself a contract. The Declaration as a whole is not a contract because while the CC&Rs are enforceable as equitable servitudes, the Declaration does not contain 1) a negotiation between the association and a buyer over the restrictions and duties imposed by owners, 2) there is no offer and acceptance, 3) there is no agreement between the association and a buyer regarding respective rights and duties, 4) there is no promise to perform, and 5) there is no valuable consideration exchanged between the association and a buyer. *Cohen-Breen v. Gray Tel. Grp., Inc.*, 661 F. Supp. 2d 1158, 1171 (D. Nev. 2009). Again, mere enforceability in the form of a contractual relationship does not equate into a contractual agreement as a whole.

Here, the pertinent issue for the Builders' Motion is whether "sill pan flashings" and "head flashings" fall within the unit boundaries as provided in the Declaration. This is a dispositive issue because if these two terms fall inside the classification of unit boundaries as per the Declaration, then they are not "common elements," and therefore the Association lacks standing to assert these issues against the Builders.

Thus, the entire basis for the Builder's Motion and the Association's Counter-Motion is based on the meaning of terms within the Declaration. Definitions and terms within a declaration, however, are not themselves "contractual obligations" such as was the case with the arbitration clause in *Ballesteros*. An arbitration clause is a distinct contractual clause requiring parties to resolve their disputes through arbitration. The list of terms and their corresponding definitions - which is the basis for the dispute here - is simply that, a list of terms. By failing to recognize that the Declaration **as a whole** is not a "contract," the Association improperly mischaracterizes the disputed terms as falling within the parameters of parol evidence.

It is for these reasons that the Association's Counter-Motion should be denied at the outset.

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C. The Parol Evidence Rule Does Not Apply to the Loadsman Affidavit or the Glossary Because They Are Not Being Used to Vary or Contradict the Definitions in the Declaration

Assuming that parol evidence applies to the terms at issue in the Declaration, the next question is the purpose of the extrinsic evidence being introduced. Parol evidence only bars evidence that **varies or contradicts** the integrated contract. *Kaldi v. Farmers Ins. Exch.* 117 Nev. 273, 281, 21 P.3d 16, 21 (2001).

Here, the Builders have introduced the AAMA Glossary and an affidavit of Simon Loadsman in order to provide additional context and support to show that pan flashing would fall within the definition of a "window system," a term contained within the AAMA Glossary. (*See* Exhibit E and Exhibit F to Motion). Mr. Loadsman's affidavit by no means attempts to alter or vary the terms of the Declaration, but rather describes Mr. Loadsman's understanding of which elements comprise a "window system." Mr. Loadsman's interpretation of what constitutes a "window system" does not contradict the language in the Declaration. Thus, the HOA fails to recognize that since the Builder's extrinsic evidence is not being used to vary or contradict anything, the parol evidence rule does not bar their entry.

IV. <u>OPPOSITION TO DEFENDANT/COUNTER-CLAIMANT'S COUNTER-MOTION</u> <u>FOR RULE 56(F) RELIEF</u>

A. The Builders' Motion Should Not Be Denied Based on the Procedural Stage of the Case

NRCP 56(f) allows a party opposing a motion for summary judgment to request additional time to complete discovery to gather information that is essential to opposing the summary judgment motion:

NRCP 56(f): When affidavits are unavailable. Should it appear from the affidavits of a party opposing the motion that the party cannot for reasons stated present by affidavit facts essential to justify the party's opposition, the court may refuse the application for judgment or may order a continuance to permit the affidavits to be obtained or depositions to be taken or discovery to be had or may make such other order as is just.

However, Rule 56(f) does not operate automatically. A party seeking a continuance through NRCP 56(f) relief must meet certain requirements. Specifically, "a party seeking an NRCP 56(f)

continuance for further discovery must demonstrate how further discovery will lead to the creation 2 of a genuine issue of material fact." Aviation Ventures v. Joan Morris, Inc., 121 Nev. 113, 118, 110 P.3d 59, 62 (2005). Furthermore, "[a] motion for continuance under NRCP 56(f) is appropriate only when the movant expresses how further discovery will lead to the creation of a genuine issue of material fact." Id. As stated by the Supreme Court of Nevada, "it is insufficient for a party seeking such a continuance to merely allege that additional discovery is necessary; instead, the party **must** identify what additional facts might be obtained that are necessary to oppose the motion for summary judgment." Bakerink v. Orthopaedic Associates, Ltd., 94 Nev. 428, 431, 581 P.2d 9, 11 (1978). 9 NRCP 56 is closely modeled after Federal Rule of Civil Procedure Rule 56. Federal cases interpreting the Federal Rules of Civil Procedure "are strong persuasive authority, because the 11 Nevada Rules of Civil Procedure are based in large part upon their federal counterparts." Exec. Mgmt v. Ticor Title Ins. Co., 118 Nev. 46, 53 (2002). The requirements of a Rule 56(f) continuance are 12 further clarified by the United States Court of Appeal for the First Circuit. Specifically, the Court 13 14 of Appeal held the following: 15 "[A] litigant must submit to the trial court an affidavit or other authoritative document showing (i) good cause for his inability to have discovered or 16 marshalled the necessary facts earlier in the proceedings; (ii) a plausible basis for believing that additional facts probably exist and can be retrieved 17 within a reasonable time; and (iii) an explanation of how those facts, if collected, will suffice to defeat the pending summary judgment motion." 18 Velez v. Awning Windows, Inc., 375 F.3d 35, 40 (1st Cir. 2004); Paterson-19 Leitch Co. v. Mass. Mun. Wholesale Elec. Co., 840 F.2d 985, 988 (1st Cir. 1998). 20 The first layer of the Association's general argument is that because no discovery has been 21 exchanged in this case, Rule 56(f) should operate automatically in allowing for a continuance: "Because discovery just commenced and the HOA has not been dilatory in 23 pursuing discovery, it would be an abuse of this Court's discretion to deny the HOA a continuance to perform the requested discovery." (Opp., Pg. 18) 24 Thus, the Association argues that a continuance should be granted as a matter of right given the 26 procedural status of the case. This point was reiterated again in the Opposition's Exhibit 3, the

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Declaration of Michael Gayan, in which Mr. Gayan states in Paragraph 5: "To date, little if any

discovery has occurred. Plaintiffs have not made their initial disclosures or produced any documents. From a discovery standpoint, the case is in its infancy." Mr. Gayan also emphasizes in Paragraph 4 of his Declaration that the Court has only recently issued a Case Agenda establishing discovery deadlines.

However, Rule 56(f) requires more than mere acknowledgement that the case might be at its infancy stage. Rather, Nevada law and its consistent Federal law counterpart (*supra*), require that the party seeking additional time meet its burden in demonstrating *how* further discovery will lead to the creation of a genuine issue of material fact. *Aviation Ventures v. Joan Morris, Inc.*, 121 Nev. 113, 118, 110 P.3d 59, 62 (2005).

A court is not precluded from granting summary judgment by the mere fact that additional discovery could be conducted. In the present case, the Association fails to identify *what* additional discovery is necessary in order to properly oppose a Motion for Summary Judgment (as noted in the Builders' Reply Brief in support of their Motion for Declaratory Relief, the requested relief is not that of summary judgment). A generalized and vague argument about the *potential* for future discovery is insufficient to show how this discovery will lead to anything in dispute of the Builder's Motion. Thus, the Association fails to adequately satisfy the grounds for a Rule 56(f) Motion even if this Court were to agree that the Builders are seeking summary judgment rather than declaratory relief.

B. The Association Has Failed to Specifically Identify the Additional Discovery Needed to Overcome the Builders' Motion for Declaratory Relief

The Association has also failed to meet its prerequisites to obtain relief under NRCP 56(f), and thus its request for a continuance should be denied. In Nevada, "NRCP 56(f) requires that the party opposing a motion for summary judgment and seeking a denial or continuance of the motion in order to conduct further discovery provide an affidavit giving the reasons why the party cannot present facts essential to justify the party's opposition." *Choy v. Ameristar Casinos, Inc.*, 127 Nev. Adv. Op. 78, 265 P.3d 698 (2011).

The Association's only evidence relevant to its NRCP 56(f) burden is Exhibit 3, the Declaration of Michael Gayan, Esq. In Paragraph 6, Mr. Gayan states the following:

"The Association awaits Plaintiffs' disclosures and document productions. Thereafter, the Association intends to conduct the following discovery to develop the evidence necessary to fully respond to Plaintiffs' motion regarding standing: (a) propound written discovery to Plaintiffs; (b) depose Plaintiffs and/or their Rule 30(b)(6) representatives on various design and construction topics related to the design and construction of the windows; (c) depose other parties and/or non-parties regarding similar issues related to the design and construction of the windows; (d) designate one or more experts on the subject; and (e) depose experts designated by Plaintiffs and any other counter defendants."

However, none of these distinct requests specify 1) what information is being sought in discovery other than vague and generalized references, and 2) why such additional information is necessary to create a genuine issue of material fact by which the Association could overcome Builder's Motion. The most specific of the subsections in Paragraph 6 is Subsection (b), which states that the Association seeks to depose representatives on "various design and construction topics related to the design and construction of the windows."

The Builder's Motion narrowly relates to whether sill pan flashings and head flashings fall within the purview of unit boundaries per the Declaration. The request in Paragraph 6, Subsection (b) of Mr. Gayan's affidavit, however, lacks any detail as to what specific facts are being sought that relate to the Builder's Motion. Similarly, the HOA fails to demonstrate how a vague request to depose these representatives would yield any meaningful facts that are essential to their legal contentions and which would enable them to overcome Builder's Motion for Declaratory Relief. Rather, the HOA's vague discovery requests equate into nothing more than a fishing expedition for facts that *might* relate to Builder's Motion.

Rule 56(f) provides: "...Should it appear from the affidavits of a party opposing the motion that the party cannot for reasons stated present by affidavit facts essential to justify the party's opposition..." Mr. Gayan's affidavit is devoid of stated reasons why his expert's, Mr. Hindiyeh, affidavit is lacking factual evidence to support his conclusions. Mr. Hindiyeh does not claim to lack factual support for his contentions.

Based on the foregoing, the Association's Counter-Motion for a 56(f) continuance should be denied.

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V. CONCLUSION

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The Association fails to establish why the Builders' Motion is improperly brought as a Motion for Declaratory Relief. Even if the Builders' Motion were considered a Motion for Summary Judgment, the Association still fails to satisfy its burden of proof. Sill pan flashings are classified, at least, as fixtures within the apertures, a fact that the Association does not dispute. Other courts agree that window defects alleging water intrusion fall within the Unit boundaries. Despite the Association's contention, Texas Wall Systems was the manufacturer of the Windows at Panorama and it did not require head flashings. The EIFS manufacturer likewise did not require head flashings.

Based on the foregoing, the Court should declare that the Association lacks standing to assert defect allegations and 1.01 and 1.02. Sill pan flashings comprise part of the window system, which fall within the Unit Boundaries, and thus outside the scope of the Common Elements. Since pan flashings fall outside the scope of the Common Elements, the Associations lacks standing to assert repairs to same per NRS 116.3102(1)(d), as amended by AB 125. In addition, local codes and the "Sto detail" defers the decision to incorporate head flashings onto the manufacturer of the window system. Since the manufacturer of the window systems, Texas Wall Systems, did not require head flashings at the unit windows, the lack of head flashing does not constitute a code violation. Since head flashings are not mandated, their addition would be an unnecessary upgrade, and outside the scope of the Association's responsibilities. Thus, the Association also lacks standing to assert defect allegation 1.02.

In addition, the Association's reliance on the parol evidence rule to seek exclusion of the Loadsman Affidavit and the AAMA Glossary is misguided. Both of these pieces of evidence fall outside of the purview of the parol evidence rule. On this basis, the Association's Counter-Motion to Exclude the Builders' Inadmissible Parol Evidence should be denied.

/ / /

1	Lastly, because the Association has failed to satisfy its burden under NRCP 56(f), the	
2	Association's Counter-Motion for NRCP 56(f) relief should be denied.	
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4	Dated: January 22, 2019 BREMER WHYTE BROWN & O'MEARA LLP	
5		
6	Ву:	
7	Peter C. Brown, Esq. Nevada State Bar No. 5887	
8	Jeffrey W. Saab, Esq. Nevada State Bar No. 11261	
9	Devin R. Gifford, Esq. Nevada State Bar No. 14055	
10	Attorneys for Plaintiffs/Counter-Defendants LAURENT HALLIER, PANORAMA	
11	TOWERS I, LLC, PANORAMA TOWERS I MEZZ, LLC, and M.J. DEAN	
12	CONSTRUCTION, INC.	
13		
14		
15		
16	<u>CERTIFICATE OF SERVICE</u>	
17		
18	I hereby certify that on this 22 nd day of January 2019, a true and correct copy of the foregoing	
19	document was electronically filed and served through Odyssey upon all parties on the master e-file	
20	and serve list.	
21	tondra eynolds	
22	Mariety Cyrian	
23	Alondra Reynolds, an Employee of BREMER, WHYTE, BROWN & O'MEARA, LLP	
24	DREWER, WITTE, DROWN & O WEARA, EEF	
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BREMER WHYTE BROWN & O'MEARA LLP 1160 N. Town Center Drive Suite 250 Las Vegas, NV 89144 (702) 258-6665

Steven D. Grierson CLERK OF THE COURT PETER C. BROWN, ESO. Nevada State Bar No. 5887 JEFFREY W. SAAB, ESQ. Nevada State Bar No. 11261 DEVIN R. GIFFORD, ESQ. Nevada State Bar No. 14055 BREMER WHYTE BROWN & O'MEARA LLP 1160 N. TOWN CENTER DRIVE **SUITE 250** LAS VEGAS, NV 89144 TELEPHONE: (702) 258-6665 FACSIMILE: (702) 258-6662 pbrown@bremerwhyte.com isaab@bremerwhyte.com dgifford@bremerwhyte.com Attorneys for Plaintiffs, LAURENT HALLIER; PANORAMA TOWERS I, LLC; 10 PANORAMA TOWERS I MEZZ, LLC; and M.J. DEAN CONSTRUCTION, INC. 11 **DISTRICT COURT** 12 **CLARK COUNTY, NEVADA** 13 14 LAURENT HALLIER, an individual; Case No. A-16-744146-D 15 PANORAMA TOWERS I, LLC, a Nevada limited liability company; PANORAMA TOWERS I MEZZ, LLC, a Nevada limited 16 Dept. XXII liability company; and M.J. DEAN CONSTRUCTION, INC., a Nevada Corporation, **APPENDIX TO** 17 PLAINTIFFS/COUNTER-Plaintiffs, **DEFENDANTS' REPLY IN SUPPORT** 18 OF MOTION FOR DECLARATORY 19 VS. RELIEF REGARDING STANDING AND **OPPOSITIONS TO DEFENDANT/COUNTERCLAIMANT'S** PANORAMA TOWERS CONDOMINIUM UNIT OWNERS' ASSOCIATION, a Nevada **COUNTER-MOTIONS TO EXCLUDE** 21 non-profit corporation, INADMISSIBLE EVIDENCE AND FOR **RULE 56(F) RELIEF [Volume I of I]** 22 Defendant. 23 PANORAMA TOWERS CONDOMINIUM 24 UNIT OWNERS' ASSOCIATION, a Nevada non-profit corporation, 25 Counter-Claimant, 26 VS. 27 LAURENT HALLIER, an individual; 28 PANORAMA TOWERS I, LLC, a Nevada limited liability company; PANORAMA REMER WHYTE BROWN 8 O'MEARA LLP 60 N. Town Center Drive Suite 250 Las Vegas, NV 89144 (702) 258-6665 AA1694

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Case Number: A-16-744146-D

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TOWERS I MEZZ, LLC, a Nevada limited
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    liability company; and M.J. DEAN
    CONSTRUCTION, INC., a Nevada Corporation;
    SIERRA GLASS & MIRROR, INC.; F.
    ROGERS CORPORATION; DEAN ROOFING
    COMPANY; FORD CONTRACTING, INC.;
    INSULPRO, INC.; XTREME EXCAVATION;
    SOUTHERN NEVADA PAVING, INC.;
    FLIPPINS TRENCHING, INC.; BOMBARD
    MECHANICAL, LLC; R. RODGERS
    CORPORATION; FIVE STAR PLUMBING &
    HEATING, LLC, dba SILVER STAR
    PLUMBING; and ROES 1 through, inclusive,
 8
                 Counter-Defendants.
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10
          Plaintiffs/Counter-Defendants Laurent Hallier, Panorama Towers I, LLC, Panorama Towers
11
    I Mezz, LLC and M.J. Dean Construction, Inc. (hereinafter collectively referred to as "the Builders"),
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    by and through their attorneys of record Peter C. Brown, Esq. and Jeffrey W. Saab, Esq. and Devin
13
    R. Gifford, Esq. of the law firm of Bremer Whyte Brown & O'Meara LLP, hereby submits its
14
    Appendix of Exhibits to their reply in support of Motion for Declaratory Relief Regarding Standing
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    and Oppositions to Defendant/Counterclaimant's Counter-Motions to Exclude Inadmissible
    Evidence and for Rule 56(f) Relief.
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1 2	Exhibit No.	Brief Description	# of Pages (including exhibit page)	Location of exhibit within Motion
3	I	Findings of Fact and Conclusions of Law and Order Regarding Motion for Declaratory Relief	50	Pages 3, 15 & 16
5	J	Affidavit of John A. Martin, Jr., SE.	8	Page 8
3	K	Affidavit of Ashley Allard	4	Page 8
6	L	Affidavit of Simon Loadsman	3	Pages 9, 13, 14 & 17
7	M	Affidavit of Michelle Robbins	2	Pages 9 & 13
	N	Texas Wall System Shop Drawings	77	Pages 17 & 18
9	О	Unconditional Waiver and Release from the Panorama Project.	2	Page 17
10	P	AAMA Installer Training Manual	13	Page 19
11				
12	Dated: January 22, 2019 BREMER WHYTE BROWN & O'MEARA LLP			
13			$D \wedge ()$	
14		Ву:		
15			er C. Brown, Esq.	

Peter C. Brown, Esq.
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Nevada State Bar No. 11261
Devin R. Gifford, Esq.
Nevada State Bar No. 14055
Attorneys for Plaintiffs/Counter-Defendants
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TOWERS I, LLC, PANORAMA
TOWERS I MEZZ, LLC, and M.J. DEAN
CONSTRUCTION, INC.

CERTIFICATE OF SERVICE and serve list.

I hereby certify that on this 22nd day of January 2019, a true and correct copy of the foregoing document was electronically filed and served through Odyssey upon all parties on the master e-file

Alondra Reynolds, an Employee of

BREMER, WHYTE, BROWN & O'MEARA, LLP

BREMER WHYTE BROWN & O'MEARA LLP 1160 N. Town Center Drive Suite 250 Las Vegas, NV 89144 (702) 258-6665

EXHIBIT "I"

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FFCL

DISTRICT COURT

Alun S. Elmin

CLERK OF THE COURT

CLARK COUNTY; NEVADA

ONE QUEENSRIDGE PLACE HOMEOWNERS' ASSOCIATION, INC., a Nevada Non-Profit Corporation,

Plaintiff,

VS.

PERINI BUILDING COMPANY, an Arizona Corporation; KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC., a Nevada Corporation; EXECUTIVE HOMES, INC., a Nevada Corporation; and DOES 1 through 100,

Defendants.

KEENAN, HOPKINS, SUDER & STOWELL CONTRACTORS, INC., a Nevada Corporation,

Third-Party Plaintiff,

VS.

HAMMOND CAULKING, INC., a Nevada Corporation; ZOES 1 through 100,

Third-Party Defendant.

19 EXECUTIVE HOMES, INC., a Nevada Corporation,

Third-Party Plaintiff,

VS.

22 A-1 MECHANICAL, INC., a Nevada corporation; ABDA, INC., a Nevada corporation; ALLIED WEST CONSTRUCTION, INC., a Nevada corporation; BEAUTY WITH PAVERS, LLC, a Nevada limited liability company; BAJA TILE, INC. dba BTI TILE & STONE, a California corporation; CHAMPION UTILITY SUB-METERING SOLUTIONS, LLC, a Nevada limited liability company; CLP RESOURCES, INC., a Delaware

Case No. A-12-661825-D

Dept. No.: XXXI

FINDINGS OF FACT, **CONCLUSIONS OF LAW, AND** ORDER GRANTING IN PART AND **DENYING IN PART PERINI BUILDING COMPANY'S MOTION** FOR DECLARATORY RELIEF REGARDING REPRESENTATIVE STANDING; WHAT DEFECTS SHOULD BE SUBJECT TO EITHER AN OPT-IN CLASS OR AN **ASSIGNMENT PROTOCOL; AND** FORM OF PROPOSED NOTICE AND **JOINDERS THERETO: AND** GRANTING IN PART AND DENYING IN PART PLAINTIFF ONE **QUEENSRIDGE PLACE HOA'S MOTION FOR (1) ADJUDICATION** OF DEFINITION OF DEFECTS THAT **ARE PURSUED IN PURELY REPRESENTATIVE CAPACITY; (2)** DETERMINATION OF DEFECTS **PURSUED IN A PURELY** REPRESENTATIVE CAPACITY: AND (3) APPROVAL OF PLAINTIFF'S NOTICE OF LAWSUIT RE: INDIVIDUAL UNIT CLAIMS TO ONE **QUEENSRIDGE PLACE HOMEOWNERS**

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corporation; CONTRACTORS AND BUILDERS PERSONNEL nka EASTRIDGE **WORKFORCE SOLUTIONS and** EASTRIDGE WORKFORCE TECHNOLOGY, INC., a California corporation; EXPANSION SPECIALTIES, INC., a Nevada corporation: FERGUSON ENTERPRISES, INC. dba FERGUSON 5|| BATH & KITCHEN GALLERY, a Virginia corporation: PROCARE CARPET AND FLOOR MAINTENANCE, INC. dba FLOOR TOPIA, a Nevada corporation; HARDSTONE CONSTRUCTION, LLC, a Nevada limited liability company; HARRIS & RUTH 8|| PAINTING CONTRACTORS, INC. aka HARRIS & RUTH PAINTING CONTRACTING, INC., a California corporation; HI-CON, INC., a California 10|| corporation; STACY THOMASSON dba HIGH TECH PROFESSIONAL WINDOW 11|| CLEANING, an individual; INSUL-FLOW, INC., a California corporation: MARVISTA 12||LANDSCAPE, INC. aka MARVISTA LANDSCAPE CONSTRUCTION, INC., a 13 Nevada corporation: LAS VEGAS CONCRETE PUMPING, INC. dba POOLS 14|| BY GRUBE, a Nevada corporation; PRESTIGE ROOFING, INC., a Nevada 15|| corporation; S3H, INC., a Nevada corporation; SLATER DESIGN STUDIOS, 16 INC., a Nevada corporation; SOUTHERN NEVADA PAVING, INC. aka AGGREGATE 17 | INDUSTRIES INC. and AGGREGATE INDUSTRIES-SWR, INC., a Nevada 18 | corporation; STEWART & SUNDELL CONCRETE, INC., a Nevada corporation; 19|| STO DESIGN GROUP, INC., a California corporation; RICHARD ALAMANDER COLE l dba STONE DESIGNS, an individual: T. BROTHERS TILE, LLC, a Nevada limited 21|| liability company; XL STEEL, INC., a Nevada corporation; and ROE Individuals 1-100 and ROE Business Entities 2-100, Third-Party Defendants. 23 24 PERINI BUILDING COMPANY, an Arizona Corporation,

Third-Party Plaintiff,

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VS.

1 A-1 MECHANICAL, a Nevada Corporation; ABDA, INC., a Nevada Corporation; ALLIED WEST CONSTRUCTION, a Nevada Corporation; ATLAS CONSTRUCTION CLEANUP, INC., a Nevada Corporation; AZTECA STEEL, a Texas Corporation; | BEAUTY WITH PAVERS, a Nevada Limited Liability Company; BERG ELECTRIC, a California Corporation; BOMEL CONSTRUCTION CO., INC., a California 6|| Corporation; BTI STONE & TILE fka BAJA TILE, INC., a California Corporation; CIMA CONSTRUCTION, INC., a Texas Corporation; COMPONENT WEST, LLC, a Nevada Limited Liability Company; DESERT FIRE PROTECTION, a Nevada Corporation; 9|| DIVERSIFIED CONCRETE CUTTING, a Nevada Corporation; EHB CORPORATION, 10|| a Nevada Corporation; EHB MANAGEMENT CORP., LLC, a Nevada Limited Liability 11|| Company; ELSTER AMCO WATER, a Florida Corporation; EXECUTIVE HOME 12|| BUILDERS, INC., a Nevada Corporation; EXPANSION SPECIALTIES, a Nevada Corporation; GIROUX GLASS, a California Corporation; HARDSTONE CONSTRUCTION, LLC, a Nevada Limited Liability Company; HARRIS CONSULTING 15|| ENGINEERS, LLC, a Nevada Limited Liability Company; HI-CON, INC., a Nevada 16|| Corporation; INSULPRO PROJECTS, a Washington Corporation; JMA 17|| ARCHITECTS, INC. aka JMA ARCHITECTURE STUDIOS, a Nevada 18 Corporation; LAS VEGAS CONCRETE PUMPING dba POOLS BY GRUBE, a 19|| Nevada Corporation; LIGHTNING PROTECTION SYSTEMS, LCC dba VFC, 20|| INC., a Utah Limited Liability Company; LYNCO ASSOCIATES, a Nevada 21|| Corporation; M.A. ENGINEERING, INC., a Nevada Corporation; NIBCO, an Indiana 22|| Corporation; NOORDA SHEET METAL COMPANY, a Nevada Corporation; 23 PRESTIGE ROOFING, INC., a Nevada Corporation; QUEENSRIDGE TOWERS, 24 LLC, a Nevada Limited Liability Company; QT MANAGEMENT, LLC, a Nevada Limited 25|| Liability Company; RAGLEN SYSTEM BALANCE, INC., a Nevada Corporation; RS 26 ANALYSIS, INC., a California Corporation; S3H, INC., a Nevada Corporation; SIEMENS 27 | INDUSTRY, INC., a Delaware Corporation; T. BROTHERS TILE, a Nevada Limited

1 2 3 4 5 6 7	Liability Company; TECHNICOAT MANAGEMENT, INC., a Nevada Limited Liability Company; TIMBERLINE ARCHITECTURAL OPENINGS, LLC, a Nevada Limited Liability Company; VALENTIN GARCIA GUZMAN, an Individual; YAMAS CONTROLS SOUTHWEST, INC., a Nevada Corporation; DOE INDIVIDUALS 1-100; ROE SUBCONTRACTORS 2-100; ROE DESIGN PROFESSIONALS 101-200; ROE MATERIAL SUPPLIERS 201-300; and ROE PRODUCT MANUFACTURERS 302-400,
8	Third-Party Defendants.
9 10	PERINI BUILDING COMPANY, an Arizona Corporation,
11	Cross-Claimant, vs.
, 12 13	EXECUTIVE HOMES, INC., a Nevada Corporation,
14	Cross-Defendant.
15 16	EXECUTIVE HOMES, INC., a Nevada Corporation,
17	Counter-Claimant, vs.
18 19	PERINI BUILDING COMPANY, a Arizona Corporation,
20	Counter-Defendant.
21	NIBCO, INC., an Indiana Corporation,
22	Fourth-Party Plaintiff, vs.
242526	NOVASFER, S.R.L., an Italian single member company; HERZ VALVES UK LTD, a British entity; DOES 1 through 10; and ROE BUSINESSES 1 through 15, inclusive,
27	Fourth-Party Defendants.

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QUEENSRIDGE TOWERS, LLC, a Nevada Limited Liability Company; and DOES 1 through 100,

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Third-Party Plaintiff,

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VS.

A-1 MECHANICAL, INC., a Nevada CORPORATION; ABDA, INC., a Nevada Corporation; ALLIED WEST CONSTRUCTION, INC., a Nevada Corporation; ATLAS CONSTRUCTION CLEANUP, INC., a Nevada Corporation;

8 AZTECA STEEL, a Texas Corporation; BEAUTY WITH PAVERS, LLC, a Nevada 9 Limited Liability Company; BERG

ELECTRIC, a California Corporation;
10 BOMEL ELECTRIC, a California

Corporation; BOMEL CONSTRUCTION CO., INC., a California Corporation; BAJA TILE, INC. dba BTI TILE & STONE, a California

12 Corporation; CIMA CONSTRUCTION, INC., a Texas Corporation; COMPONENT WEST,

DESERT FIRE PROTECTION, a Nevada

Corporation; DESERT PLASTERING, LLC a Nevada Limited Liability Company;

DIVERSIFIED CONCRETE CUTTING, a Nevada Corporation; ELSTER AMCO

WATER, a Florida Corporation; FERGUSON ENTERPRISES, INC., dba FERGUSON

BATH & KITCHEN GALLERY, a Virginia Corporation; GIROUX GLASS, a California

Corporation; PROCARE CARPET AND FLOOR MAINTENANCE, INC., dba FLOOR

19 TOPIA, a Nevada Corporation; HARDSTONE CONSTRUCTION, LLC, a 20 Nevada Limited Liability Company; HARRIS

& RUTH PAINITNG CONTRACTORS, INC., aka HARRIS & RUTH PAINTING

CONTRACTORS, INC., a California Corporation; HI-CON, INC., a California

| Corporation; HI-CON, INC., a California | Corporation; INSUL-FLOW, INC., a | California Corporation; INSULPRO

PROJECTS, a Washington Corporation;

JMA ARCHITECTS, INC. aka JMA ARCHITECTURE STUDIOS, a Nevada

Corporation; LAS VEGAS CONCRETE
PLUMPING, INC. dba POOLS BY GRUBE, a

Nevada Corporation; LYNCO ASSOCIATES, a Nevada Corporation; NIBCO, AN INDIANA CORPORATION; NOORDA SHEET METAL

COMPANY, a Nevada Corporation;

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PRESTIGE ROOFING, INC., a Nevada Corporation; RAGLEN SYSTEM BALANCE. 2|| INC., a Nevada Corporation; RS ANALYSIS, INC., a California Corporation; S3H, INC., a 3|| Nevada Corporation; SIEMENS INDUSTRY, INC., a Delaware Corporation; SILVER 4|| STATE SPECIALTIES COMMERCIAL, LLC, a Nevada Limited Liability Company; SLATE 5|| DESIGN STUDIOS, INC., a Nevada Corporation; SOUTHERN NEVADA | PAVING, INC. aka AGGREGATE INDUSTRIES, INC. and AGGREGATE INDUSTRIES-SWR, INC., a Nevada Corporation; STEWART & SUNDELL 8 CONCRETE, INC., a Nevada Corporation; RICHARD ALAMANDER COLE dba STONE 9|| DESIGNS, an Individual; T. BROTHERS TILES, LLC, a Nevada Limited Liability 10|| Company; TECHNICOAT MANAGEMENT. INC., a Nevada Limited Liability Company; 11 | TIMBERLINE ARCHITECTURAL OPENINGS, LLC, a Nevada Limited Liability 12 Company; VALENTIN GARCIA GUZMAN. an Individual; YAMAS CONTROLS 13|| SOUTHWEST, INC., a Delaware Corporation; and DOE INDIVIDUALS 1-100; 14 ROE SUBCONTRACTORS 1-100; ROE DESIGN PROFESSIONALS 101-200; ROE MATERIAL SUPPLIERS 201-300; and ROE PRODUCT MANUFACTURERS 302-400, 16

Third-Party Defendants.

SLATER DEISGN STUDIOS, INC., a Nevada Corporation,

Cross-Plaintiff,

VS.

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PRESTIGE ROOFING, INC., a Nevada Corporation; DOES INDIVIDUALS 1-100, and ROE ENTITIES 101-200,

Cross-Defendants.

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

This matter, concerning the Plaintiff One Queensridge Place Homeowners Association, Inc.'s Motion For (1) Adjudication of Definition of Defects That are

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Pursued In Purely Representative Capacity; (2) Determination of Defects Pursued In a Purely Representative Capacity; and (3) Approval of Plaintiff's Notice of Lawsuit Re: Individual Unit Claims to One Queensridge Place Homeowners, and Defendant Perini Building Company's Motion for Declaratory Relief Regarding Representative Standing; What Defects Should Be Subject to Either An Opt-In Class Or An Assignment Protocol; And Form Of Proposed Notice and Joinders thereto having come for hearing on March 16, 2016, before Department XXXI of the Eighth Judicial District Court, in and for Clark County, Nevada, with Judge Joanna S. Kishner presiding. Plaintiff One Queensridge Place Homeowners Association, Inc. appeared by and through its attorneys, Michael C. Rubino of the law firm Fenton, Grant, Mayfield, Kaneda & Litt, LLP; Defendant Perini Building Company appeared by and through its attorneys, Peter C. Brown, Esq., Lucian J. Greco, Jr., Esq., and Prescott T. Jones, Esq. of the law firm Bremer Whyte Brown & O'Meara LLP; and Robert Nida, Esq. of the law firm Castle and Associates. Having reviewed the papers and pleadings on file herein, heard oral arguments of the parties, allowed the parties to submit proposed orders, and taken this matter under advisement, this Court makes the following Findings of Fact and Conclusions of Law:

I. <u>FINDINGS OF FACT</u>

1. Plaintiff One Queensridge Place Homeowners Association, Inc. "Plaintiff" or "Association"- is a non-profit corporation and governing body of One Queensridge Place. Plaintiff, one a common-interest condominium community housed in two 20-story premiere luxury high-rise buildings connected by a partially below grade low-rise building. There are a total of 219 residential units and ten free-standing Casitas. There also are common areas and common amenities. The amenities include a fitness center, business meeting rooms, and

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an outdoor swimming pool and spa/hot tub. The ten Casitas are located on the "podium," or ground level.

The project site also includes two above grade guardhouses and a below grade Condenser Water Plant and Cooling Tower building. The low-rise building contains enclosed parking garages, mechanical spaces - including two boiler rooms - support areas for staff and maintenance, and some residential units. The first floor of the low-rise building is referred to as the Courtyard Level, and the second floor is referred to as the Terrace Level.

A lobby area connects the two towers at the first floor. The lobby and first floors of each tower are referred to as the Garden Level. Each tower building contains elevators that provide access to the tower units above as well as to the parking garages in the low-rise building below. The Garden Levels also contain amenity spaces for residents including a fitness center, indoor pool, Roman-style spas, a media room, a card room, and a wine cellar.

Floors 2 through 20 contain living units, including penthouses at floors 15 through 20. Single-story penthouse units are located on floors 15 through 17. Two three-story penthouses, referred to as Crown penthouses, top off each tower. The top floor of each Crown penthouse consists of a single room, with roofing making up the majority of the 20th floor plan. Hereinafter all of the forgoing is referred to as the "Subject Property" or "Queensridge Towers".

2. Defendant Perini Building Company is alleged to be one of the general contractors of the aforementioned community. Other parties are alleged to be the developers, contractors, design professionals, subcontractors, and/or

¹See Exhibit H to Perini's Motion, SGH Report dated 27 July 2011 at pp. 1-2.

2. JOANNA S. KISHNER DISTRICT JUDGE

DEPARTMENT XXXI AS VEGAS, NEVADA 89155 material suppliers as those terms are understood and defined by NRS 40.620, 40.632, and 40.634.

- 3. The Plaintiff Association brought this action in its own capacity and in a representative capacity on behalf of its unit owners.
- 4. On or about September 7, 2007, Developer Queensridge Towers, LLC formed the Association pursuant to NRS Chapter 116 by filing and recording the Declaration of Condominium for One Queensridge Place ("Declaration" or "CC&Rs"). The Declaration is the document that identifies the boundaries of the units, the common elements and limited common elements, and the responsibilities of the various parties for the maintenance and repair of portions of the project.
- 5. The Declaration delineates the boundary between an individual unit and common or limited common elements. A "Unit" is defined as the part of the condominium project that is "subject to exclusive ownership." The boundaries of a Unit are set forth in section 3.2 of the Declaration²:

² The Declaration provides the full definitions for the "Unit Boundaries" as follows:

[&]quot;3.2 <u>Unit Boundaries</u>. Each Unit shall include that part of the building containing the Unit that lies within the following boundaries:

[&]quot;(a) <u>Upper and Lower Boundaries</u>: The Upper and Lower Boundaries of the Unit shall be the following boundaries extended to their planar intersections with the parametrical boundaries:

[&]quot;(i) <u>Upper Boundaries</u>: The horizontal plane of the unfinished lower surface of the ceiling (which will be deemed to the ceiling of the upper story if the Unit is a multi-story Unit, provided that in multi-story Units the Upper Boundary shall include that portion of the ceiling of the lower floor for which there is no corresponding ceiling on the upper floor directly above such bottom floor ceiling);

[&]quot;(ii) Lower Boundaries: The horizontal plane of the unfinished upper surface of the floor of the Unit (which will be deemed to be the floor of the first story if the Unit is a multi-story Unit, provided that in multi-story Units the Lower Boundary shall include that portion of the floor of the upper floor for which there is no corresponding floor on the bottom floor directly below the floor of such top floor);

- Upper Boundaries (3.2(a)(i)) "The horizontal plane of the unfinished lower surface of the ceiling. . . ."
- Lower Boundaries (3.2(a)(ii) "The horizontal plane of the unfinished upper surface of the floor. . . ."
- Parametrical Boundaries (3.2(b)) "[t]he vertical planes of the unfinished interior surfaces of the walls bounding the Unit extended to their planar intersections with each other and with the upper and lower boundaries." However, where the boundary walls are made of sheetrock, the boundaries at those locations will be "the vertical planes of the unfinished exterior surface of the sheetrock . . . such that the Unit extends up to, but does not include, the face of any support studs. . . ."
- "(iii) <u>Interior Divisions</u>: Except as provided in subsection 3.2(a)(i) and 3.2(a)(ii) above, no part of the floor of the top floor, ceiling of the bottom floor, stairwell adjoining the multi-floors, in all cases of a multi-story Unit, if any, or non-structural walls shall be considered a boundary of the Unit.
- "(b) Perimetrical Boundaries: Except as provided herein, the parameter boundaries of the Unit shall be the vertical planes of the unfinished interior surfaces of the walls bounding the Unit extended to their planar intersections with each other and with the Upper and Lower Boundaries. Where, however, the perimetrical walls (as initially constructed by the developer) consist of sheetrock, the Perimetrical Boundaries of that portion of the Unit shall be the vertical planes of the unfinished exterior surface of the sheetrock bounding the Unit (such that the Unit(s) extend up to but does not include the face of any support studs in the wall) extended to their planar intersections with each other and with the Upper and Lower Boundaries.
- "(c) Apertures: Where there are Apertures in any boundary, including, but not limited to windows, doors, bay windows and skylights, such boundaries shall be extended to include the windows, doors and other fixtures located in such Apertures, including all frameworks, window casings and weather stripping thereof, except that exterior surfaces made of glass or other transparent materials and exteriors or doors facing all vestibules shall not be included in the boundaries of the Unit and shall therefore be Common Elements in all Unit types depicted on the condominium plat as F, G, Courtyard, Garden, and Terrace level Units, with all other Unit types therefore deemed Limited Common Elements. Notwithstanding anything herein contained to the contrary, any elevators (including all mechanical equipment serving, and housing for the elevators), solely serving a Unit (to the exclusion of all other Units) shall be deemed a part of the Unit. Lastly, notwithstanding anything to the contrary, the structural components of the Building and the Life Safety Systems, regardless of where located, are expressly excluded from the Units and are instead deemed Common Elements....

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• Apertures (3.2(c)) – "where there are apertures in any boundary, including, but not limited to, windows, doors, bay windows and skylights, such boundaries shall be extended to include the windows, doors and other fixtures located in such apertures, including all frameworks, window casings and weather stripping. . . ." However, "exterior surfaces made of glass or other transparent materials and exteriors of doors facing all vestibules shall not be included in the boundaries of the Unit . . ." and, depending on which Unit is involved, are either Common Elements or Limited Common Elements.

- 6. "Common Elements" are defined by Section 2.15 of the Declaration which includes the following as "Common Elements:"
 - The portions of the project which are not included as part of the Units.
 - Structural columns and bearing walls.
 - Easements for conduits, ducts, plumbing, wiring, and other utilities to the units.
 - The "property and installations" for utilities to more than one Unit or the Common Elements.
 - All life safety systems.
 - All Limited Common Elements which are defined as "Common Elements the use of which is reserved to a certain Unit or Units to the exclusion of other Units..." Examples of Limited Common Elements include the project's casitas, private courtyards and balconies/decks, garages, cabinets in the wine cellar, and external equipment such as A/C compressors and utility meters.³

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³ The Declaration at page 2 provides the full definitions for the "Association Property," "Common Elements," "Limited Common Elements," and "Unit" as follows:

[&]quot;2.7 'Association Property' means that property, real (if any) and personal, which is owned or leased by, or is dedicated by a recorded plat to, the Association for the use and benefit of its members and which is not a part of the Common Elements."

[&]quot;2.15 'Common Elements' mean and include:

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7. The Declaration also sets forth the responsibilities for maintenance and repairs in these areas. Section 7.1 of the Declaration addresses the obligations of the unit owners as it pertains to maintenance and repairs:

All maintenance, repairs and replacements of, in or to any Unit and Limited Common Elements appurtenant thereto, ordinary or extraordinary, foreseen unforeseen, including, without limitation, inspection, maintenance, repair and replacement of interior windows, window coverings, interior non-structural walls, the interior side of any entrance door and all other doors within or affording access to a Unit, and the electrical (including wiring), plumbing that exclusively serves that Unit (including fixtures and connections), heating and airconditioning equipment, fixtures and outlets, appliances, carpets and other floor coverings, all interior surfaces and the entire interior of the Unit lying within the boundaries of the Unit or the Limited Common Elements or other

[&]quot;(a) the portions of the condominium property which are not included within either the Units and/or the Association property;

[&]quot;(b) All structural columns and bearing walls regardless of where located;

[&]quot;(c) Easements through Units for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility and other services to Units, the Common Elements and/or the Association property;

[&]quot;(d) An easement of support in every portion of a Unit which contributes to the support of the building;

[&]quot;(e) The property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Elements and/or to the Association property;

[&]quot;(f) Any and all portions of the life safety systems (as defined below) regardless of where located within the condominium property;

[&]quot;(g) Each common Casita;

[&]quot;(h) Any other parts of the condominium property designated as Common Elements in this declaration;

[&]quot;(i) All Limited Common Elements unless the context would prohibit or it is otherwise expressly provided."

[&]quot;2.37 'Limited Common Elements' means those Common Elements the use of which is reserved to a certain Unit or Units to the exclusion of other Units, as specified in this declaration, including, but not limited to Casitas, Gardens, Courtyards, Terraces, Garages, Cabinets in Wine Cellar, and shared access areas. References hereto to Common Elements also shall include all Limited Common Elements, unless the context would prohibit or it is otherwise expressly provided."

[&]quot;2.44 'Unit' means a part of the Condominium Property which is subject to exclusive ownership."

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property belonging to the Unit Owner, shall be performed by the Owner of such Unit at the Unit Owner's sole cost and expense, except as otherwise expressly provided to the contrary herein.

- 8. Section 7.2 limits the Association's maintenance and repair obligations to the Common Elements and the Limited Common Elements not maintained by Unit owners.
- 9. The Association has brought a direct action seeking a monetary recovery in its own name for construction defects in Common Elements and Limited Common Elements. The Association also brought suit in a representative action on behalf of its Unit Owners/Members relating to construction defects that are disputed as to whether they are located exclusively within separate interest units pursuant to NRS 116.3102(1)(d).

The Association alleges that there are numerous defects pervading the Subject Property. Those alleged defects include problems with the exterior of the buildings, the roofs, the plumbing, the electrical system, the windows, the balconies, the sliding doors, the podium deck, the garages, and others.

10. The following defects are located exclusively in the separate interest units and the parties agree they require a NRCP Rule 23 analysis:

PLUMBING

- 4.1 Water meters corrosion deposit buildup on outside of the meter body/inside surface/dezincification of brass meters
- 4.2 Ball valves corrosion deposit accumulation on the surfaces of the internal balls/dezincification corrosion.
- 4.3 Balancing valves corrosion deposit accumulation and a change in color (from yellowish to reddish) of the port inserts/dezincification corrosion.
- P-01 Stall showers or combination bath/shower valves leak, shower diverter valves, hand-held wall mounted hubs, spout nipples and steamer emitter, drain and T&P discharge penetrations are not sealed.
- P-02 Shower rain heads not properly secured/sealed.
- P-03(a) Master tub improperly supported by expanding foam.

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P-03(b) Hand-held shower connect. Inaccessible under tub deck.

P-03(c) Tub filler valves and connects, inaccessible under deck.

P-04(a) Master shower steam generators do not sit in drip pan.

P-04(b) Yellow brass make-up water connection appears to be constructed of yellow brass and is dezincifying.

P-04(c) Master shower steam emitter lacking anti-scald shield

P-04(d) T&P Discharge improperly terminates through steam emitter.

P-06(b)&(c) High zinc content yellow brass connectors and ball valves susceptible to dezincification; hot and cold water meters need to be calibrated.

P-08 Shut-off valves for refrigeration are inaccessible.

MECHANICAL

M-01(a) Flow control at WSHP's are failing and leaking M-01(b) Copper piping condens. Wtr. Lacks di-electric protect.

M-02 Water source heat pumps lack secondary condensate drain provisions.

M-04 Vinyl fabric duct connectors improperly used to connect the bathroom exhaust fans to sheet metal branches. M-05 Range hood back draft dampers leaking air.

ELECTRICAL

E-11 (F-7a) Recessed lighting cans have paint overspray E-16 (S-12) 2-way radios cause the DGCI breakers in units' electrical panels to trip.

As to certain other defects, the parties could not agree on the definition or standard to be applied to determine whether the Association's standing is in a purely representative capacity. The remaining issues in dispute, and that have been joined by the instant Cross-Motions are: 1. The proper standard to determine whether a defect can be pursued by the Association directly or in a representative capacity; 2. The application of the standard to the defects alleged in this case; and, 3. Whether a traditional opt-out class should be established consistent with Rule 23; or, an "opt-in" class should be established; or, the Association must obtain joinders or assignments from individual homeowners.

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The determination as to which defects fall into which category is guided by the Nevada Supreme Court's decisions in *D.R. Horton, Inc. v. Eighth Judicial District Court* (hereinafter referred to as "First Light II"), 125 Nev. 449, 215 P.3d 697 (2009), *Beazer Homes Holding Corp. vs. District Court* (hereinafter referred to as "View of Black Mountain") 128 Nev. Adv. Op. 66, 291 P.3d 128 (2012), and the Association's governing documents

- 11. Defendant Perini Building Company moved this Court for a Declaration and Order: (1) requiring the matter to proceed as an "opt-in" or assignment-based class, (2) adopting Perini Building Company's proposed "opt-in" Notice if this Court rules that an "opt-in" Notice is required rather than assignments from the unit owners to the HOA; and (3) that the Notice include the list of defects identified by Perini Building Company in this Motion. Perini has submitted its own list of defect allegations that it believes should be included in an "opt-in" notice.
- 12. Conversely, Plaintiff moved this Court for an Order: (1) finding that they have standing to bring all claims directly; and (2) to approve its proposed opt-out Notice to Association Members. Plaintiff has submitted its own list of defect allegations that it believes should be included in an "opt-out" notice.

CONCLUSIONS OF LAW

A. <u>Plaintiff Does not Have Standing to Proceed with the Disputed</u> <u>Claims directly</u>

1. In this construction defect action, the issue before the Court is how the action shall proceed; that is, whether it is to be "treated like a class action, a joinder action, consolidated actions, or in some other manner." *View of Black Mountain,* at 135. The parties agree that some of the alleged defects are completely within the common area for which the Association has statutory

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standing pursuant to the Supreme Court's interpretation of NRS 116.3102(1)(d) without any further analysis. They further agree some of the defects are wholly within the separated interest units. The parties dispute whether some of the other defects require further analysis under *First Light II*.

- 2. In *First Light II*, the developer, D.R. Horton, Inc., argued that the association did not have standing to pursue a construction defect claim for defects in individual units because the units were not part of the common-interest community. *Id.* at 455-456. The Nevada Supreme Court found to the contrary. It held that units are "part and parcel of the 'common-interest community'" and because NRS 116.3102(1)(d) confers standing on a homeowners' association to assert claims 'on matters affecting the common-interest community,' a homeowners' association has standing to assert claims that affect individual units. *Id.* 455-456. However, the Court, citing to the commentary to Restatement (Third) of Property, Section 6.11, noted "[i]n suits where no common property is involved, the association functions much like the plaintiff in a class-action litigation, and questions about the rights and duties between the association and the members with respect to the suit will normally be determined by the principles used in class-action litigation." *Id.* at 458.
- 3. The *First Light II* Court then reasoned that "because a homeowners' association functions much like a plaintiff in a class action, we conclude that when an association asserts claims in a representative capacity, the action must fulfill the requirements of NRCP 23, which governs class action lawsuits in Nevada." *Id.* That reasoning led to some confusion as to whether, if an association's claim did not satisfy the standards set forth in NRCP 23, the case had to be dismissed.
- 4. In View of Black Mountain, the Supreme Court clarified its earlier holding, stating: "that, notwithstanding any suggestions in First Light II to the

contrary, failure of a common-interest community association to strictly satisfy the NRCP 23 factors does not automatically result in a failure of the representative action." *Id.* at 135. However, the *View of Black Mountain* Court reiterated the *First Light II* Court's pronouncement that "questions about the rights and duties between the association and the members with respect to the suit will normally be determined by the principles used in class-action litigation." *Id.* The Court further explained that the "[r]ights and duties between an association and its members implicate, among other things, NRCP 23(c)(2) (notice and opt-out procedures), NRCP 23(c)(3) (class members included in the judgment), and NRCP 23(e) (governing dismissal and compromise)." *Id.* n3. The *View of Black Mountain* Court concluded that "[i]n analyzing the [Rule 23] factors, district courts are not determining whether the action can proceed; rather, they are determining how the action should proceed, *i.e.*, whether it is treated like a class action, a joinder action, consolidated actions, or in some other manner." *Id.* at 135.

5. Perini argues that defects located in Limited Common Elements are subject to a Rule 23 analysis because the Declaration allocates the maintenance of the those elements to the owners, and not the Association. The Association's position is that under both the statutory definition and the Declaration's definition of Limited Common Elements, those elements are part of the Common Elements that do not require a Rule 23 Analysis. Put another way, Perini and Plaintiff dispute whether or not Plaintiff enjoys direct standing to pursue a number of defect allegations. Plaintiff claims entitlement to bring suit for defects that are located within a common element, a limited common element, and individual units if the defect can affect other units. While Perini does not dispute that Plaintiff HOA has direct standing to assert defect claims for common elements as defined in its CC&Rs, or that it has direct standing to assert claims for limited common elements for which it exercises sole repair and maintenance

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responsibility, Perini asserts that Plaintiff does not have direct standing to bring claims either for defect allegations in the individual units or defect allegations related to limited common elements for which it does not have both maintenance and repair responsibilities.

- 6. The Court analyzes each of the series of claims below:
- 7. For the "5.0" series of defects claims, addressing private decks and public decks, Plaintiff claims direct standing for the following defect allegations, which is opposed by Perini:

5.1 PRIVATE DECKS (Upper Levels)

- 5.1.1 Deteriorated Finish: Rusted Metal at Guardrails
- 5.1.2 Cracked Grout: Missing Grout at Deck Tile
- 5.1.6 Lack of Weatherdrop at Deck Access Doors
- 5.1.14 Inadequate Anchorage of Balcony Railing
- 5.2 PRIVATE DECKS AT GARDEN LEVEL
- 5.2.1 Cracked Deck Pavers: Missing Grout at Paver Joints
- 5.2.2 Deteriorated Finish: Rusted Metal at Guardrails

Plaintiff claims direct standing for each of these defects as it claims they are all Limited Common Elements. However, Plaintiff does not fully address the fact that it only exercises repair and maintenance responsibility for Limited Common Elements defined as "Shared Access Areas," which constitutes the area between elevators/stairwells and the individual units as set forth in § 2.41 of the Declaration. This is set forth in the Declaration, § 3.7(k):

any other portion of the Common Elements which, by its nature, cannot serve all Units but serves one Unit or more than one Unit . . . shall be deemed a Limited Common Element of the Unit(s) served and shall be maintained by said Owner, except that all Shared Access Areas shall be maintained by the Association. . . To the extent of any areas deemed a Limited Common Element hereunder, the Owner of the Unit(s) to which the Limited Common Element is appurtenant shall have the right to alter it as if the Limited Common Element were part of the Owner's Unit, rather than as required for alteration of Common Elements.

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Additionally, pursuant to § 3.7(a), a terrace is a limited common element, over which Plaintiff maintains repair and maintenance responsibility, but only for 4 the structural and mechanical elements. None of the defects noted above 5 constitute structural or mechanical elements. Lastly, pursuant to § 3.2(c), the 6 frames of all exterior apertures are part of the unit, which includes access doors 7 to the unit from the private decks. Accordingly, all of the defects listed above are part of the individual unit, and as such, would be subject to the Rule 23 analysis 9 set forth below.

For the "1.3" series of defects claims, addressing Fixed Windows, 8. 11 Plaintiff claims direct standing for the following defect allegations, which is 12 opposed by Perini:

1.3 FIXED WINDOWS

- 1.3.1 Water Leaks at Fixed Windows
- 1.3.2 Short Exterior Gaskets at Pre-Molded Corners
- 1.3.3 Open Corners at Interior Gaskets
- 1.3.4 Improperly Set Window Gaskets
- 1.3.5 Open Ends at Horizontal Mullion Caps
- 1.3.6 Excessive Gaps at Mullion Caps
- 1.3.7 Scratched/Pitted Glass
- 1.3.8 EIFS Coating on Exterior Frame

For these series of defects, Plaintiff correctly notes the applicability of § 3.2(c), which states that the window casings of all exterior apertures are part of the unit, because the boundary between the unit and the Common Elements is extended to include the windows, with the exception of the exterior surfaces made of glass. As such, unless the exterior surface of the glass is alleged to be the cause of the alleged defective condition, each of the above defect claims involve window elements that are part of the unit. The only defect allegation that could conceivably be part of the Common Elements is 1.3.7, Scratched/Pitted

Glass. As § 3.2(c) does state that exterior surfaces of the class are Common Elements, it is conceivable that the Scratched/Pitted Glass claims could involve Common Elements. However, Plaintiff HOA's expert report does not contain any allegations that the scratched or pitted glass occurs on the exterior surface. Therefore, as there is no evidence presented to the Court that this alleged defect would fall within a Common Element claim, this series of defects, subject to the Rule 23 analysis set forth below.

9. For the "1.4" series of defects claims, addressing Sliding Glass Doors, Plaintiff claims direct standing for the following defect allegations, which is opposed by Perini:

1.4 SLIDING GLASS DOORS (SGDS)

- 1.4.1 Water Leaks at SGD at Garden Level and Unit Balconies
- 1.4.2 Water Infiltration at SGD at private balconies
- 1.4.3 Non-Compliant Means of Egress SGD
- 1.4.5 Excessive Air Infiltration at SGD
- 1.4.6 Elevation Change of Finish Surfaces at Balconies
- 1.4.8 Difficult to Open and Close SGDs
- 1.4.9 Exposed and/or Unsealed Exterior Fasteners
- 1.4.10 Short and Missing Glazing Gaskets
- 1.4.11 Deteriorated Weather-Stripping
- 1.4.12 Missing Exterior Fasteners
- 1.4.13 SGD Frame Out of Square
- 1.4.14 Short and/or Loose Thermal Breaks
- 1.4.15 Dents in Frame of SGDs
- 1.4.16 Excessive Deflection of Vertical Sash

1.5 PANDA SLIDING GLASS DOORS

- 1.5.1 Water Leaks at Panda SGDs
- 1.5.2 Excessive Air Infiltration at Panda SGDs
- 1.5.3 Leaks in Collector Boxes
- 1.5.4 Sill Pan Traps Water
- 1.5.5 Missing EPDM Gaskets
- 1.5.6 Exposed and Unsealed Fasteners at Exterior
- 1.5.7 Loose Fasteners
- 1.5.8 Panda SGDs Not Squared or Plumb
- 1.5.9 Insufficient Track Height

Similar to the last series of defects, this series is governed by ¶ 3.2(c),

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which holds that the frames of all exterior apertures are part of the individual units. This includes, of course, sliding glass doors and panda doors. Additionally, this section also specifically includes weatherstripping of exterior apertures as part of the unit. Lastly, § 3.2(a)(ii) notes that the unit extends to the unfinished floor, thereby further confirming defect 1.5.9 is part of the individual unit. Therefore, no Common Element claims are included in this series of defects, and these defects are subject to the Rule 23 analysis below.

10. For the Plumbing defect claims, Plaintiff claims direct standing for the following defect allegation, which is opposed by Perini:

P-05 Toilet Closet Rings Not Securely Mounted to Floor

Plaintiff HOA admits this defect is located within the individual units. Section 3.2 notes the Unit includes all parts of the building within the boundaries of the unit. As this claim involves fixtures located within the individual units, this claim clearly does not involve common elements. Plaintiff seeks to argue for direct standing on the grounds that "when the closet rings fail, they leak down into the building components between floors and into Units below, causing damage to the Common Areas and to the lower Units." However, Plaintiff puts forth no evidence of this actually occurring. As such, because this defect is located within the individual Units and is alleged to affect more than one unit, it must be analyzed consistent with the Rule 23 analysis below.

11. For the Mechanical defect claims, Plaintiff claims direct standing for the following defect allegation, which is opposed by Perini:

M-05 Condenser Water Risers Lack Floor Sleeves with Flood Curbs; Piping is Not Isolated from Structure

Similar to the last defect allegation, Plaintiff seeks direct standing on the grounds that potential damage to Common Elements is occurring. However, Plaintiff provides no legal basis to gain direct standing on speculation that

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damage may occur to Common Elements. Additionally, Plaintiff attempts to place this defect within the direct standing area by claiming that noise could be transmitted to Common Elements or potentially other Units. Plaintiff has not provided a basis for its contention pursuant to applicable law. As such, because this defect is located within the individual Units and has other characteristics, it must be analyzed accordingly consistent with Rule 23 as discussed herein.

12. For the Hexagram STAR System defect claim, Defect 7.2, Plaintiff claims direct standing, which is opposed by Perini. Plaintiff claim that a watermeter reading system is a common element is contradicted by § 3.7(j) of the CC&Rs, which reads:

Any fixtures or equipment (e.g., an air conditioning compressor or utility meters) serving a Unit or Units exclusively and any area (e.g., a closet or ground slab) upon/within which such fixtures or equipment are located shall be Limited Common Elements of such Unit(s). The maintenance of any such equipment and/or areas so assigned shall be the sole responsibility of the Owner of the Unit(s) to which it is assigned.

17 (Emphasis added). As such, this defect is not located in the Common Elements, 18 it must be analyzed accordingly.

13. In its Errata to its Motion for Declaratory Relief, Perini sets forth additional defects that are properly part of the common elements. Defect 1.3.9, window repairs, is not a defect allegation, and instead includes the recommended repairs for the defects alleged in 1.3.1-1.3.8. As such, the 23 analysis is the same as in sections 1.3.1-1.3.8 above. Defect 1.4.17, Sliding Glass Door Repairs, is also not a defect allegation, and instead includes the recommended repairs for the defects alleged in 1.4.1-1.4.16. As such, the analysis is the same as in sections 1.4.1-1.4.16 above. 1.5.10, Panda Door Repairs, is also not a defect allegation, and instead includes the recommended

repairs for the defects alleged in 1.5.1-1.5.9. As such, the analysis is the same as in sections 1.5.1-1.5.9 above. Defect 2.2, Water Meters, 5, Hot/Cold System Interconnections, and 7.1, Replacement of Water Heaters, are part of the common areas based on the Declaration, § 3.2(a) & (b). The Unit includes all parts of the building within the boundaries of the Unit. This claim involves fixtures and equipment located within individual Units. In addition, the identified equipment serves only one Unit. Per § 2.15, each Unit is entirely responsible for the maintenance and repair of all plumbing (including equipment, fixtures, and connections) that exclusively serves that Unit. These defects must be included in the Notice.

- 14. Defects P-01, Shower, Tub/Shower In-Wall Valves Leaks; Unsealed Penetrations, P-03(c), Tub Filler Valves & Connections Inaccessible Under Deck, P-04(d), T&P Discharge Improperly Terminates Through Steam Admitter, P-06(b), High Content Yellow Brass Connectors & Ball Valves, and P-06(c), Individual Unit Hot & Cold Meters Cannot Be Measured, are all part of the individual units. Pursuant to the Declaration, § 3.2(a) & (b), the Unit includes all parts of the building within the boundaries of the Unit. This claim involves fixtures and equipment located within individual Units. In addition, the identified items serve only one Unit. Per § 2.15, each Unit is entirely responsible for the maintenance and repair of all plumbing (including equipment, fixtures, and connections) that exclusively serves that Unit.
- 15. Defect P-07, Dezincification of Water Meter, must also be analyzed pursuant to Rule 23. All water meters are located within and/or serve only one Unit, and are thus part of that Unit pursuant to the above analysis.
- 16. Defect M-01(a), Flow Control at WSHPs are failing and leaking, M-01(b), Copper piping condensation lacks die-electric protection, Defect M-02, WSHPs lack secondary condensate drain protections, M-03, T-Bar CLGS/Piping

precludes proper access to service, and M-04, Vinyl duct connector improperly connected to exhaust fans, are all also part of the individual units and must be including in the opt-in notice. Pursuant to § 3.2(a) & (b) of the Declaration, the Unit includes all parts of the building within the boundaries of the Unit. This claim involves fixtures and equipment located within individual Units. In addition, the identified items serve only one Unit. Per § 2.15, each Unit is entirely responsible for the maintenance and repair of all HVAC (including equipment, fixtures, and connections) that exclusively serves that Unit.

- 17. Defect 3.1, Water Meters, Defect 3.2, Valves, Defect 4.1, Water Meters, Defect 4.2, Ball Valves, Defect 4.3, Balancing Valves, and Defect 4.4, Check Valves, are all also part of the individual units and must be including in the opt-in notice. Pursuant to § 3.2(a) & (b) of the Declaration, the Unit includes all parts of the building within the boundaries of the Unit. This claim involves fixtures and equipment located within individual Units. In addition, the identified equipment serves only one Unit. Per § 2.15, each Unit is entirely responsible for the maintenance and repair of all plumbing (including equipment, fixtures, and connections) that exclusively serves that Unit.
- 18. Defect A, Domestic Water Controlling Devices; Defect B, Water Meters; and Defect D, Ball Valves, are all also part of the individual units and must be included in the opt-in notice. Pursuant to § 3.2(a) & (b) of the Declaration, the Unit includes all parts of the building within the boundaries of the Unit. This claim involves fixtures and equipment located within individual units. In addition, the identified equipment serves only one Unit. Per §2.15, each Unit is entirely responsible for the maintenance and repair of all plumbing (including equipment, fixtures, and connections) that exclusively serves that Unit.
- 19. Defect P-11(2) & (3), The Load Center is Recessed And Overcut Into The Wall Space; Defect 4(a)-(k), The general quality of workmanship in the

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electrical system does not meet the Code; Defect 5(a)-(c), The conduits are improperly supported or not supported at all; Defects 6 & 7, The Boxes for wiring, devices and splices are required to the flush to the finished surface, Defects 8 & 9; The outlet for the Dishwasher and Disposal cord has been placed in an area where it is now blocked by the finished installation of the cabinets and plumbing; Defect 10, The required outlet along the floor line is not present at the wall spaces; Defect 11, The recess lighting fixtures contain paint overspray; Defect 12, There is paint in the light socket and/or covering the motor of the fan light combination unit located in the laundry and/or bathrooms; and Defect 16, The GFCI breakers in unit panels trip when two-way radios are within a certain distance, are all also part of the individual units and must be including in the optin notice. Pursuant to § 3.2(a) & (b) of the Declaration, the Unit includes all parts of the building within the boundaries of the Unit. This claim involves fixtures and equipment located within individual units. In addition, the identified equipment serves only one Unit. Per § 2.15, each Unit is entirely responsible for the maintenance and repair of all electrical (including equipment, fixtures, and connections) that exclusively serves that Unit.4

20. In short, there are four forms of ownership at the Subject Property:

1) "Association Property," real or personal, owned exclusively by the Association;

2) Common Elements; 3) Limited Common Elements; and, 3) the Units, owned exclusively by each Association member.

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⁴ Between the date of the hearing on the instant Motions and the date of this Order, some of the parties have either reached a resolution as to some defects or have made agreements as to Plaintiff's standing relating to certain defects. Nothing in this Order is intended to modify or abrogate those subsequent Orders or agreements and to the extent any of the defects listed herein are subject to those subsequent Orders or agreements, the subsequent Order and/or agreement would take precedence. In order to address the claims of the parties at the time of the hearing and the actual record presented to the Court, however, the Order addresses all claims presented in the record at that time.

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21. From the Supreme Court's instructions in both *First Light II* and *View of Black Mountain*, defects located exclusively in the separate interest units must undergo a Rule 23 analysis and the Court's analysis herein is consistent therewith. The remaining issue to be analyzed, with respect to each of the disputed series of defects, was whether the fact that the CC&Rs which required the owner of the unit to be responsible for care and maintenance of the above listed items was consistent with either a direct Association standing concept or a representational concept.

22. As detailed herein, the Court finds that if the owner had the responsibility over the care and maintenance of the item, then it would be inconsistent to find that the Association had direct standing to pursue that claim if it did not even have responsibility for the care or maintenance of that item. The plain language of the CC&Rs supports this conclusion. Specifically, the CC&Rs definition of "limited common elements" states:

"Limited common element' means a portion of the common elements allocated by the declaration or by operation of subsection 2 or 4 of NRS 116.2102 for the exclusive use of one or more but fewer than all of the units."

Where a statute is unambiguous, courts apply its plain meaning. *See Westpark Owners' Ass'n v. Eighth Judicial Dist. Court,* 123 Nev. 349, 357, 167 P.3d 427 (2007). "[T]he rights and obligations of condominium owners with regard to the common elements may be found in three sources-the statutes, the declaration, and the bylaws." *American Savings Service Corp. v. Selby,* 149 Ariz. 348, 355-356, 718 P.2d 1001 (App.1985, Review Denied 1986). These must be

⁵ Compare CC&Rs Section 2.37 at 6 to NRS 116.059.

read together, in relation to each other, and harmonized, if possible. *Sun-Air Estates, Unit 1 v. Manzari,* 137 Ariz. 130, 132, 669 P.2d 108 (App.1983, Rehearing Denied 1983, Review Denied 1983). In reading these sources together, the Court finds that it was the clear intent to have the owners be responsible for the care and maintenance of the disputed alleged defects which would be inconsistent with having the Association claim they have the right to sue directly as to the defects when they did not take on the obligation to care and maintain or fix the alleged defects. Thus, the Court finds that Perini's argument that "representational standing" exists for "unit issues and any limited common elements where the owner is responsible for the maintenance and repair" as further analyzed above is supported by *View of Black Mountain*.

23. The Court observes that in the case before it, the parties dispute whether certain defects are in the separate interests, in the common elements, or in the limited common elements. The Association claims that the exterior windows, window frames, window mullions, sliding glass doors, and door frames are integral parts of the building Exterior Insulating and Finish - EIFS, commonly referred to as the 'building envelope' - which protects the building superstructure from water intrusion. According to the Association, because these building components are in the Common Elements or Limited Common Elements, the Association has the right to pursue the claims for them without a Rule 23 analysis.

On the other hand, Perini argues that these building components are in the separate interest units and/or in the limited common elements. Based on that

⁶Barbara Nadel, FAIA, *21st Century Building Envelope Systems: Merging Innovation with Technology, Sustainability, and Function,* AIA/Architectural Record, Continuing Education Series, August 2006, at 146; cited in *Oxbow Construction, LLC v. Eighth Judicial District Court, supra,* 335 P.3d at 1238.

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proposition, Perini contends the owners are responsible for the repair of those defects, and the owners must either provide assignments to the Association or be joined as parties to the action. And, Perini further contends that any notice provided to those owners must give them the option to opt-in to the action, rather than to opt-out of it.

As set forth above, while the Association has contended that some of the alleged defects at issue affect the buildings' structural integrity and/or the need to keep water out and allowing thermal control within, they have not presented evidence to the Court that the concern has actually materialized. Further, as noted in both briefs, depending on how the case proceeds, there can be a system in place to ensure that if funds are made available both the unit owners as well as the Association can be compensated and then determine which repairs should be made consistent with their respective obligations under the CC&Rs. It is the Court's opinion that after evaluating all of the potential methods in which this case could proceed, the best method is to have the matter proceed as contemplated by statute and the CC&Rs and in a manner consistent with applicable law in a representational capacity as further discussed below.

B. <u>Plaintiff Association Meets the Requirements for Representational Standing Pursuant to a Rule 23 Analysis Which is Preferable to Seeking Joinders or Assignments.</u>

24. The Nevada Supreme Court, in the *First Light II* decision (*D.R. Horton, Inc. v. District Court*, 215 P.3d 697 (2009)), addressed the issue of associational standing to bring suit for constructional defects. NRS 116.3102(1)(d) provides that an association may "[i]nstitute, defend or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more unit owners on matters affecting the common-interest community."

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Based on this section, and the Restatement (Third) of Property, the *First Light II* Court concluded that an association does have standing, under certain circumstances, to assert claims in a representative capacity for defects that are either within the individual units or which fall within the individual unit owner's responsibility for maintenance and repair. However, if an association wishes to assert such claims in a representative capacity, "the action must fulfill the requirements of NRCP 23, which governs class action lawsuits in Nevada." *First Light II*, at 703.

- The policy behind class action lawsuits is that "class actions 25. promote efficiency and justice in the legal system by reducing the possibilities that courts will be asked to adjudicate many separate suits arising from a single wrong." <u>Id.</u>, quoting *Shuette v. Beazer Homes Holdings Corp*., 121 Nev. 837, 846, 124 P.3d 530, 537 (2005). However, the First Light II Court noted that "a fundamental tenet of property law is that land is unique, 'as a practical matter, single-family residence constructional defect cases will rarely be appropriate for class action treatment." First Light II, 215 P.3d at 703, quoting Shuette, 121 Nev. at 854. Indeed, "because constructional defect cases relate to multiple properties and will typically involve different types of constructional damages, issues concerning causation, defenses, and compensation are widely disparate and cannot be determined through the use of generalized proof. Rather, individual parties must substantiate their own claims and class certification is not First Light II, 125 NEV. 449, 457, 215 P.3d at 703-04, quoting Shuette, 121 Nev. at 855.
- 26. The *First Light II* Court ultimately concluded that where a homeowners' association brings suit on behalf of its members, "the district court must conduct and document a thorough NRCP 23 analysis." *First Light II*, at 704. Such an analysis must consider whether the claims and theories of liability

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adequacy, and, as set forth in *Shuette*, whether common questions of law or fact predominate over individual questions. *Id.* Notwithstanding the above, the *First Light II* Court "emphasize[d] that a shared experience alone does not satisfy the threshold requirements under NRCP 23." *Id.*27. Ultimately, "[i]t is the plaintiffs' burden to prove that the case is

satisfy the NRCP 23 requirements of numerosity, commonality, typicality,

- appropriate for resolution as a class action." *Shuette*, at 846. Consequently, this Court must look to NRCP 23(a) and (b) in "pragmatically determin[ing]" whether the Plaintiff HOA has shown that "it is better to proceed as a single action, [than as] many individual actions in order to redress a single fundamental wrong." *Id.* NRCP 23(a) mandates that the Plaintiff HOA must establish four prerequisites: First, that the members of the proposed class are so numerous that separate joinder of each member is impracticable; second, that questions of law or fact common to each member of the class exist; third, that the representative parties' claims or defenses are typical of the class's claims or defenses; and fourth, that the representative parties are able to fairly and adequately protect and represent each class member's interests.
- 28. The Plaintiff HOA must also satisfy the requirements of NRCP 23(b) by showing one of the three conditions specified by Rule 23 (b): "(1) that separate litigation by individuals in the class would create a risk that the opposing party would be held to inconsistent standards of conduct or the non-party members' interest might be unfairly impacted by the other members' individual litigation; (2) the party opposing the class has acted or refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the class as a whole; or (3) common questions of law or fact predominate over individual questions, and a class action is superior to other methods of adjudication." See

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Shuette, 849-850. Thus, pursuant to Rule 23(b), the proposed class(es) must be sufficiently cohesive to warrant adjudication by representation, and a class action must be the superior method for adjudicating the claims, thereby promoting the interests of efficiency, consistency, and ensuring that class members actually obtain relief. The Shuette Court recognized additional factors to be considered: "the members' interests in individually controlling the litigation; whether, and the extent to which, other litigation of the matter by class members has already commenced; the desirability of litigating the class action in the particular forum; whether the class action will be manageable; and the time and effort a district court must expend in becoming familiar with the case." *Id.* at 852.

- 29. In *Beazer*, the Supreme Court held that "failure of a commoninterest community association to strictly satisfy the NRCP 23 factors does not automatically result in a failure of the representative action." *Id.* at 135. Instead, the analysis helps to "guide both the court and the parties in developing a meaningful and efficient case management plan." *Id.* Importantly, the *Beazer* Court held that "[i]n analyzing the factors, district courts are not determining whether the action can proceed; rather, they are determining how the action should proceed, i.e., whether it is treated like a class action, a joinder action, consolidated actions, or in some other manner." *Id.*
- 30. The *Beazer* Court then addressed how each of the Rule 23 factors impacts the decision on how a matter should proceed. As for numerosity:

"the court need only determine that the common-interest community association's representative action claim pertains to at least two units' owners; if so, the representative action is permissible and cannot be defeated on the ground that the represented members are insufficiently numerous. Nevertheless, evaluating the number of individual homeowners' units involved can help determine whether the case will proceed more like a class action, joinder action, or in some other fashion

<u>Id</u>.

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and how discovery, recovery, and claim preclusion issues should be addressed"

31. The Beazer Court addressed commonality and predominance by

noting:

The commonality requirement, which examines the factual and legal similarities between claims and defenses, and the NRCP 23(b)(3) predominance requirement, which questions whether common questions predominate over individualized questions, will affect whether the member "class" is divided into subclasses and, if so, how. They also affect the resolution of generalized proof and other evidentiary questions and influence how trial will proceed. In First Light II, we noted that "the district court may classify and distinguish claims that are suitable for class action certification from those requiring individualized proof." By evaluating the commonality and predominance requirements, the court can best organize the proceedings for the particular circumstances of the case.

Id. at 135-36 (Citations omitted).

32. Lastly, the *Beazer* Court addressed typicality and adequacy:

Reviewing any concerns with typicality and adequacy, which seek to ensure that the class members are fairly and adequately represented by the plaintiffs, will affect issues regarding notice to the association members and influence how claim preclusion issues should be addressed. As the California court noted, a common-interest community association "is typically the embodiment of a community of interest." Although the typicality of the claims pertaining to at least two of the units will generally meet the adequacy requirement, issues regarding the overall adequacy of representation must be determined by the district court.

<u>Id.</u> (Citations omitted)

33. For numerosity, there is evidence that it would be impracticable for the individual unit owners to join the case or opt-in if they want to seek recovery for defects which relate only to their individual units, because Plaintiff provides an affidavit of its property manager, who attests that approximately 39 unit owners

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have a primary residence outside of the state of Nevada, and 10 have a primary residence outside of the United States. While this alone does not prove that a joinder action would be impracticable, it does lean in favor of Plaintiff. While Defendant has cited to a few decisions of federal courts which have ruled that where a "handful" of proposed plaintiffs live outside of the geographical proximity of the litigation, numerosity is not satisfied. Bustillos v. Bd. of County Com'rs of Hidalgo County, 310 F.R.D. 631, 669 (D. N.M. 2015), the Court does not find them persuasive. Further, the analysis of the Bustillos Court can be distinguished from the present case given in the case at bar there are a number of individuals who primarily reside outside of the state. Thus, the proposed class, based on the evidence provided, has the geographic diversity that favors a finding of numerosity. NRCP Rule 23 requires that the number of class members be sufficiently high such that individual treatment would be impractical. requirement, however, does not apply to this context in the same manner as it would in a typical class action. The Nevada Supreme Court held in View of Black Mountain, at 134, that the numerosity requirement is satisfied so long as there are at least two affected members of the Association. In the present case, this requirement is met because the identified defects occur at two or more units.

34. "The commonality requirement...examines the factual and legal similarities defenses...and between claims the **NRCP** and 23(b)(3) predominance requirement, which questions whether common questions predominate over individualized questions." Beazer Homes Holding Corp. v. Eighth Judicial Dist. Ct. (2012) 291 P.3d 128, 135. Footnote 4 from that case states that "[u]nder NRCP 23(b)(3), the class action plaintiff must prove 'that the questions of law or fact common to the members of the class predominate over any questions affecting only individual members, and that a class action is the superior method of adjudicating the case." Id.; see also Wal-Mart Stores, Inc. v.

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Dukes, et al. (2011) 131 S.Ct. 2541, 2558. Typicality requires that the claims or defenses of the representative parties be "typical" of those of the class. See NRCP 23(a)(3). Further in *Wolin v. Jaguar Land Rover North America, LLC*, 617 F.3d 1168, 1173 (9th Cir. 2010), the Court held that identical manifestation of a defect was not required; the Court found the commonality requirement was met even though some aspects of the case were not common to each class member. Here, all claims will be resolved under NRS Chapters 40 and 116. The defects all arise out of the original construction which precludes them from being subject to comparative negligence defenses. See, e.g. *Shuette*, at 860. To prove breaches of implied warranties or violations of Chapter 40, the Association asserts that it can do so by establishing the defective conditions exits and need not prove the tort elements of causation or damage. *See Stackiewicz v. Nissan Motor Corporation in U.S.A.*, 100 Nev. 443, 448-449 (1984).

Perini contends that commonality does not exist here. The Court notes that Perini has presented some evidence that not every defect occurs in every unit, and it is possible that the costs of repair could vary from unit to unit. While these differences could destroy any class-wide commonality in certain instances, in the present case, the other alternative methods that the Court is to consider have similar issues, and thus, the concern over commonality does not preclude a class action type analysis of the claims.

Further, the United States Supreme Court has addressed the conceptual argument in a different context and has allowed class type claims to go forward. In *Tyson Foods, Inc. v. Bouaphakeo*, 136 S.Ct. 1036 (2015), the plaintiff alleged that the defendant had improperly shortchanged the class by not paying class members for time putting on and taking off uniforms. Although the question whether such time is compensable was common to the class, the amount of time each class member took varied from person to person, and in some cases,

particular class members may not have been shortchanged at all. The plaintiff addressed that concern through expert testimony, presenting average times to put on and take off uniforms on a class basis without regard for individual considerations. The defendant contended that this sort of generalized proof—similar to the type of proof that might be offered in the instant case—was not sufficient; and, therefore, that the commonality requirement was not met. The Supreme Court rejected that assertion. It held representative samples are appropriate and can be sufficient to establish liability. *Tyson Foods* at 1042 (2016).

Under the *Tyson Foods* reasoning, expert evidence could be used in the present case. Further, the question whether particular individual unit holders might or might not have suffered harm from the alleged defect is not fatal to class treatment. Plaintiff contends that statistical proof can be introduced to determine the total reasonable damages for each defect. The Association can, through an appropriate methodology after approval of the Court, determine the proper allocation method. Due process will be readily satisfied in that defendants will be liable (as to class members) only for the amount set forth in the judgment.

35. Similarly, the Nevada Supreme Court determined the typicality factor centers on the defendant's conduct, not on the plaintiff's conduct. *Shuette*, 121 Nev. at 848. The typicality factor can be satisfied by a showing that each member's "claim arises from the same course of events and each class member make similar legal argument to prove the defendant's liability." *Id.* at 848-849. Thus, under the Supreme Court's reasoning for typicality, the fact the Association, in some instances, may have identified specific defects in one or more units, but not all of them, is not of consequence whether the identified defects were the result of the defendants' acts or omissions during the course of project construction.

The Court has analyzed Perini's argument that typicality is not met because not every individual homeowner suffered from each defect. In so doing, the Court finds that the defect claims are typical enough in this context to satisfy Rule 23's requirements. Here, as to each particular defect, the Association alleges that the same conduct or course of conduct caused the defect. Perini, in turn, has the same or similar defenses to the asserted defects asserting that either they do not exist or they are not the responsibility of Perini.

By looking at the totality of the arguments asserted by both parties, the Court finds that the NRCP 23(a)(3) showing that "the claims or defenses of the representative parties are typical of the claims or defenses of the class" is met. *Shuette*, 121 Nev. at 848-849 (citations omitted). The Court further notes that the assertions of Plaintiff are similar to those alleged in prior construction defect cases where NRCP 23 parameters were utilized; and thus, a case such as the present can be litigated within the confines of NRCP 23 modified as applicable.

- 36. As for adequacy of Plaintiff's counsel, Perini asserts that this requirement cannot be satisfied because conflicting views between the Plaintiff HOA and unit owners on how a limited amount of recovery should be divided, dispersed, and otherwise dealt with, would be inevitable. Plaintiff contends that it can act as adequate counsel.
- 37. The adequacy factor has two prongs: 1) whether the class representative fairly and adequately protects the interest of the class; and, 2) whether counsel for the class can adequately prosecute the class claims.

Here, the Association, through its Board of Directors, is the class representative. Each member of the Board has a fiduciary duty to act in the best interest of the Association and its members. NRS 116.3103(1). It is presumed "that in making business decisions, the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was in the

best interest of the company. *Shoen v. SAC Holding Corp.*, 122 Nev. 621, 632 (2006); *see also*, NRS 78.138 (codifying the business judgment rule enacted the same year as NRS 116.3103). Additionally, the Legislature, by enacting NRS 116.3102(1)(d), has authorized the Association to act in a representative capacity on behalf of its member on matters, like those before the Court, that affect the common-interest community.

As to the second prong, the Court finds that the Association's counsel can adequately prosecute this action. Indeed, Perini has not seriously argued to the contrary. The Court finds the adequacy factor is met.

C. Common Questions Predominate over Individual Questions; and a Class Action is Superior to Other Available Methods for Resolution of The Individual Unit Defects.

- 38. Because the Association is seeking monetary damages, its claims, in addition to satisfying the Rule 23(a) factors, must also satisfy the two prongs of Rule 23(b)(3). First, the Court must find that "the questions of law and fact common to the members of the class predominate over any questions affecting only individual members"; and the second prong requires the Court to find "that a class action is superior to other available methods for the fair and efficient adjudication of the controversy." *Amchem Products, Inc. v. Windsor*, 521 U.S. 591, 625, 117 S.Ct. 2231 (1997)("*Amchem*")
- 39. The Rule also identifies four matters pertinent to making this determination: (A) the interest of members of the class in individually controlling the prosecution or defense of separate actions; (B) the extent and nature of any litigation concerning the controversy already commenced by or against members of the class; (C) the desirability or undesirability of concentrating the litigation of the claims in the particular forum; (D) the difficulties likely to be encountered in the management of a class action. NRCP Rule 23(b)(3); *Amchem* at 616.

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1. Predominance.

40. Although the predominance inquiry is closely related to the commonality and typicality requirements, it is somewhat more demanding. Comcast Corp. v. Behrend, 133 S.Ct. 1426, 1432 (2013); Shuette, supra, 121 Nev. at 851. This test requires courts to take a "close look" at whether common questions predominate over individual ones." Comcast, at 1432. However, although questions common to the class must predominate, the Plaintiff does not have to show that those questions will be answered, on the merits, in favor of the class. Amgen Inc. v. Connecticut Retirement Plans and Trust Funds, 133 S.Ct. 1184, 1191 (2013). Nor must a plaintiff show that each element of its claim can be proven class-wide. Id. at 1196, punctuation and emphasis omitted.

What the rule does require is that common questions predominate over any questions affecting any individual class members. Common issues are those for which the case can be established through common evidence, while individual issues are those for which evidence will vary from class member to class member. In re Zurn Pex Plumbing Products Liability Litigation (hereinafter referred to as "Zurn"), 644 F.3d 604, 618 (8th Cir. 2011). Common issues predominate if they have a direct impact on the class members' effort to establish liability, and if that impact is more substantial than the impact of individualized issues in resolving the claims. Shuette, at 851(citing, Amchem Products, supra, 521 U.S. at 623-24, 117 S.Ct. 2231) (common questions predominate over individual questions if they significantly and directly impact each class member's effort to establish liability and entitlement to relief); Sacred Heart Health Systems, Inc. v. Humana Military Healthcare Services, Inc., 601 F.3d 1159, 1170 (11th Cir. 2010). Indeed, "[t]he class issues often will be the most complex and costly to prove, while the individual issues and the information needed to prove them will be simpler and more accessible to individual litigants." For example, proving that

a particular condition found inside all or most of the units is a defect, should be repaired, and the general calculation of the cost to repair the defect, requires technical expertise, expert testimony, and possibly even discovery into the defendants' design and construction practices; while any potential individual issues will be more easily determined. *Suchanek v. Sturm Foods, Inc.*, 764 F.3d 750m 756 (7th Cir. 2014).

Warranty and negligence claims premised on a universal construction defect present predominant common issues. *Zurn*, 644 F.3d at 619. And, of course, individualized monetary claims do not prevent certification of a Rule 23(b)(3) class. *Suchanek*, 764 F.3d at 756. If the issues of liability are genuinely common issues, and the damages of individual class members can be readily determined in individual hearings, in settlement negotiations, or by creation of subclasses, the fact that damages are not identical across all class members should not preclude class certification. *Butler v. Sears, Roebuck & Co.*, 702 F.3d 359, 362 (7th Cir. 2012) (hereinafter referred to as "*Butler I*"), *cert. granted and judgment vacated*, 133 S.Ct. 2768 (2013), *reinstated* by 727 F.3d 796, 801 (7th Cir. 2013) ("*Butler II*").

41. In the instant action, the legal and factual issues to be resolved regarding the individual unit defects are alleged to be the same or similar as to all the units where such defects arise. Although Perini argues that differing usage and maintenance may affect the existence and/or amount of damages, they presented no evidence to support these arguments. Indeed, the Nevada Supreme Court recognized in *Shuette* that damages for breach of warranty are amenable to class treatment because they are limited to the cost to repair the defective product, which can be established by generalized proof. *Shuette*, at 857 (citing, Hicks v. Kaufman & Broad Home Corp., supra, 89 Cal.App.4th 908 (2001, Ct. of Appeal, Second District).

class treatment. Courts universally have recognized certification of a Rule 23(b)(3) class does not require all of the class members have suffered the exact same damages, or even that all class members have suffered damages. Suchanek, 764 F.3d at 756; Butler II, 727 F.3d at 801.

The Association seeks only damages related to the Individual Unit Defects

The Association seeks only damages related to the Individual Unit Defects that can be established through generalized proof, *i.e.* the cost to repair the defects and relocation costs during repairs. To the extent any individual issues remain, they are limited, and the class issues predominate.

The fact that some of the defects do not exist in every unit does not defeat

2. Superiority.

- 42. The superiority requirement tests whether a class action is the superior method for adjudicating the claims, thereby promoting the interests of efficiency, consistency, and ensuring that class members actually obtain relief. A proper class action prevents identical issues from being "litigated over and over[,] thus avoid[ing] duplicative proceedings and inconsistent results." *Shuette*, at 851-852. It also helps class members obtain relief when they might be unable or unwilling to individually litigate an action for financial reasons or for fear of repercussion. *Shuette*, at 851, citing *Ingram v. The Coca–Cola Co.*, 200 F.R.D. 685, 700, 701 (N.D. Ga. 2001); *see also, Hughes v. Kore of Indiana Enterprise*, 731 F.3d 672, 675 (7th Cir.2013) ("The smaller the stakes to each victim of unlawful conduct, the greater the economies of class action treatment and the likelier that the class members will receive some money rather than [without a class action] probably nothing...").
- 43. In the present case, the cost to investigate these defects, prove the defendants' liability for them, and establish the cost to repair each of these defects, could easily exceed this cost to repair by tens of thousands of dollars. Given the gross disparity in the potential recovery for the time, effort,

aggravation, and monetary investment an individual homeowner would have to make in order to prosecute these defect claims individually, it is unlikely that most homeowners would undertake to do so in an independent action. Thus, the One Queensridge Place homeowners are an example of the type of group Rule 23(b)(3) was intended to protect — people who individually would be without effective strength to bring their opponents to court at all. *Amchem*, 521 U.S. at 615; see also, Carnegie v. Household International, Inc., 376 F.3d 656, 661 (7th Cir. 2004)("The realistic alternative to a class is not 17 million individual suits, but zero individual suits, as only a lunatic or fanatic sues for \$30.") The Court finds that pursuing this case like a class action, with respect to defects where the Association will be acting in a purely representative action, is superior to other judicial procedures.

44. Finally, because not all defects apply to each unit, a representative action is far superior to individual actions. A recovery through a representative action will allow the Association to determine how best to allocate any recovery and insure proper repairs, all in the furtherance of its fiduciary obligations to the homeowners. On the other hand, requiring a series of individual actions would add the complexity of forcing each individual to prove that the defect in question exists in his or her particular unit, an added expense that can be avoided through a representative action. In sum, the Court finds that a representative lawsuit under the provisions of Rule 23 would be the most effective and efficient means to address the disputed claims. While the Court evaluated the other options presented such as Joinders or Assignments, the Court finds that due to the nature and complexity of the claims and for all the reasons set forth herein, a class action format would be the best alternative.

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D. The Notice to Potential Class Members Will Allow them to Opt Out of the Case if They Wish Not to Participate and Will Notify Participants of Issue and Claim Preclusion.

- 45. As the Court has determined that the disputed claims will proceed pursuant to class action principles, the next determination is whether the Notice should contain an "opt out" or "opt in" provision. Perini asserts that an "opt in" notice would be appropriate for any claims that are pursued in a representative capacity. It also asserts that *inter alia* that an "opt-out" representative action would be inappropriate because, after the litigation concludes, it may not be protected by claim or issue preclusion. The Association contends that an "opt out" provision is preferable and consistent with Rule 23 principles.
- Prior to determining which type of option is preferable, the Court 46. needs to address each of the parties' arguments. Perini contends that Nevada case law does not actually establish a class-action litigation for representative claims brought by an HOA on behalf of unit owners; instead, it calls for Courts to only "conform with class action principles." First Light II, 125 Nev. at 459. Additionally, the Shuette Court held that, due to land's unique nature, "as a practical matter, single-family residence constructional defect cases will rarely be appropriate for class action treatment." Shuette at 854. The Beazer Court further notes that, unlike a typical class action, compliance with NRCP 23 is not the ultimate requirement for pursuing a representative construction defect action. Instead, it further differentiated a class action from a representative construction defect case, and ruled that (unlike a Rule 23 class action), "failure of a commoninterest community association to strictly satisfy the NRCP 23 factors does not automatically result in a failure of the representative action." Beazer, at 135. Perini also contends that NRS 40.688 requires a unit owner to disclose to a potential buyer the existence of construction defect litigation, including

representative cases, such as the instant matter. Such an action could devalue the property, and is a further distinction from a typical class action. It goes on to assert that Nevada can be viewed to already have a statutory basis for requiring an opt-in class, and that it is a hallmark of Chapter 40 that a claimant must provide notice before pursuing a construction defect claim. See, e.g., Barrett v. Eighth Jud. Dist. Ct., 331 P.3d 892, 894 (Nev. 2014) ("[b]efore claimant homeowners may assert construction defect claims in the district court, they must provide the contractor written notice of the alleged defect, followed by an opportunity to repair. . . . Based on the plain language of NRS 40.645, a claimant 'must' give notice to a contractor."). Perini also explains that an opt-in class would protect it against subsequent claims of homeowners as it would be clear that claim and issue preclusion would apply.

In contrast, the Association contends that Perini had no compelling 47. rationale as to why an "opt-in" option would better serve the management of this case than an "opt-out" option. The Association also states that in adopting the Federal Rules of Civil Procedure Rule 23, and the Nevada Rules of Civil Procedure Rule 23, both the state and federal bodies had more than sufficient opportunity to analyze whether an "opt-in" notice would serve the purposes of representative actions better than would an opt-out notice provision. They chose the "opt-out" provision over the "opt-in" provision and the courts have been supportive. For instance, in Kern v. Siemens Corporation, 393 F.3d 120 (2d Cir. 2004) a wrongful death class action, brought by surviving family members of passengers killed in a ski train fire in Austria, the Federal District Court certified the class, but it required the prospective members to "opt-in" by affirmatively consenting to be included. Id. at 122. The Second Circuit reversed. It found that the district court erred by certifying a class with an "opt-in" provision. Instead, the Court held that the Due Process Clause of the Fourteenth Amendment does not

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require plaintiffs to affirmatively "opt-in," <u>Id.</u> at 124, citing <u>Phillips Petroleum Co. v. Shutts</u>, 472 U.S. 797, 812, 105 S.Ct. 2965, 86 L.Ed.2d 628 (1985) and, importantly, the Court stated the requirement of an affirmative request for inclusion in the class is contrary to the express language of Rule 23(c)(2)(B). *Id.* at 125. The *Kem* Court further rejected the proposition that the district court could invoke its "equitable powers" because, "Rule 23 offers the *exclusive* route to forming a class action." <u>Id.</u> at 128, original emphasis. Finally, the United States Supreme Court has stated, "[O]f overriding importance, courts must be mindful that [Rule 23] as now composed sets the requirements they are bound to enforce. Federal Rules take effect after an extensive deliberative process involving many reviewers... The text of a rule thus proposed and reviewed limits judicial inventiveness." *Amchem Prods., Inc. v. Windsor, supra*, 521 U.S. at 620

The Association also contends that the claim preclusion and issue preclusion concern of Perini's argues strongly in favor of an "opt-out" class rather than an "opt-in" class, or a requirement that the Association obtain joinders or assignments. An "opt-out" class is likely to capture the vast majority of homeowners, binding them to whatever final judgment is entered. In contrast, an opt-in class (or series of joinders or assignments) is likely to cover a much smaller number of homeowners, leaving Perini open to a much larger risk of later litigation. It also asserted that an "opt-in" notice would be contrary to the express language of Rule 23, and would be contrary to the directives given in *Shuette*, and *View of Back Mountain* and would have a chilling effect on homeowner participation in this action.

48. While the Court could find both methods meet the needs of the unit owners, the Court has to take into consideration which is the preferable method that is consistent with the Nevada Supreme Court mandates for this case. In so doing, the Court not only considers what will be the most effective means to have

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each of the claims addressed, but also whether one format or the other would impact the likelihood of duplicative claims and the impact of any such notice on the condo homes of each of the potential class Plaintiffs. As was pointed out in different contexts by both parties, the goal of the litigation is to do what is in the interests of the unit owners consistent with applicable law. The Court finds that a Notice that clearly informs the unit owner of the his/her rights to participate or not in the action, and clearly defines the impact from not only a litigation standpoint, but also a claim preclusion and issue preclusion standpoint, is the most effective means to meet the goals of the statute and the best interests of all the parties and potential parties. As that goal can be reached better with an "opt-out" notice, which is the common practice in Rule 23 type cases, the Court finds that an "opt-out" Notice should be used. As further discussed infra, an "opt-out" notice provides the due-process protections that were considered before that form of notice became part of Rule 23, as well as addresses the best needs of the parties and potential parties as further set forth in the record.

49. Given the detailed and specific nature of the Court's Order, neither Notice is strictly applicable. Accordingly, the parties will need to meet to propose a Notice that is consistent with the Court's Order herein. Said Notice will make it clear that a unit owner can "opt-out" of the litigation, and the impact of participating or not participating in the litigation. The Notice will also explain not only the nature of the claims and specific defects alleged, but also the application of both claim and issue preclusion. The Notice must also set forth by what date and to who any "opt-out" Notices are to be sent. To satisfy the due process requirement in a representative action, "individual notice must be provided to those class members who are identifiable through reasonable effort." *Eisen v. Carlisle and Jacquelin*, 417 U.S. 156, 175, 94 S.Ct. 2140 (1974). The individual notice must be specific to the claims asserted in the representative action to

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inform the absent member either that the claims like his are being litigated, or that they have been settled." *Twigg*, 153 F.3d at 1228. See, also *In re Prudential Insurance Co. American Sales Practice Litigation Agent Actions*, 148 F.3d 283, 306 (3rd Cir. 1998), citations omitted. (Preclusion of future claims begins with an opt-out notice. In the class action context, the district court obtains personal jurisdiction over the absentee class members by providing proper notice of the impending class action and providing the absentees with the opportunity to be heard or the opportunity to exclude themselves from the class. The combination of reasonable notice, the opportunity to be heard and the opportunity to withdraw from the class satisfy the due process requirements of the Fifth Amendment. Consequently, silence on the part of those receiving notice is construed as tacit consent to the court's jurisdiction.)

50. In the record, Perini also set forth that it was able to provide Offers of Judgment in accordance with NRCP 68. It set forth that NRCP governs when a party may serve an Offer of Judgment and what effect, if any, the Offer or failure to accept the Offer, may have on a party's rights. NRCP 68 specifically provides, "[a]t any time more than 10 days before trial, any party may serve an offer in writing to allow judgment to be taken in accordance with its terms and conditions." Perini then contended that there is nothing in the language of NRCP 68 that limits Defendants' right to make Offers to the individual unit owners. The plain language of NRCP 68 provides that Defendants can serve Offers with no limitation as to who the Offer can be made to, and upon what conditions Judgment can be taken. The Association did not appear to address the issue raised by Perini in its Proposed Findings of Fact and Conclusions of Law. Accordingly, as there was no Opposition to Perini's position, and Court finds that there has not been any case law or evidence provided that would preclude Perini

JOANNA S. KISHNER DISTRICT JUDGE

DEPARTMENT XXXI AS VEGAS, NEVADA 89155 from acting in accordance with NRCP 68, their requested relief should be granted.

Accordingly, and based upon the foregoing Findings of Fact and Conclusions of Law:

ORDER

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED Perini Building Company's Motion for Declaratory Relief Regarding Representative Standing; What Defects Should Be Subject to Either An Opt-In Class Or An Assignment Protocol; And Form Of Proposed Notice and Joinders Thereto is GRANTED IN PART AND DENIED IN PART. The Motion is GRANTED consistent with the analysis herein that that the Association does not have direct standing to pursue the disputed claims on their own behalf, but must do so in a representative capacity as further detailed herein. The Motion is DENIED to the extent that the Motion sought to require the representative claims be pursued pursuant to an "Opt-In" Notice;

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Association claims for defects in original construction located entirely within the separate interest units that affect two or more units that were set forth in this Order satisfy all of the NRCP Rule 23 factors for the Association to prosecute those claims in a purely representative capacity.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Plaintiff
One Queensridge Place Homeowners Association, Inc.'s Motion For: (1)
Adjudication of Definition of Defects That are Pursued In Purely Representative
Capacity; (2) Determination of Defects Pursued In a Purely Representative
Capacity; and (3) Approval of Plaintiff's Notice of Lawsuit Re: Individual Unit
Claims to One Queensridge Place Homeowners is GRANTED IN PART AND

DENIED IN PART, consistent with the Court's ruling on Perini's Motion. The Association's Motion is GRANTED to the extent it seeks to have the representative claims proceed through an "Opt-Out" Notice, but is DENIED in all other respects consistent with the Court's ruling on Perini's Motion.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the parties shall meet and confer on the preparation of an "Opt-Out" Notice that complies with this Order and applicable law. The Parties will need to clearly articulate who will be included in the class, and an agreed-upon date by which the Notices will be mailed, as well the what efforts are necessary if a Notice is returned as undeliverable.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that nothing is the Order would preclude either party from exercising their rights pursuant to NRCP 68.

DATED this 29th day of September, 2016.

HONORABLE JOANNA S. KISHNER DISTRIST COURT JUDGE

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JOANNA S. KISHNER
DISTRICT JUDGE
DEPARTMENT XXXI
LAS VEGAS, NEVADA 89155

CERTIFICATE OF SERVICE

I hereby certify that on or about the date filed, a copy of this Order was provided to all counsel, and/or parties listed below, as a courtesy not comprising formal written notice of entry, via one or more of the following manners: Email, Facsimile, U.S. mail, Electronic Service (E-Service) if the Attorney/Party has signed up as required, and/or a copy of this Order was placed in the attorney's file located at the Regional Justice Center:

ALL COUNSEL SERVED VIA E-SERVICE

TRACY L. CORDOBA-WHEELER
Judicial Executive Assistant

JOANNA S. KISHNER
DISTRICT JUDGE
DEPARTMENT XXXI
LAS VEGAS, NEVADA 89155

EXHIBIT "J"

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DECLARATION OF JOHN A. MARTIN, JR. IN SUPPORT OF PLAINTIFFS/COUNTER-DEFENDANTS LAURENT HALLIER, PANORAMA TOWERS I, LLC, PANORAMA TOWERS I MEZZ, LLC, AND M.J. DEAN CONSTRUCTION, INC.'S REPLY BRIEF IN SUPPORT OF THEIR MOTION FOR DECLARATORY RELIEF REGARDING STANDING

- I, John A. Martin, Jr., SE, declare under penalty of perjury under the law of the State of Nevada that the foregoing is true and correct:
 - I have personal knowledge of the facts and can testify hereto and would be competent to
 testify in open Court. This Affidavit is submitted in support of Plaintiffs/Counter-Defendants
 Laurent Hallier, Panorama Towers I, LLC, Panorama Towers I Mezz, LLC, and M.J. Dean
 Construction, Inc.'s (the "Builders") Reply Brief in Support of Their Motion for Declaratory
 Relief Regarding Standing.
 - 2. I have reviewed the affidavit of Omar Hindiyeh, attached as an exhibit to the Opposition to the Motion for Declaratory Relief.
 - 3. I am a structural engineer with more than 40 years of experience in the design and construction of large-scale, complex structures.
 - 4. Mr. Hindiyeh is not a structural engineer.
 - 5. In my opinion, windows and window supports, including curb walls, do not form part of the primary structure of the Panorama Towers, and are not essential to their overall structural stability.
 - 6. The photographs in the Amended Chapter 40 Notice, attached hereto as Exhibit "1", do not depict primary structural components essential to supporting the stability of Panorama Towers.

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1	7. The primary structural components essential to supporting the stability of the Panorama
2	Towers can be identified via cloud-shaped markings on Exhibit "2," attached hereto.
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EXHIBIT 1



CMA Consulting - Investigations Catalog



Exhibit 5 - CMA Consulting Photograph: Depicting Omission of SIII Pan Flashing



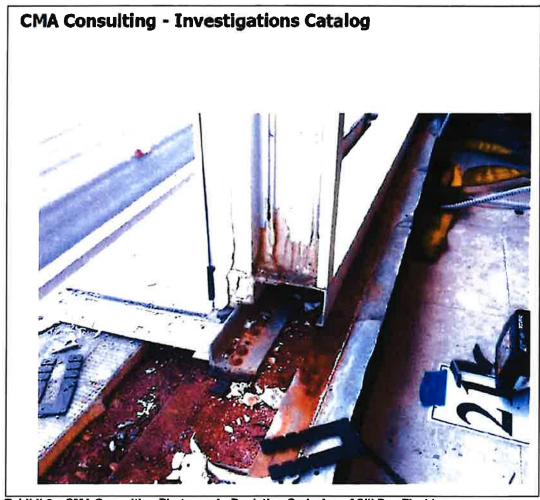
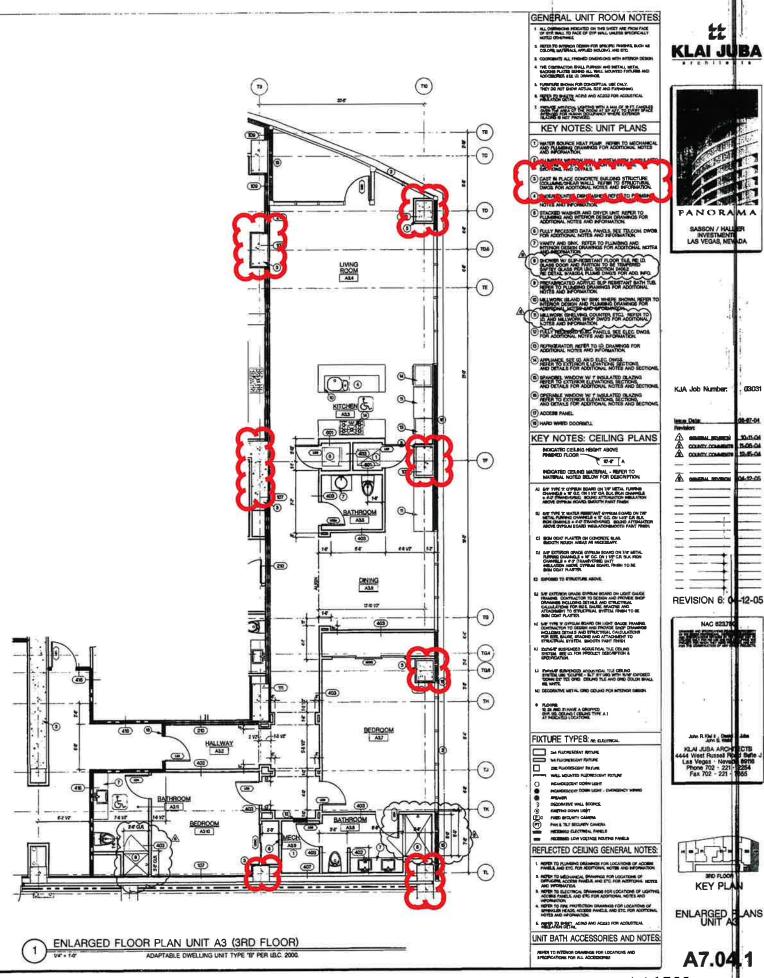


Exhibit 6 - CMA Consulting Photograph: Depicting Omission of Sili Pan Flashing

EXHIBIT 2



EXHIBIT"K"

DECLARATION OF ASHLEY ALLARD, AIA, IN SUPPORT OF PLAINTIFFS/COUNTER-DEFENDANTS LAURENT HALLIER, PANORAMA TOWERS I, LLC, PANORAMA TOWERS I MEZZ, LLC, AND M.J. DEAN CONSTRUCTION, INC.'S REPLY BRIEF IN SUPPORT OF THEIR MOTION FOR DECLARATORY RELIEF REGARDING STANDING

I, Ashley Allard, AIA, declare under penalty of perjury under the law of the State of Nevada that the following is true and correct:

- 1. I have personal knowledge of the facts and can testify hereto and would be competent to testify in open Court. This Declaration is submitted in support of Plaintiffs/Counter-Defendants Laurent Hallier, Panorama Towers I, LLC, Panorama Towers I Mezz, LLC, and M.J. Dean Construction, Inc.'s (the "Builders") Reply Brief in Support of Their Motion for Declaratory Relief Regarding Standing.
- 2. I am an employee of Madsen, Kneppers & Associates, Inc., a consulting firm hired by the Builders in connection with the Laurent Hallier, et al., v. Panorama Towers Condominium Unit Owners' Association matter.
- 3. I was present during the repairs that occurred at Unit 300 of Tower I of the Panorama Towers.
- 4. Based upon information and belief, the floor plan, attached hereto as Exhibit "1", is an accurate depiction of the floor plan of Unit 300 of Tower I of the Panorama Towers.

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Vegas, NV 89128

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Exhibit 1

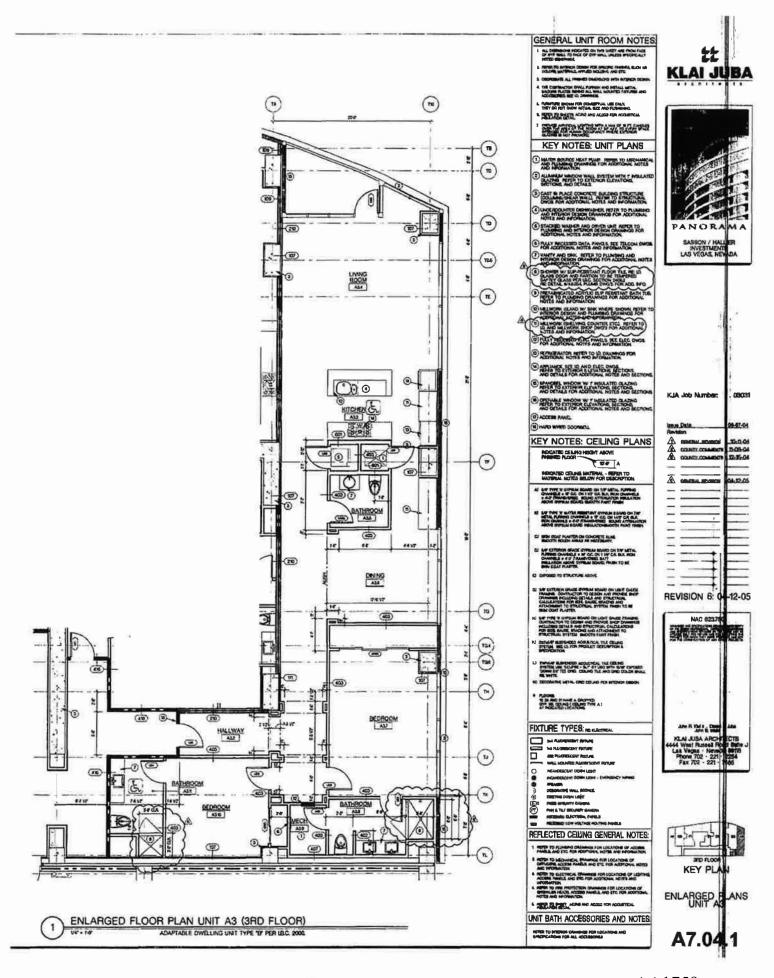


EXHIBIT "L"

DECLARATION OF SIMON LOADSMAN IN SUPPORT OF PLAINTIFFS/COUNTER-DEFENDANTS LAURENT HALLIER, PANORAMA TOWERS I, LLC, PANORAMA TOWERS I MEZZ, LLC, AND M.J. DEAN CONSTRUCTION, INC.'S REPLY BRIEF IN SUPPORT OF THEIR MOTION FOR DECLARATORY RELIEF REGARDING STANDING

- I, Simon Loadsman, declare under penalty of perjury under the law of the State of Nevada that the foregoing is true and correct:
 - 1. I am a partner of Reid Loadsman Fenestration Consultants & Associates, LLC, an expert consulting firm which specializes in the field of construction defects. I have worked as a forensic expert in the field of fenestration for over 10 years. I have an extensive history in the fenestration industry, including designing, manufacturing, and installing window systems. I have been retained by Plaintiffs/Counter-Defendants as a consultant to evaluate the alleged window-related deficiencies contained within Defendant/Counter-Claimant Panorama Tower Condominium Unit Owners' Association's ("Association") Chapter 40 Notice of Defects and amendment thereto.
 - 2. This Declaration is submitted in support of Plaintiffs/Counter-Defendants Laurent Hallier, Panorama Towers I, LLC, Panorama Towers I Mezz, LLC, and M.J. Dean Construction, Inc.'s (the "Builders") Reply Brief in Support of Their Motion for Declaratory Relief Regarding Standing.
 - 3. I have reviewed the affidavit of Omar Hindiyeh, attached as an exhibit to the Opposition to the Motion for Declaratory Relief.
 - 4. I have also reviewed the Amended Chapter 40 Notice and attached exhibits.
 - 5. In my experience, windows made out of curtain wall systems are not typically labeled by the manufacturer or fabricator of the windows. Therefore, the fact that manufacturer labels or product markings were not included on the Panorama Unit 300 window systems is not surprising.
 - 6. It would be highly uncommon in the industry for a window manufacturer to develop detailed and costly shop drawings for a project where the window manufacturer did not have a contract

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or purchase order to perform the work or supply the materials. Therefore, based upon my experience, Texas Wall Systems would not have developed shop drawings for the Panorama Project unless Texas Wall Systems had a contract or purchase order for performing work or supplying materials at the Panorama Project.

- 7. In my opinion, window system components such as sill pan flashings, if installed, can be classified as fixtures located in apertures, or openings, in the building.
- 8. In the photos of the Unit 300 repairs contained in the Amended Chapter 40 Notice, the window systems, including the window, frameworks, casings, weatherstripping and sill flashings (and sill pan flashings had they been installed) all rest atop the curb wall, inside the aperture, or opening, of the building.

1/22 | 19 Dated

Simon Loadsman

BREMER WHYTE BROWN &
O'MEARA LLP
7670 West Lake Mead Blvd.
Suite 225
Las Vegas, NV 89128

1287.551 4827-2174-7055.1

EXHIBIT "M"

DECLARATION OF MICHELLE ROBBINS, AIA, IN SUPPORT OF PLAINTIFFS/COUNTER-DEFENDANTS LAURENT HALLIER, PANORAMA TOWERS I, LLC, PANORAMA TOWERS I MEZZ, LLC, AND M.J. DEAN CONSTRUCTION, INC.'S REPLY BRIEF IN SUPPORT OF THEIR MOTION FOR DECLARATORY RELIEF REGARDING STANDING

- I, Michelle Robbins, AIA, declare under penalty of perjury under the law of the State of Nevada that the following is true and correct:
 - 1. I have personal knowledge of the facts and can testify hereto and would be competent to testify in open Court. This Declaration is submitted in support of Plaintiffs/Counter-Defendants Laurent Hallier, Panorama Towers I, LLC, Panorama Towers I Mezz, LLC, and M.J. Dean Construction, Inc.'s (the "Builders") Reply Brief in Support of Their Motion for Declaratory Relief Regarding Standing.
 - 2. I have reviewed the affidavit of Omar Hindiyeh, attached as an exhibit to the Opposition to the Motion for Declaratory Relief.
 - 3. I have also reviewed the Amended Chapter 40 Notice and attached exhibits.
 - 4. In my opinion, window system components such as sill pan flashings, if installed, can be classified as fixtures located in apertures, or openings, in the building.

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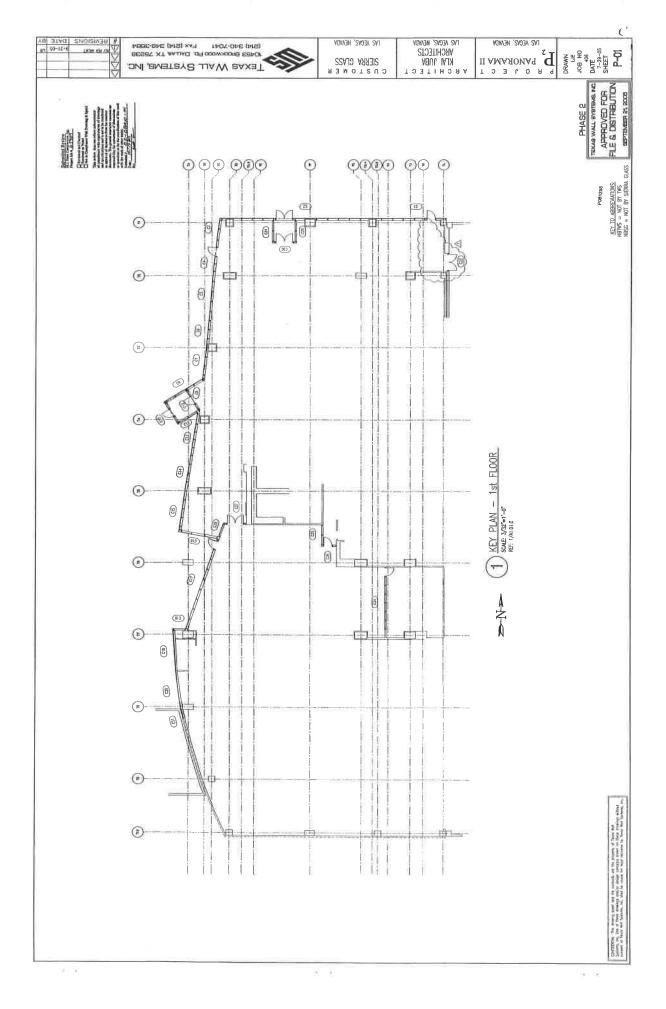
Michelle Robbins, AIA

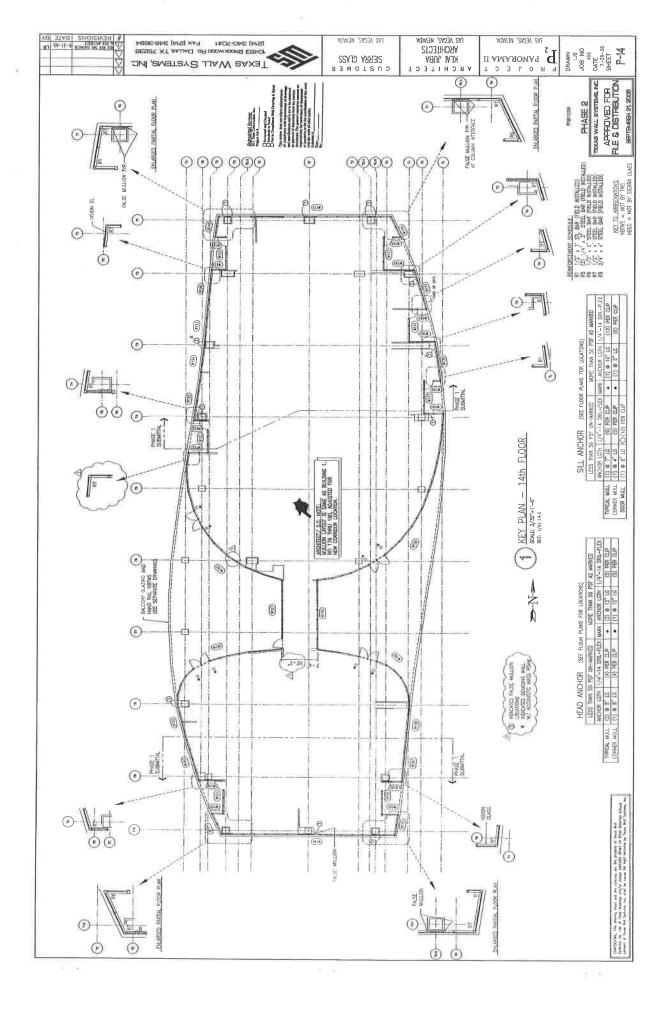
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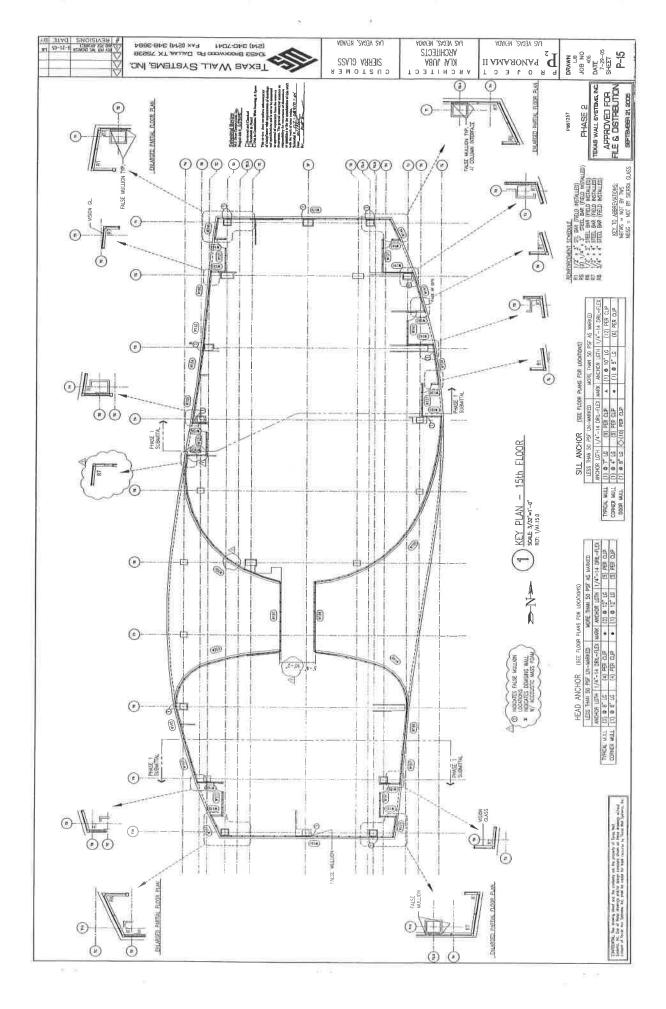
Suite 225 Vegas, NV 89128

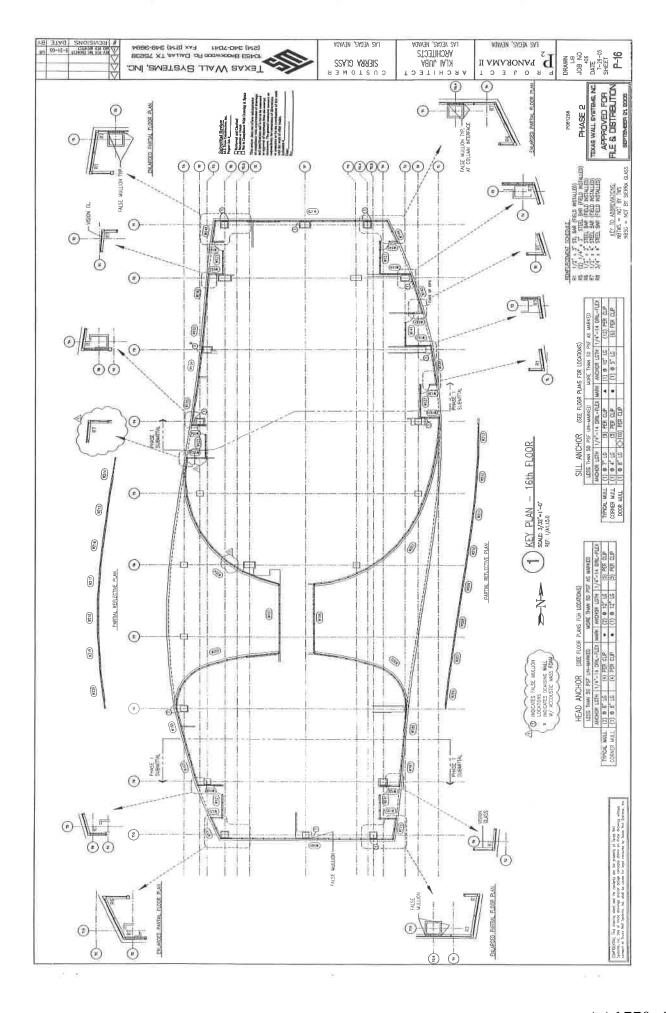
EXHIBIT "N"

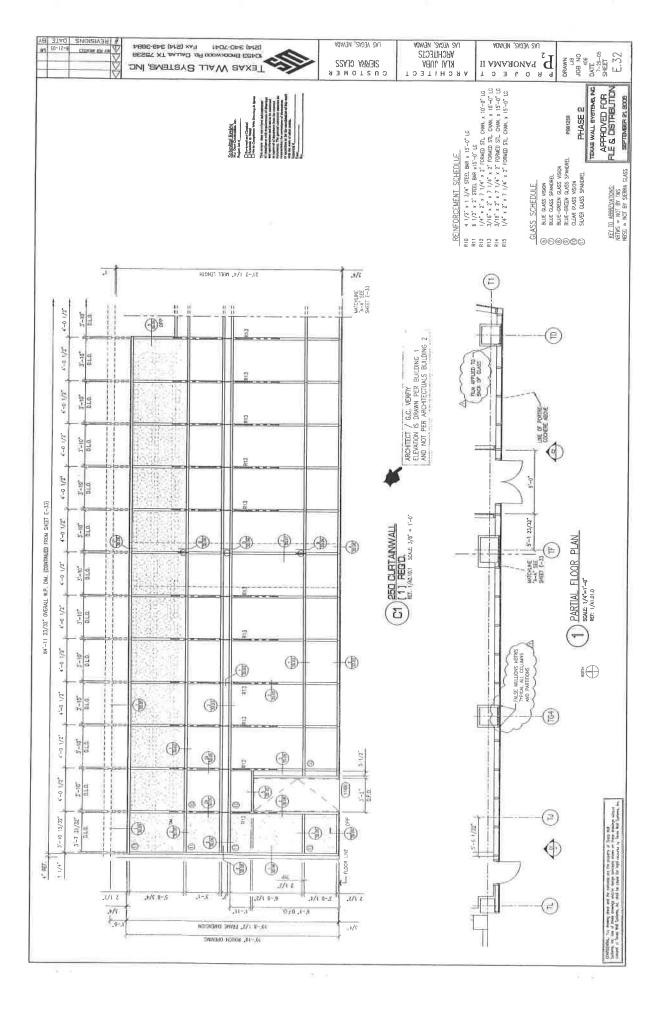
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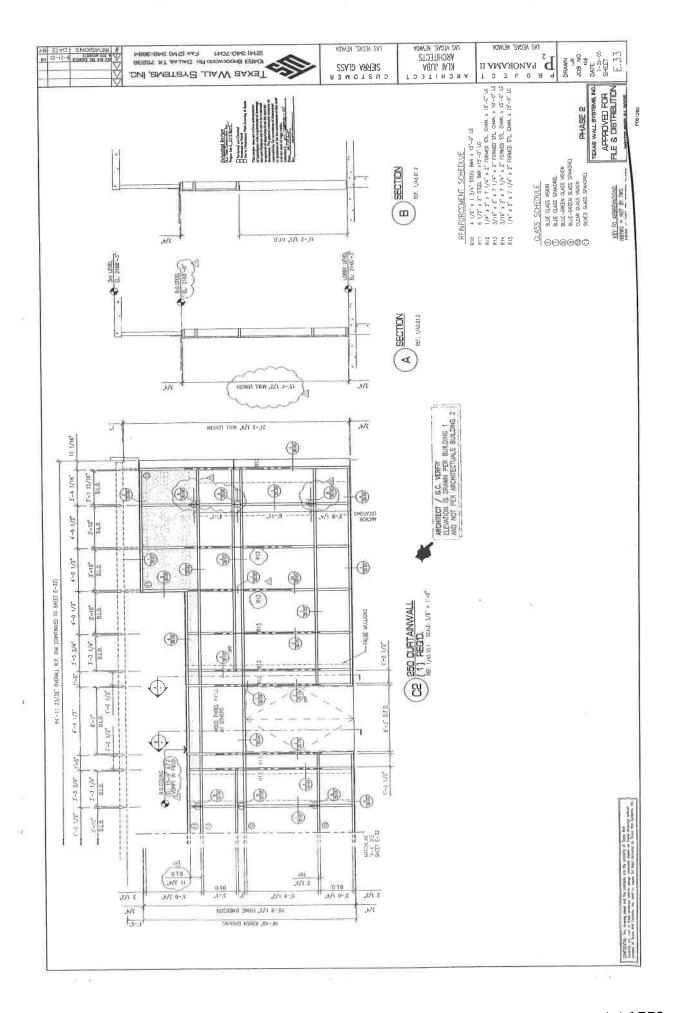


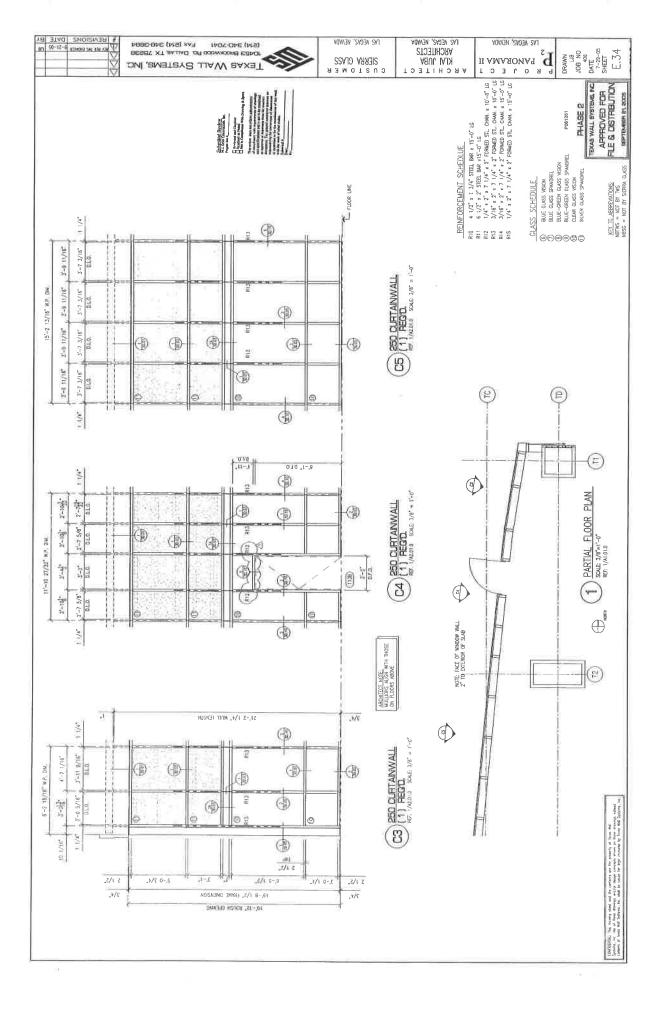




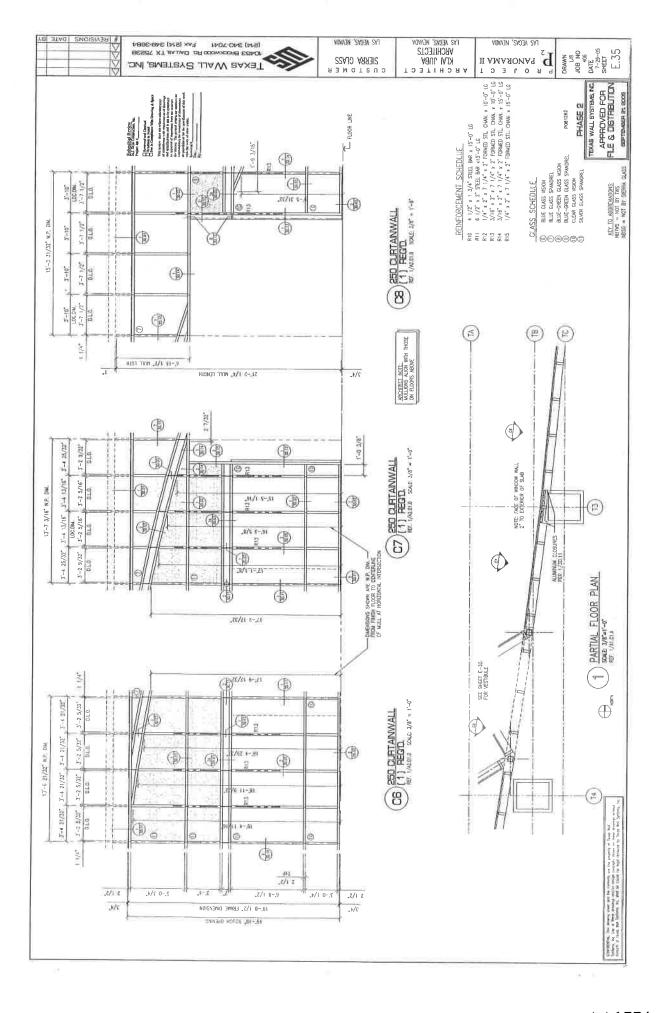


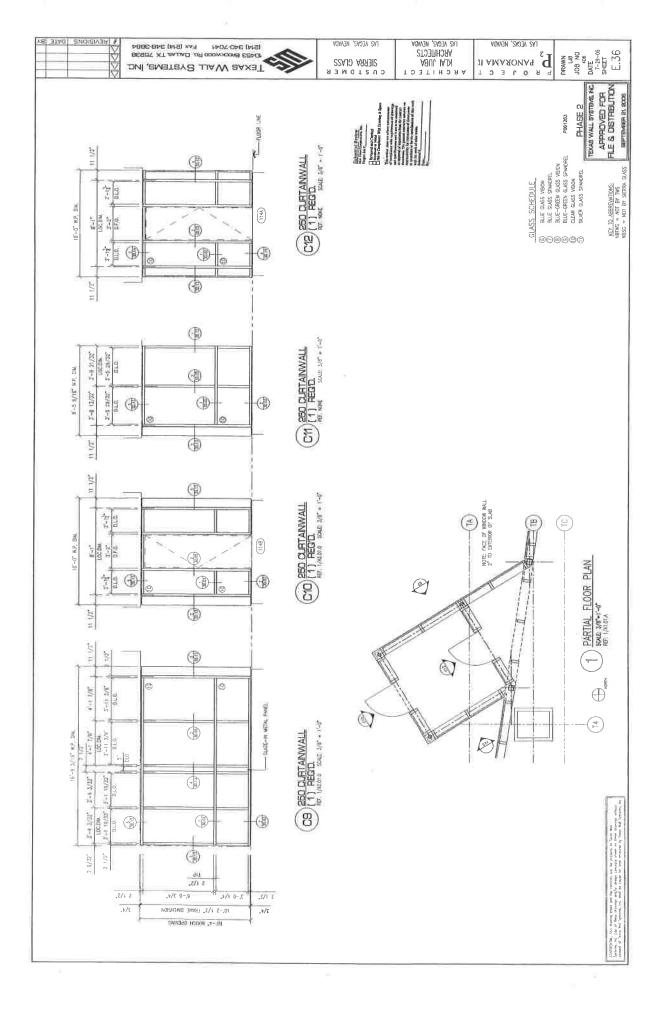


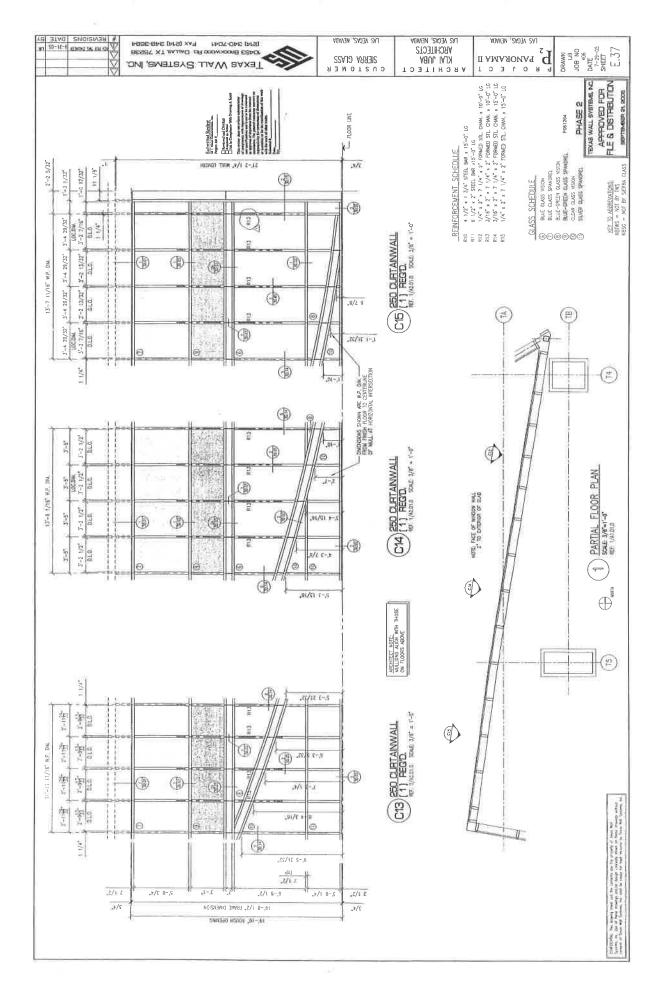


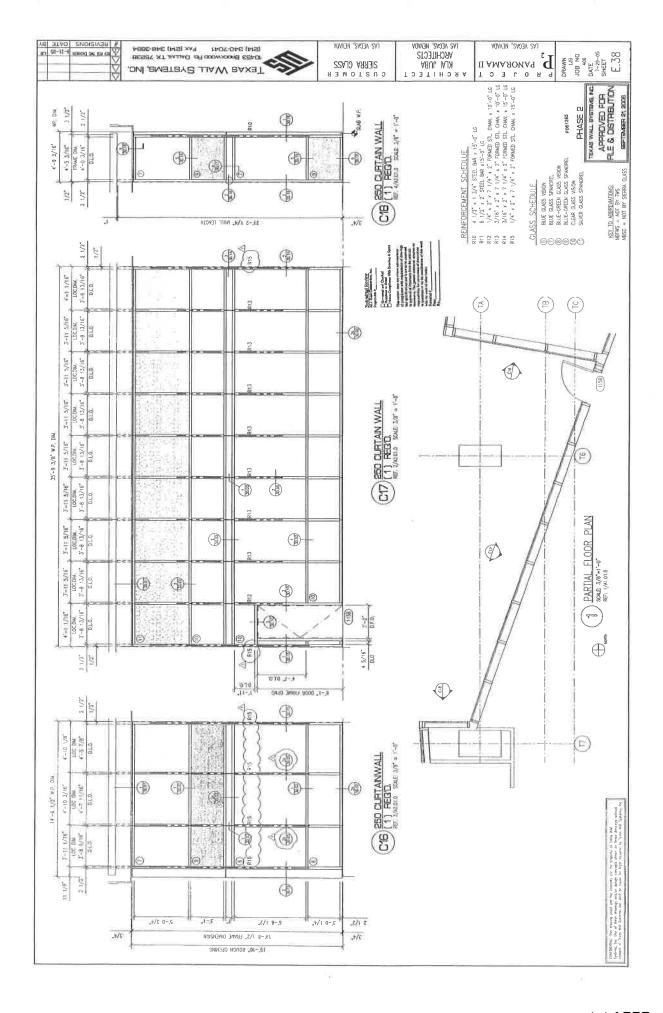


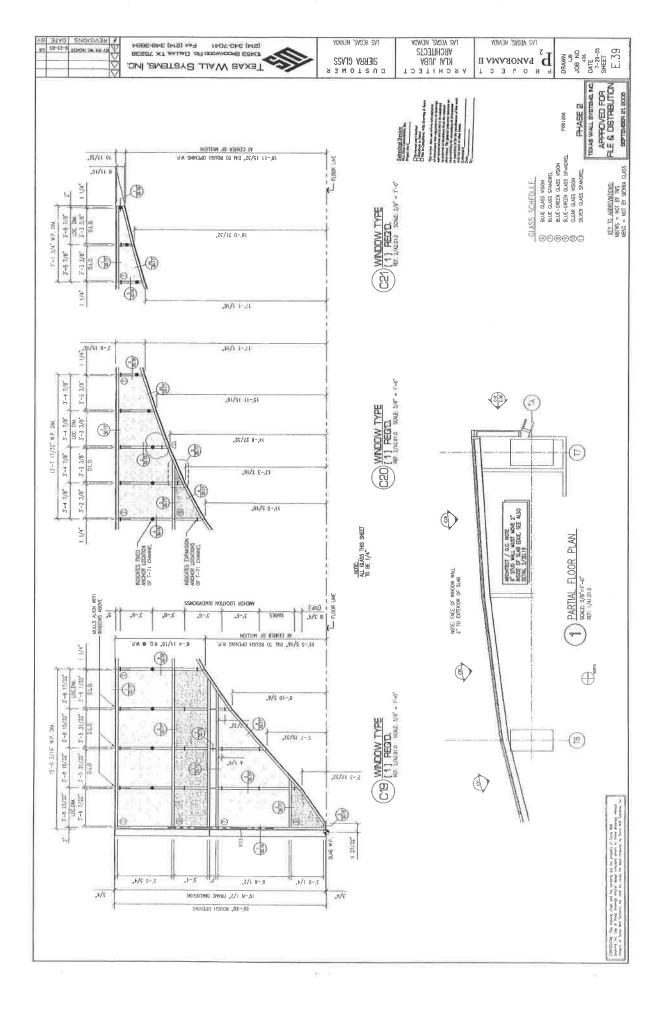
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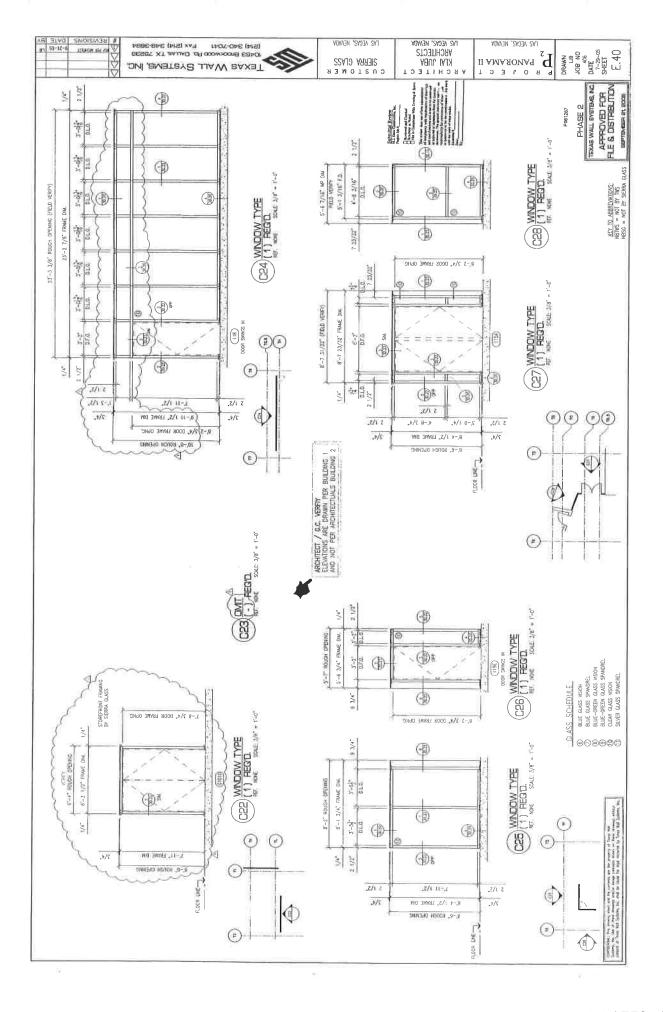


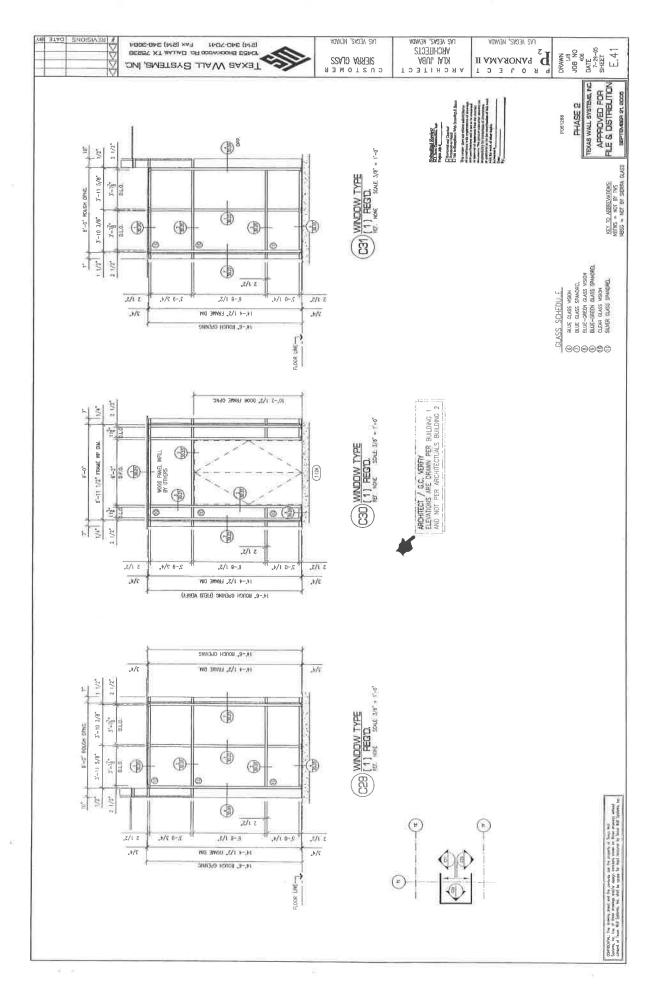


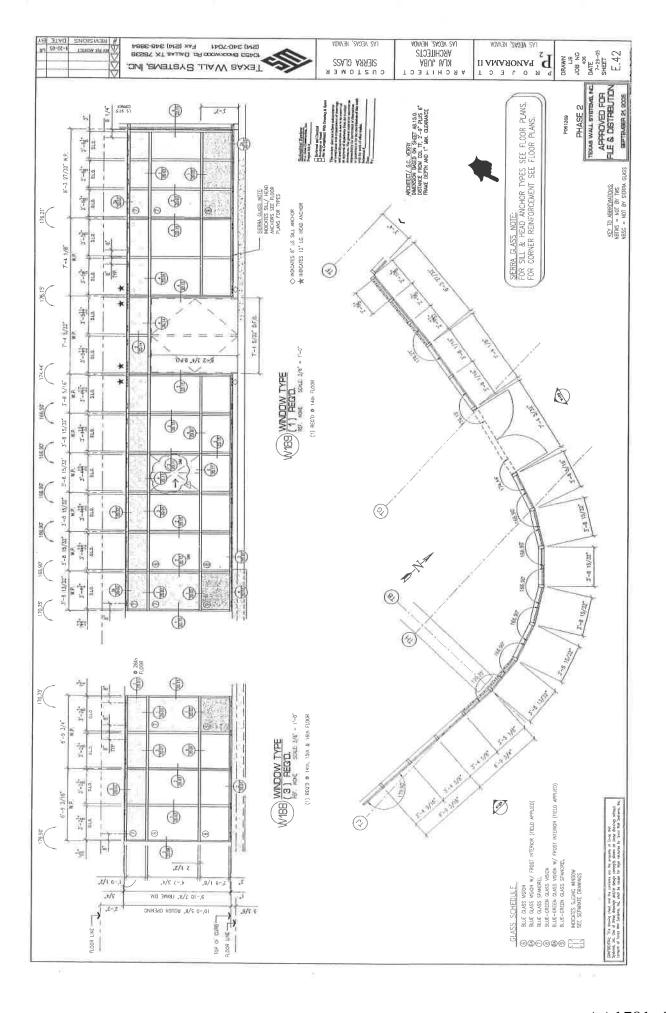


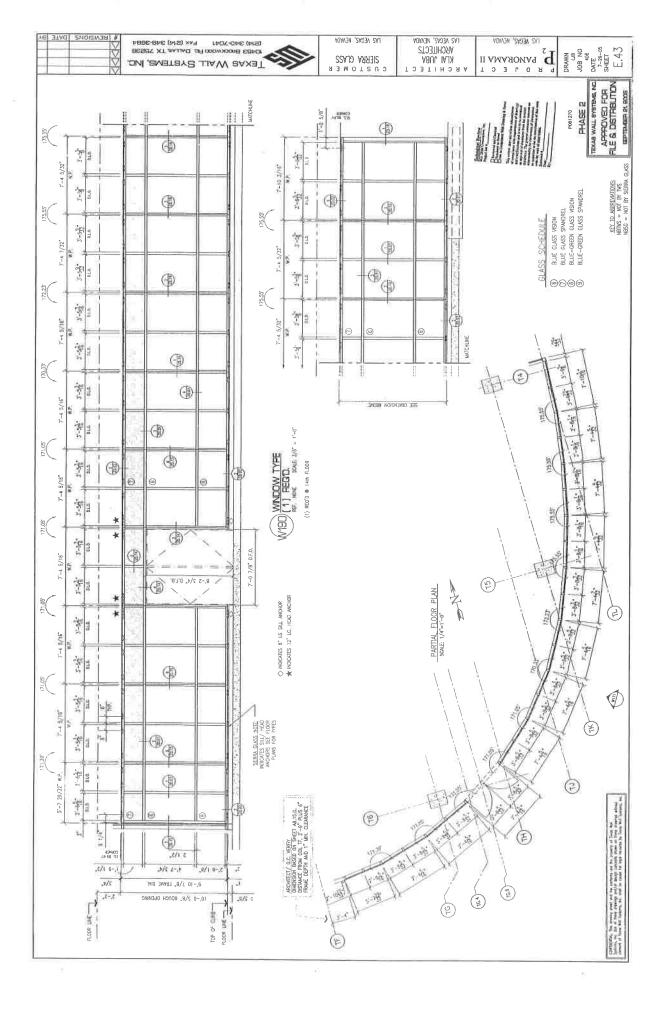


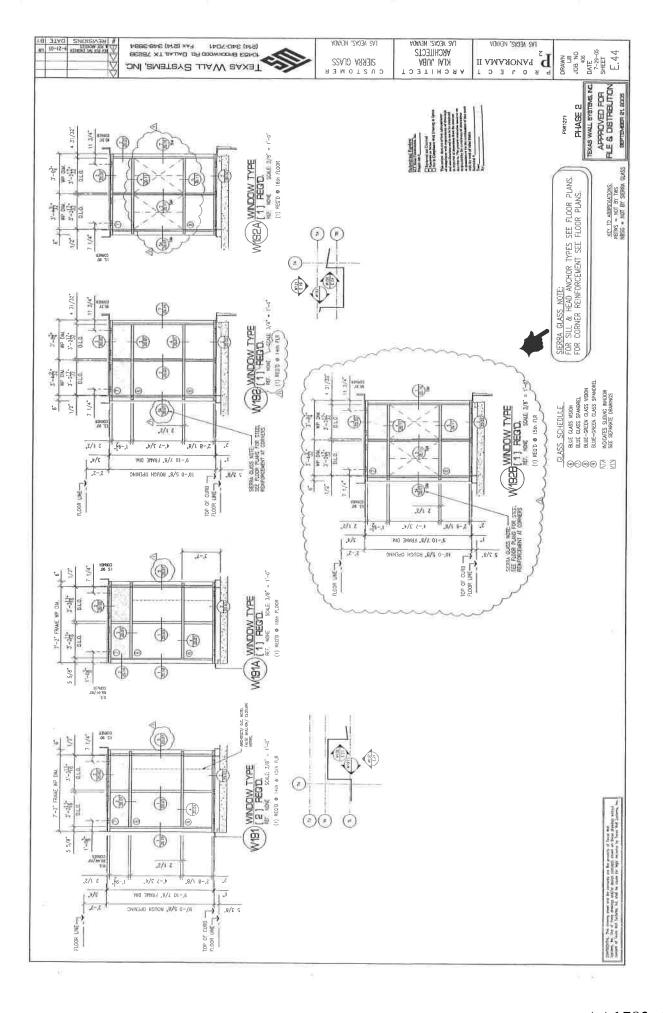


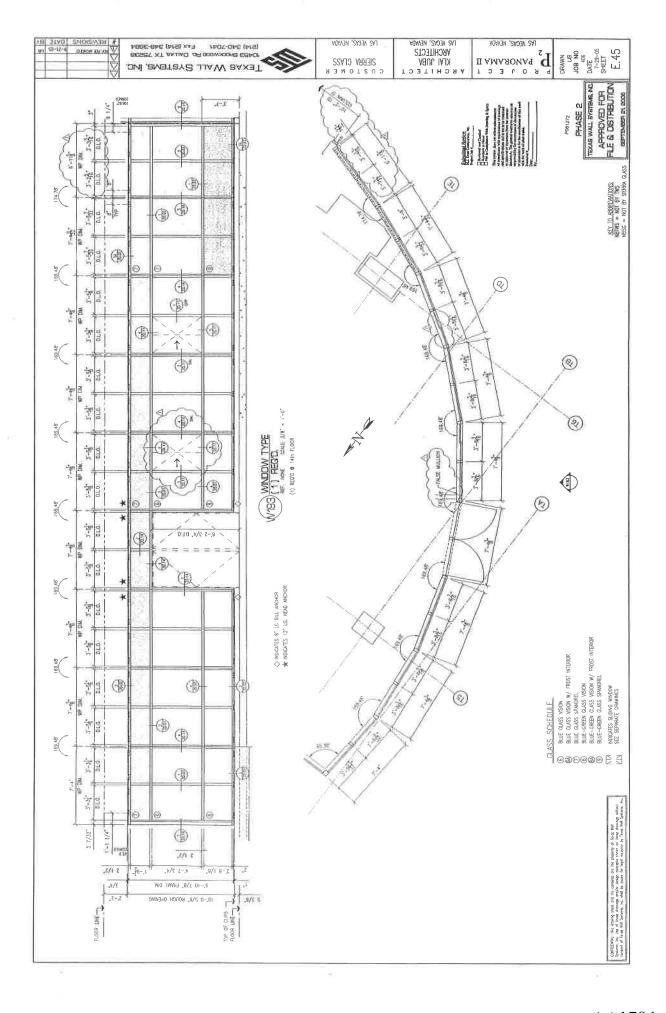


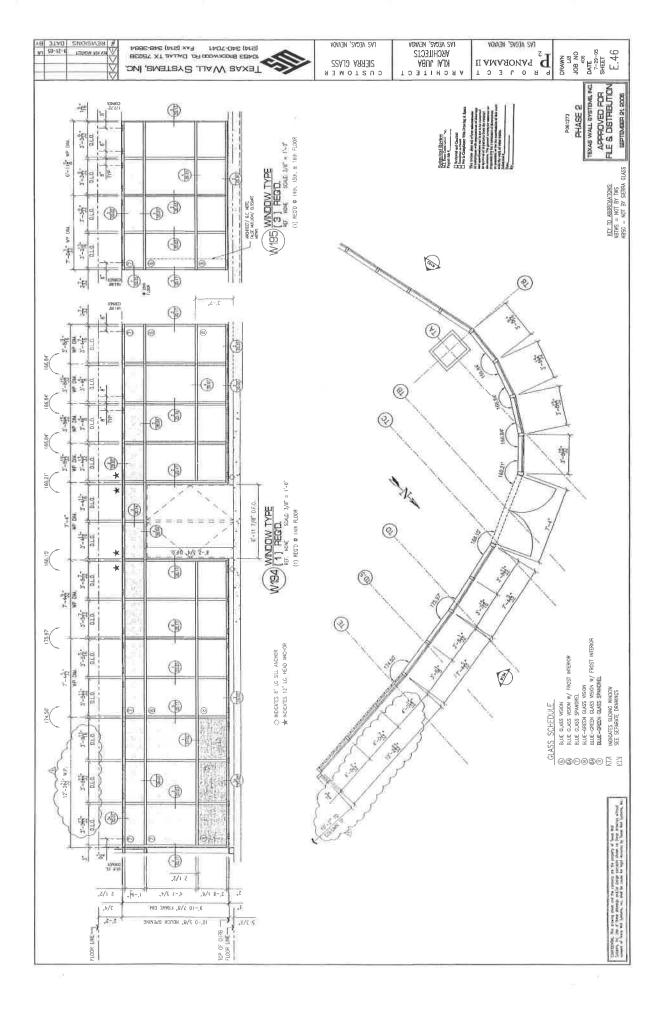


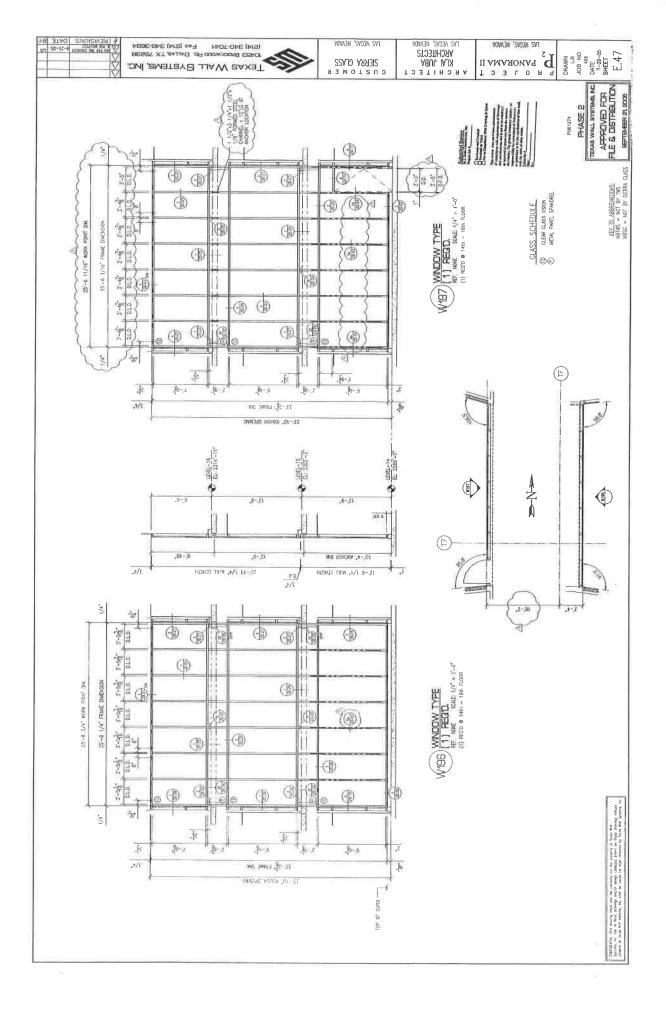


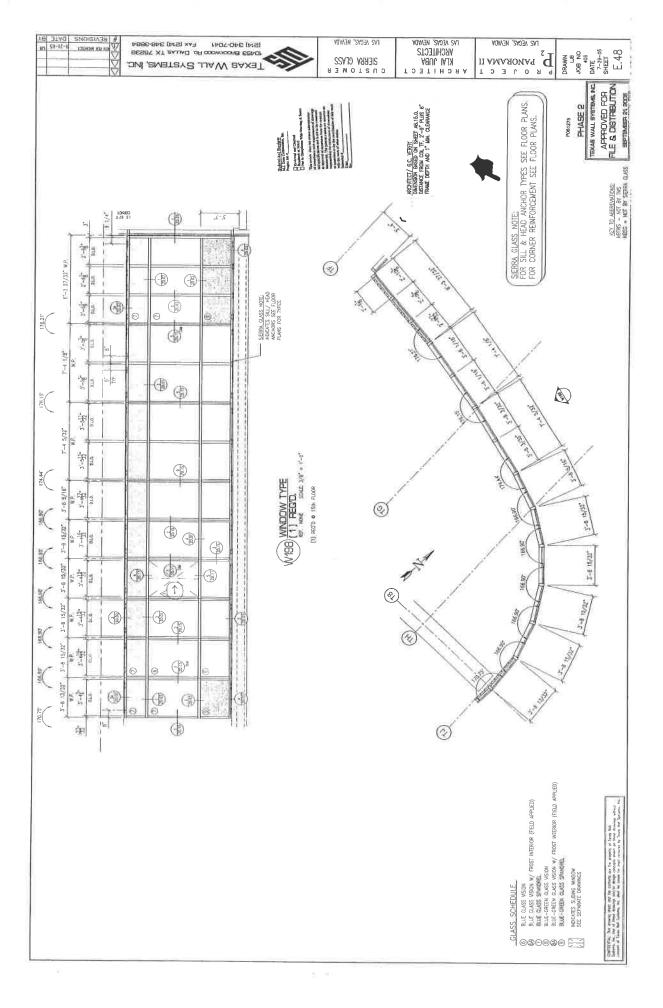


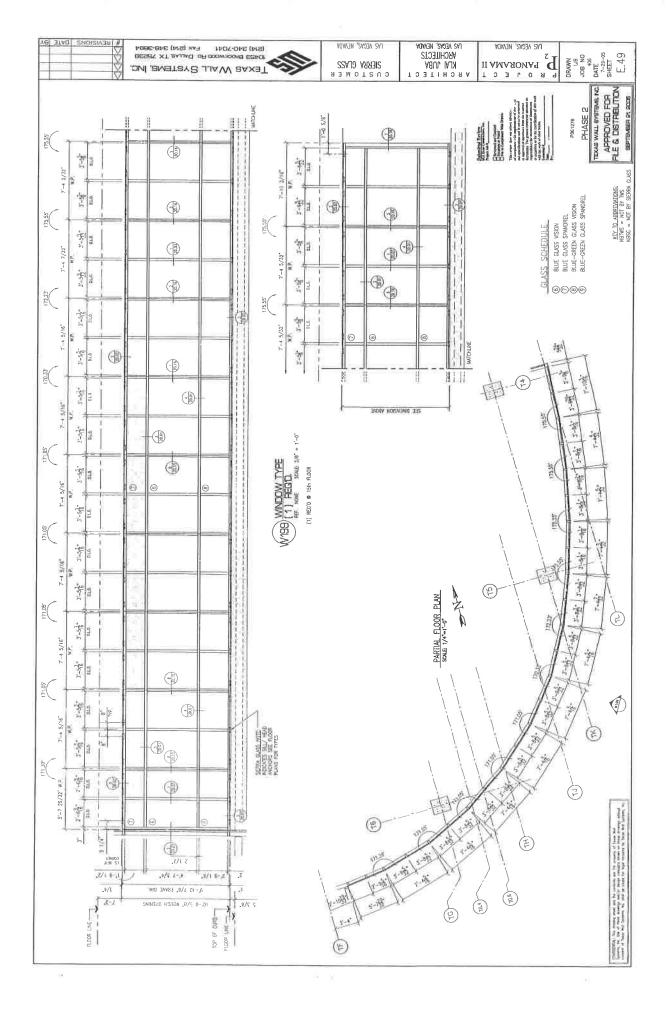


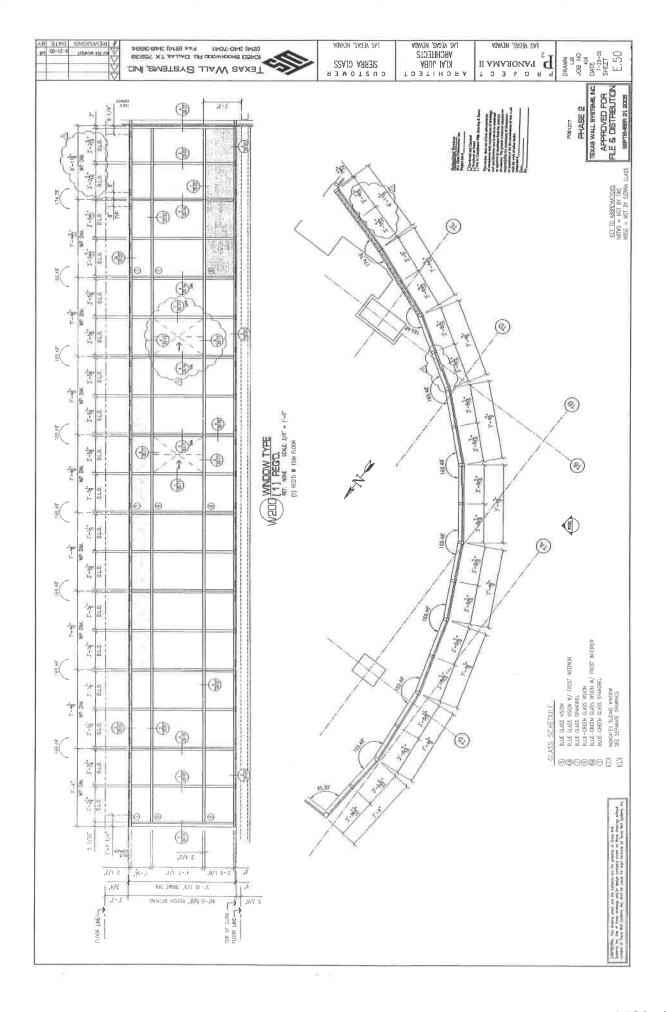


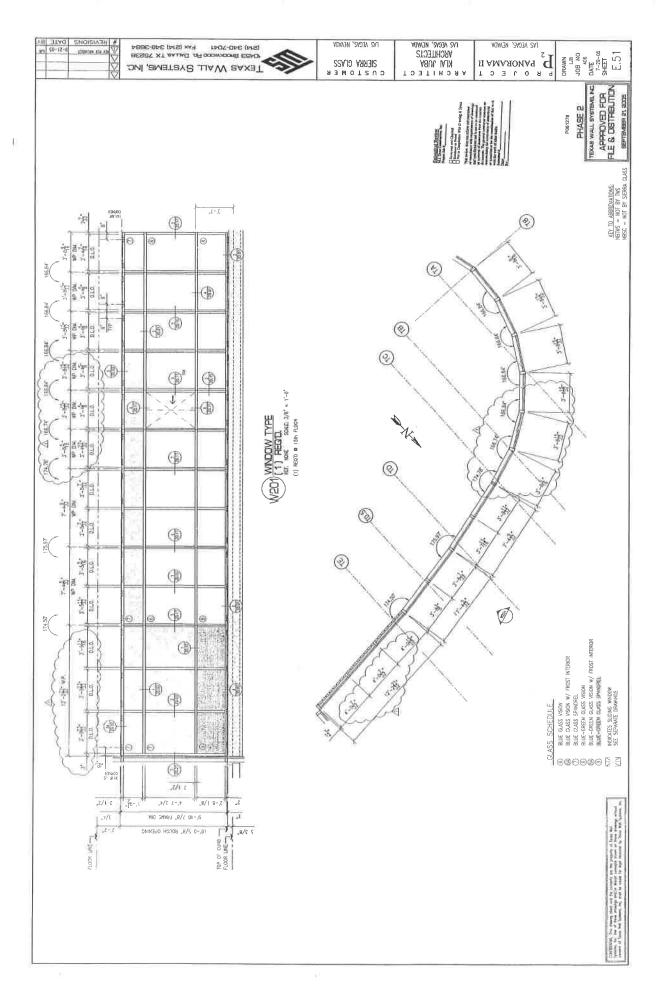


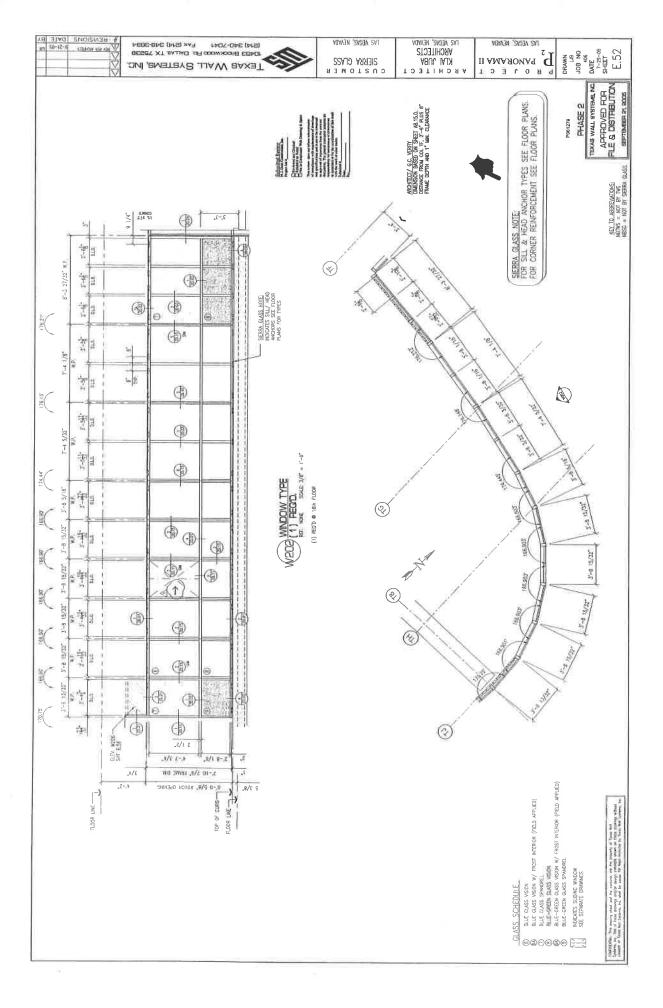


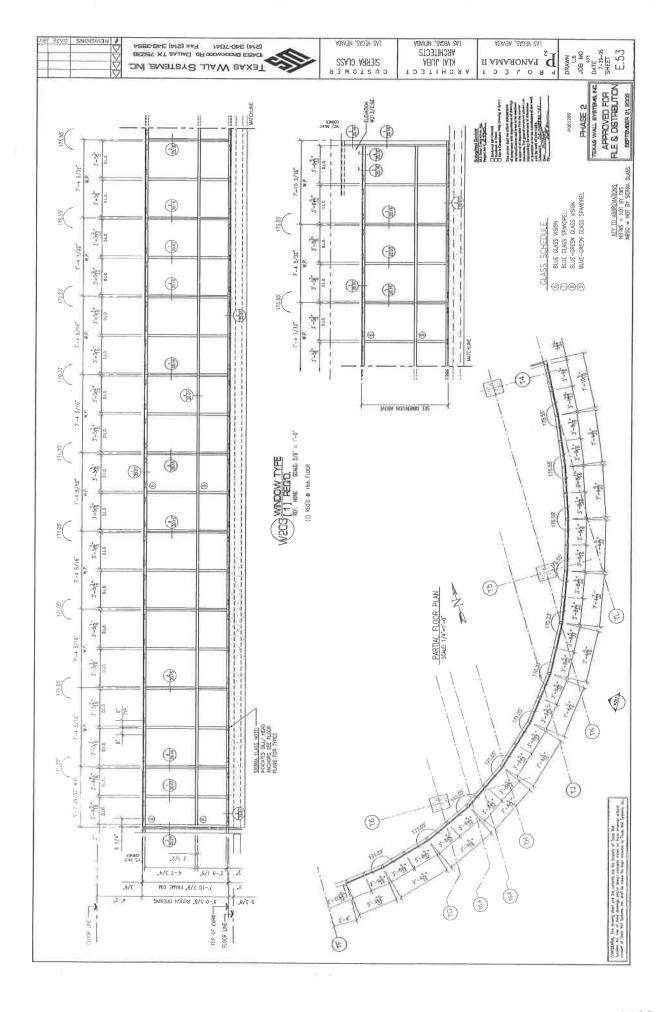


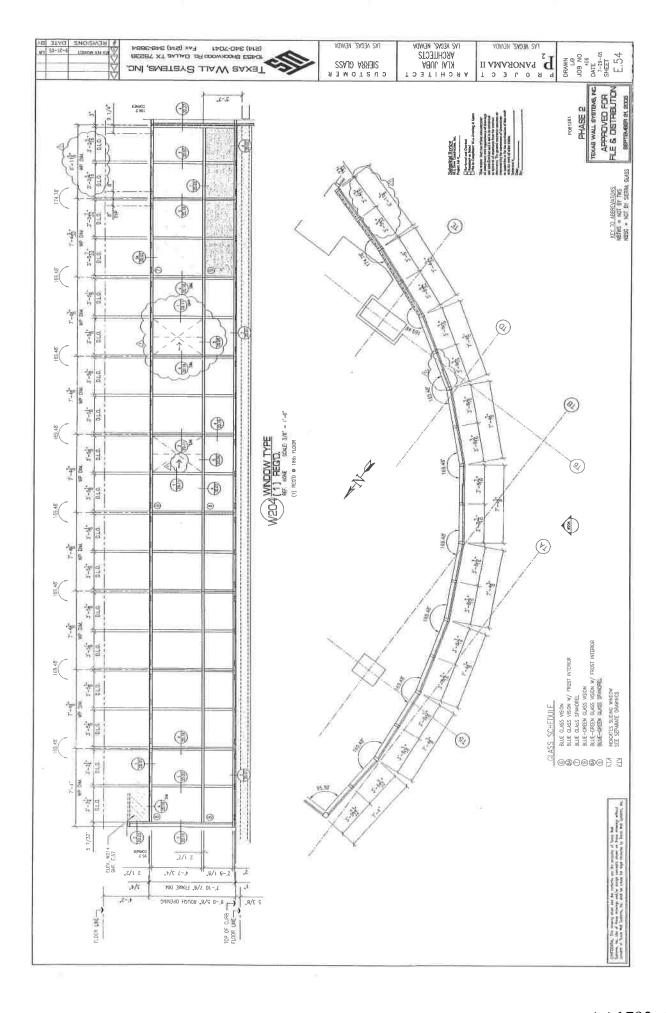


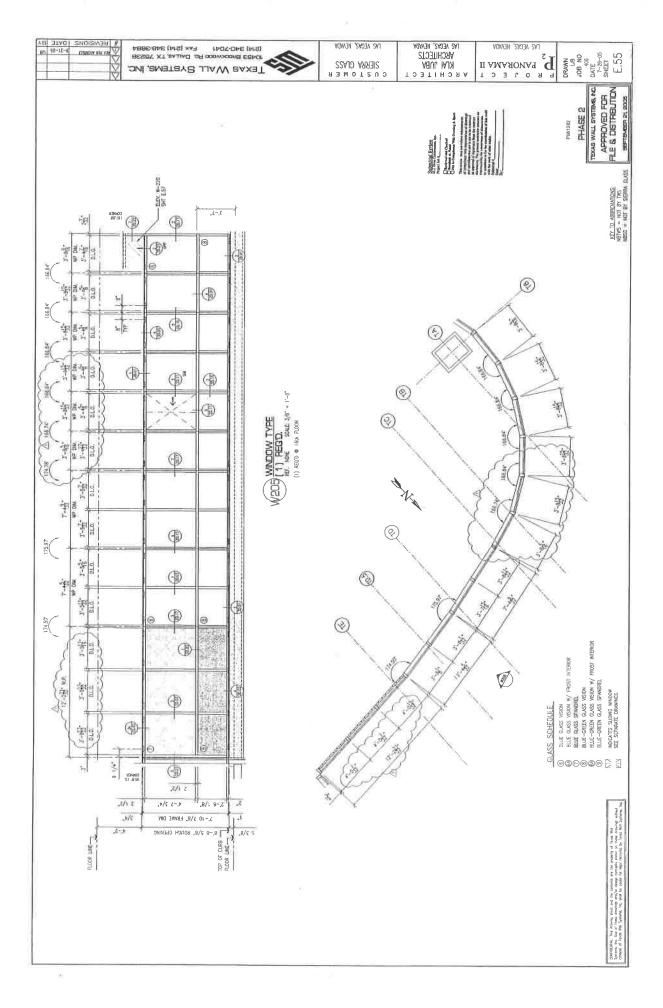


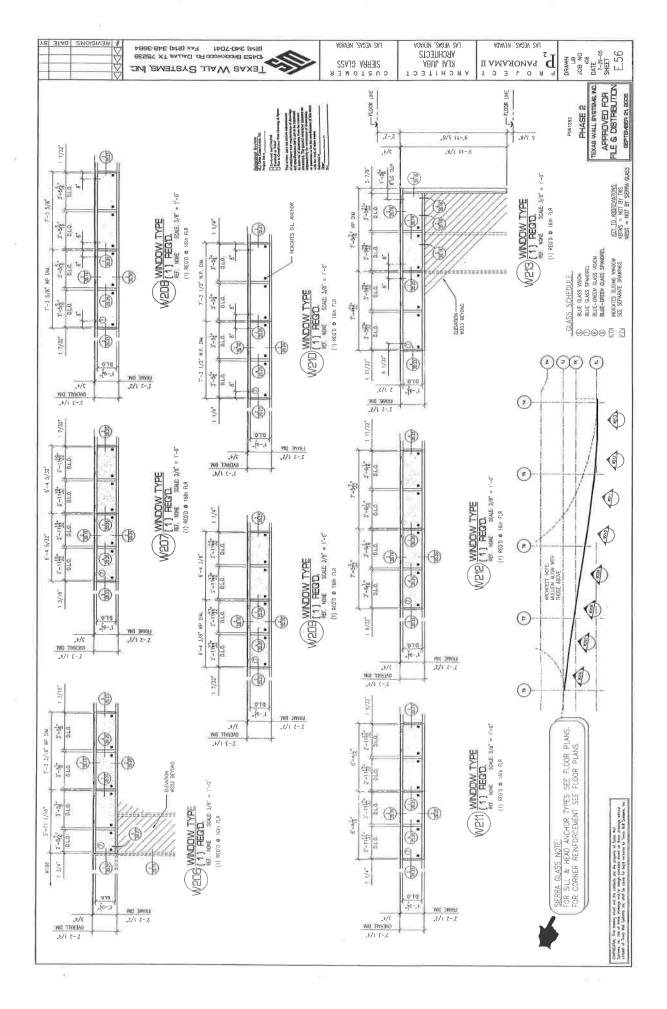


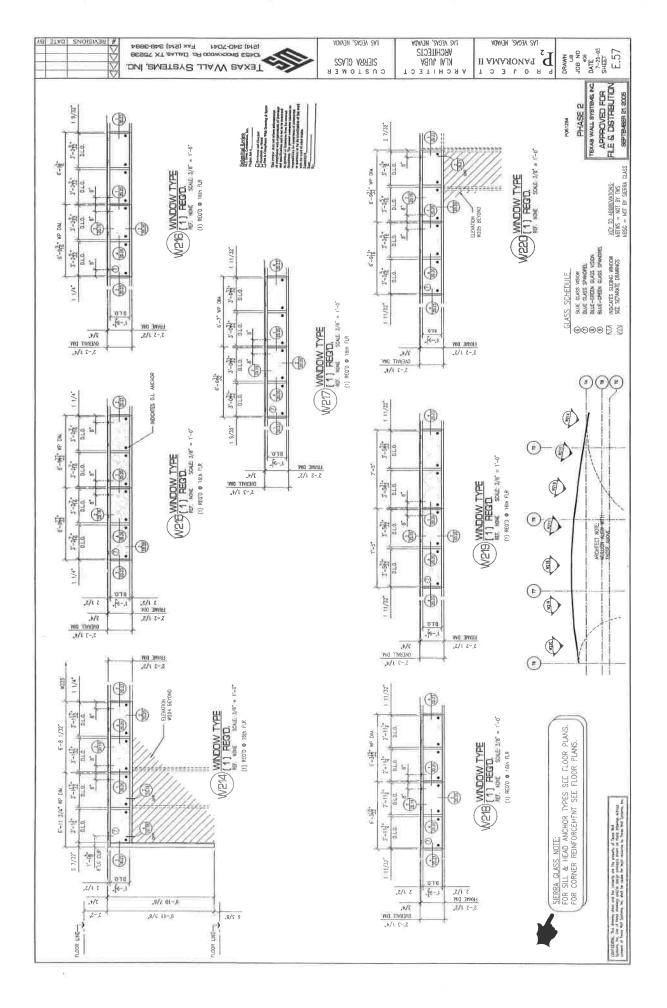


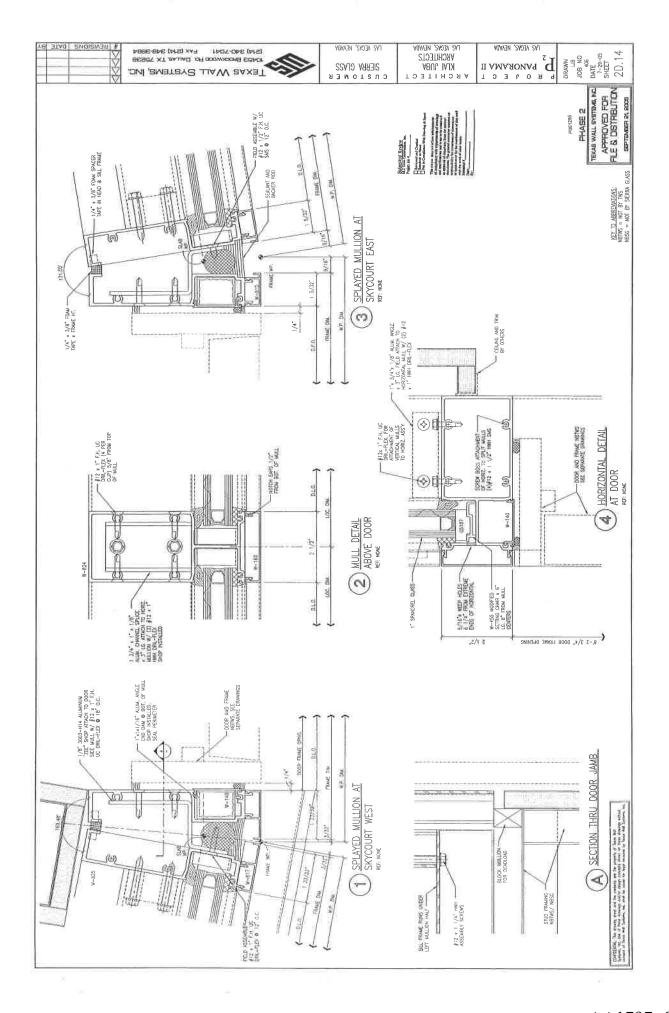


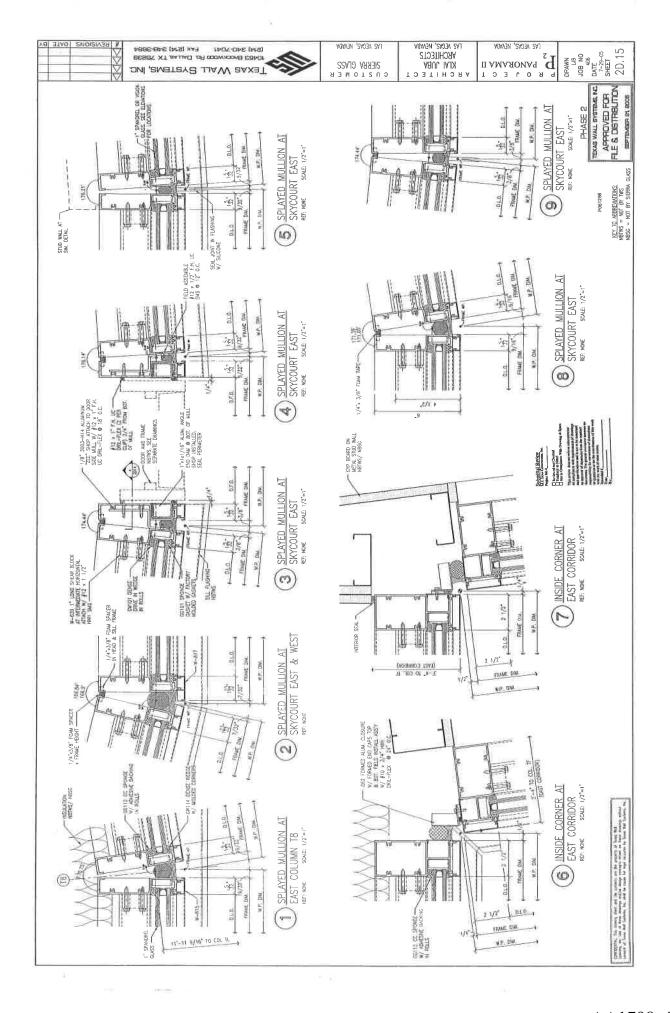


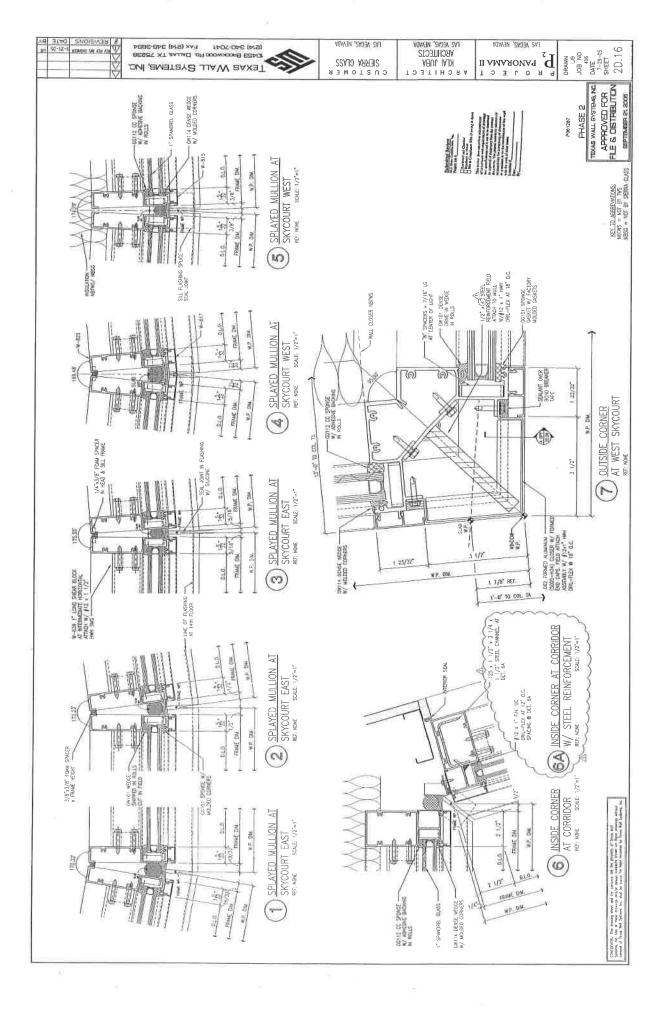


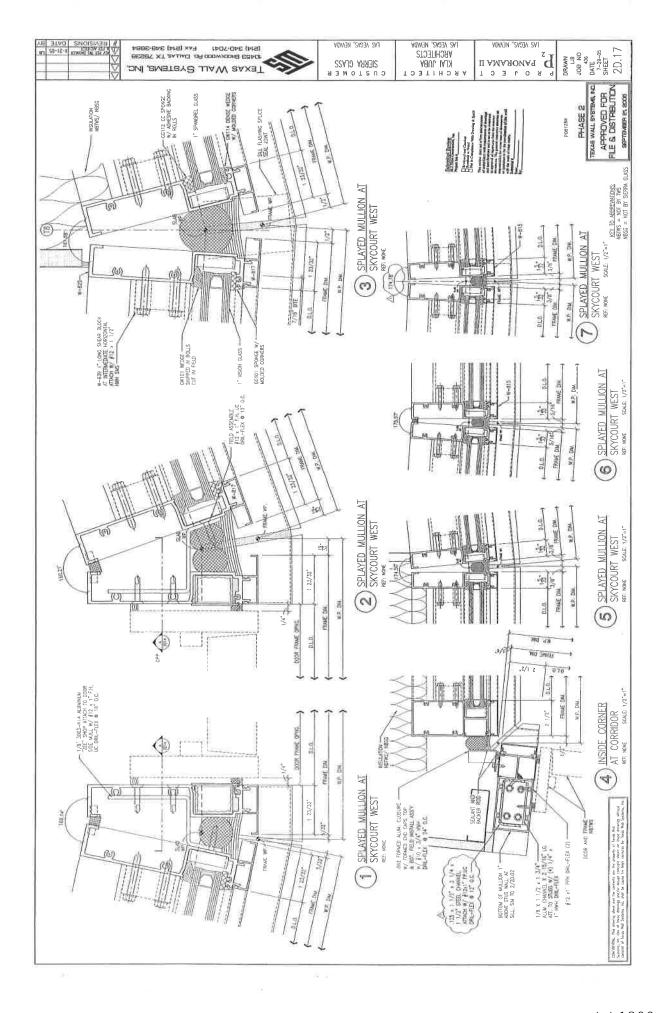


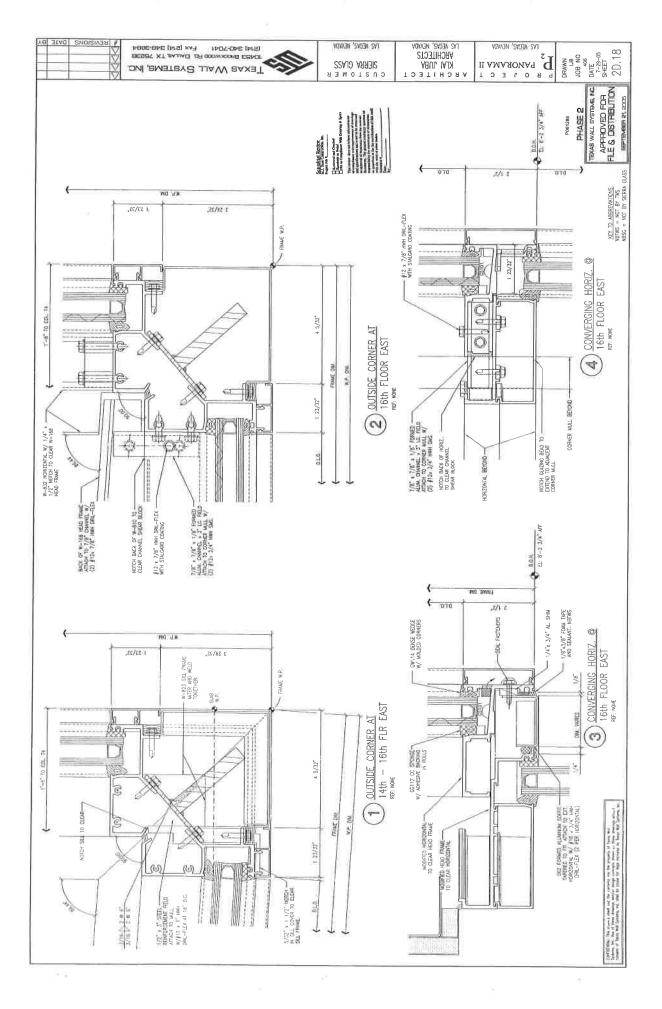


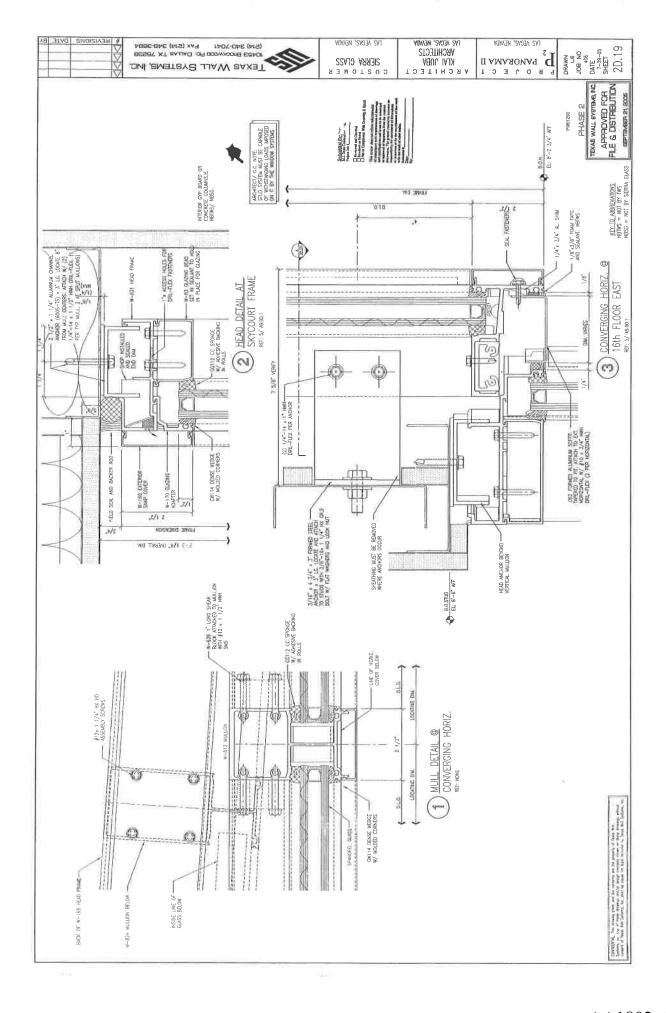


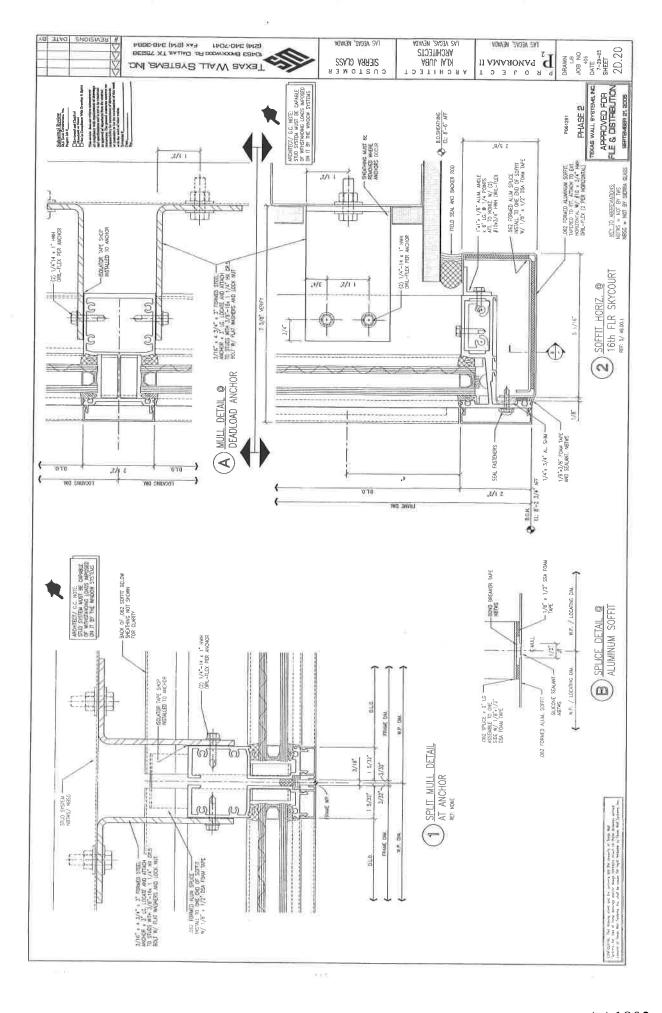


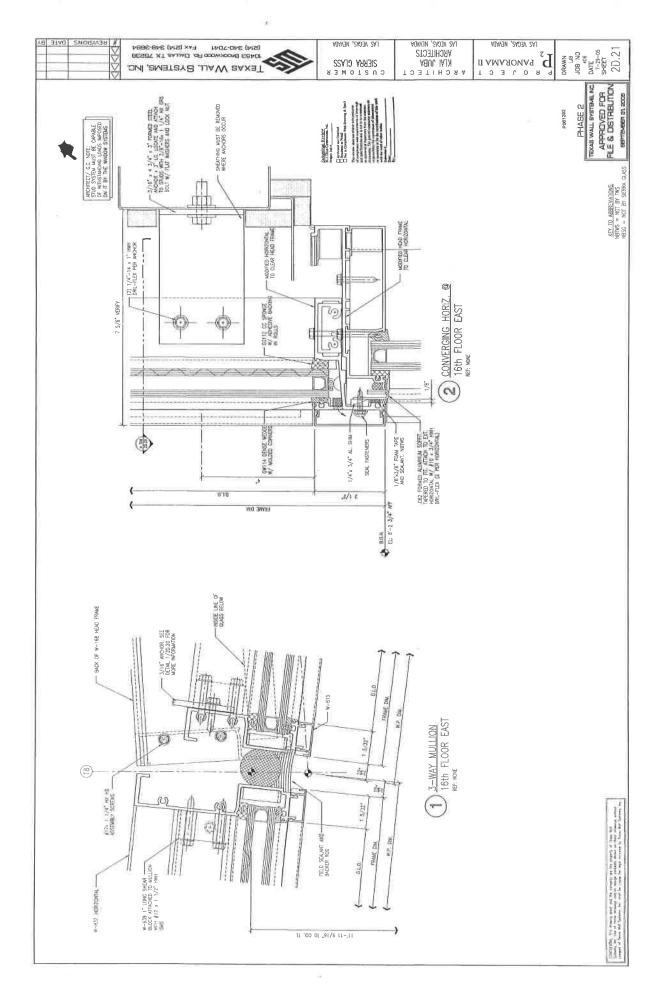


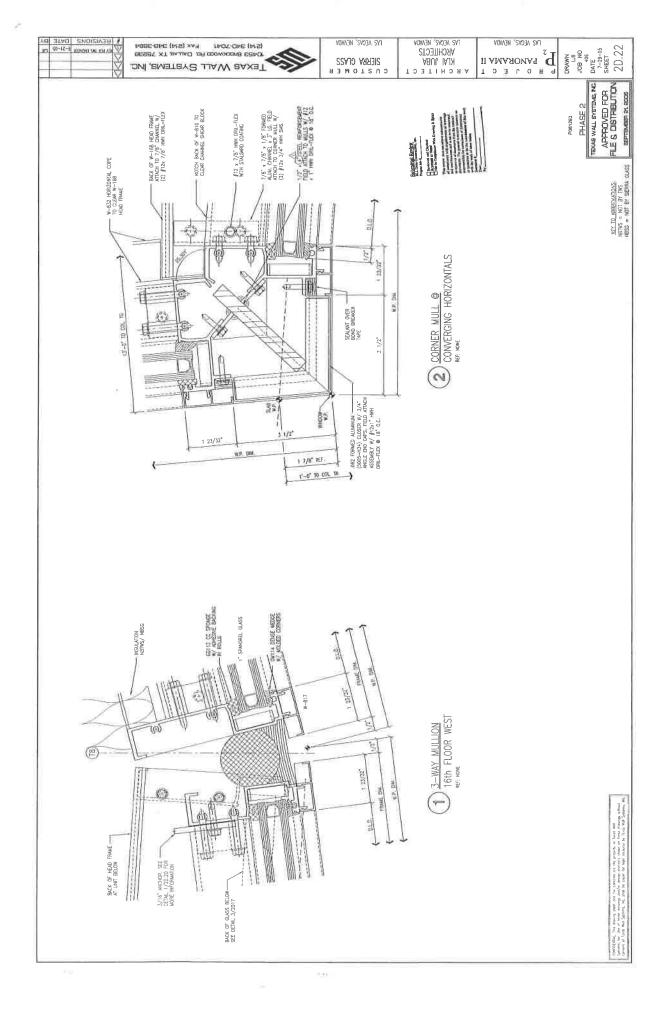


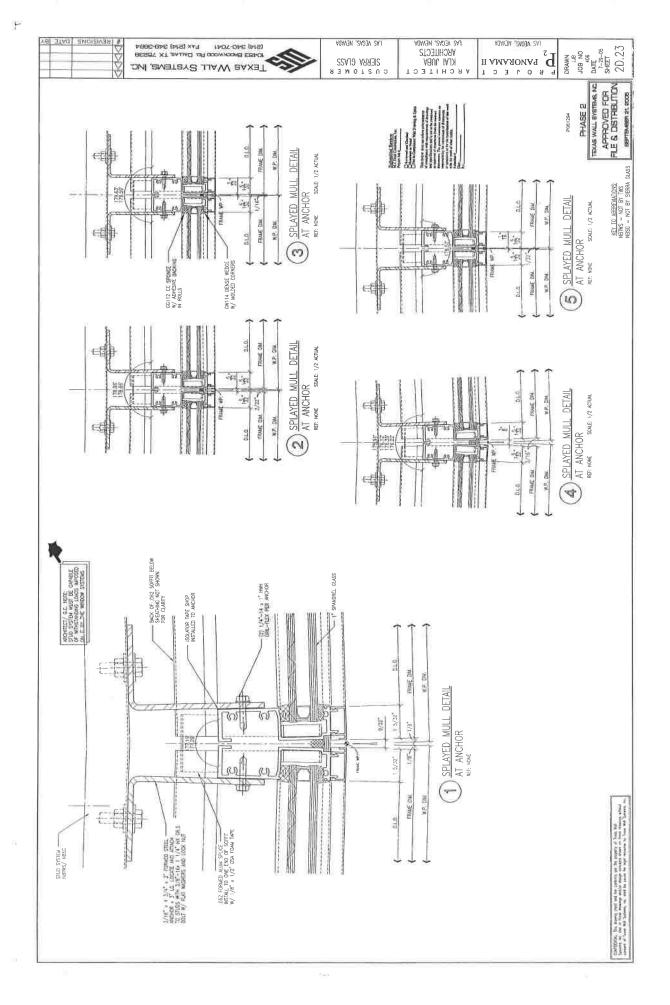


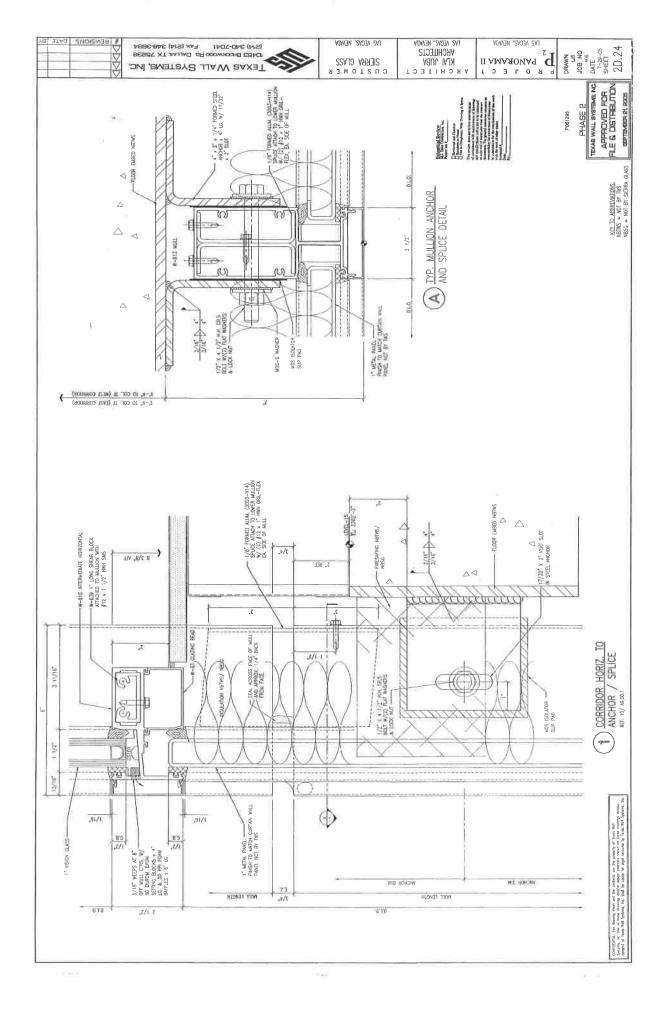


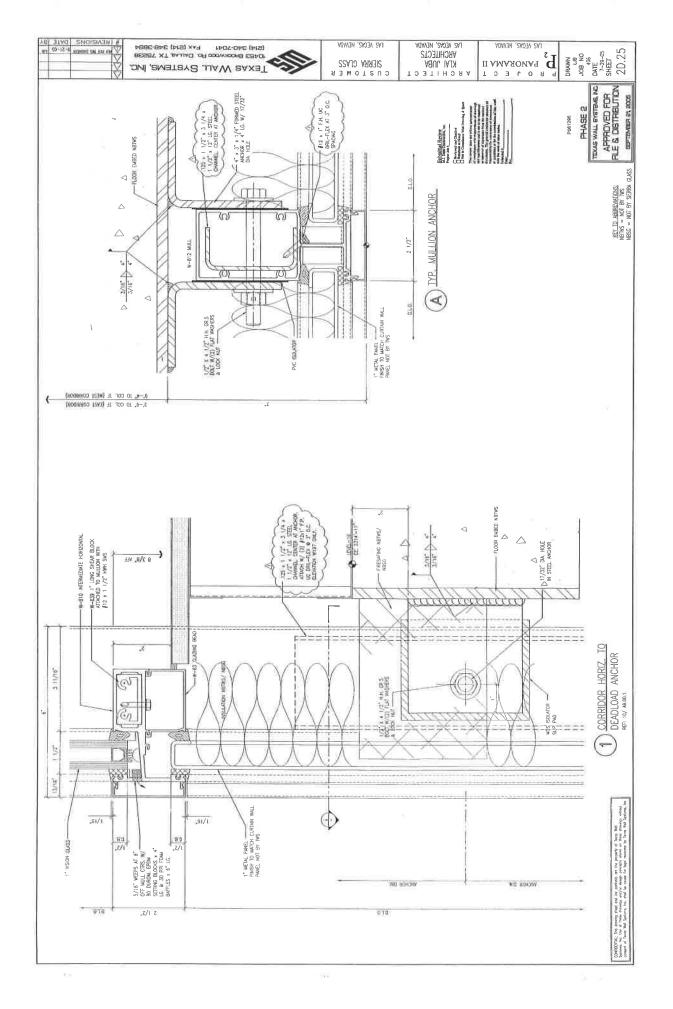


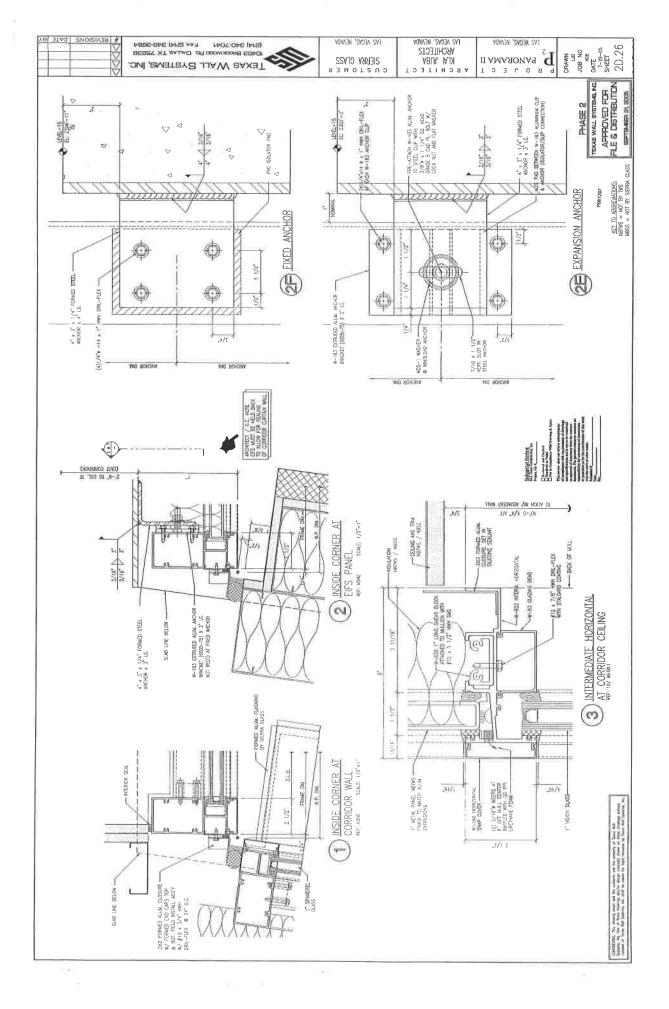


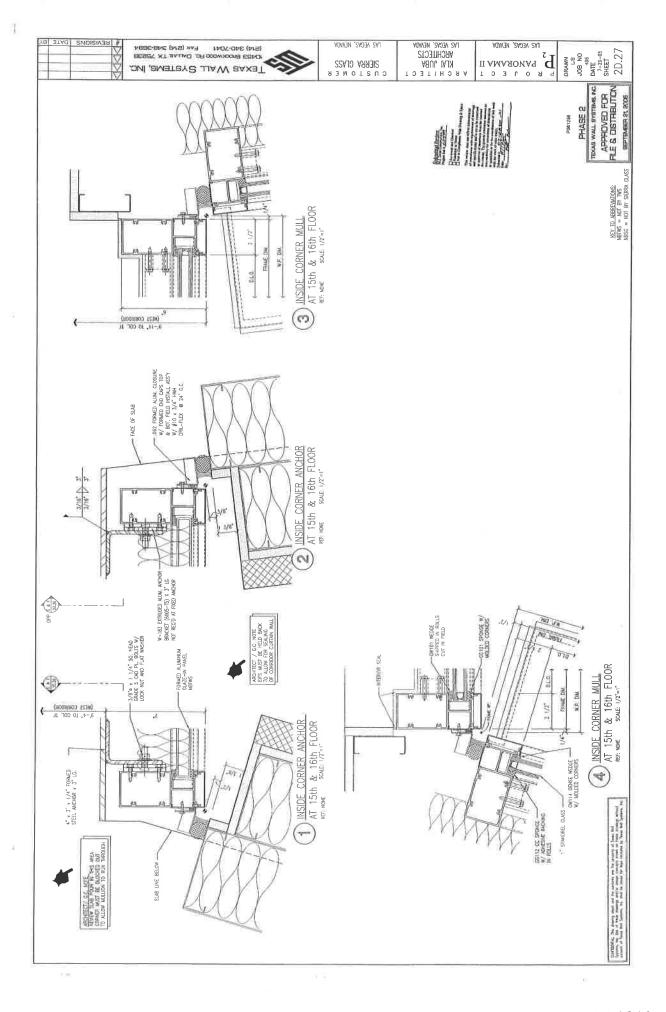


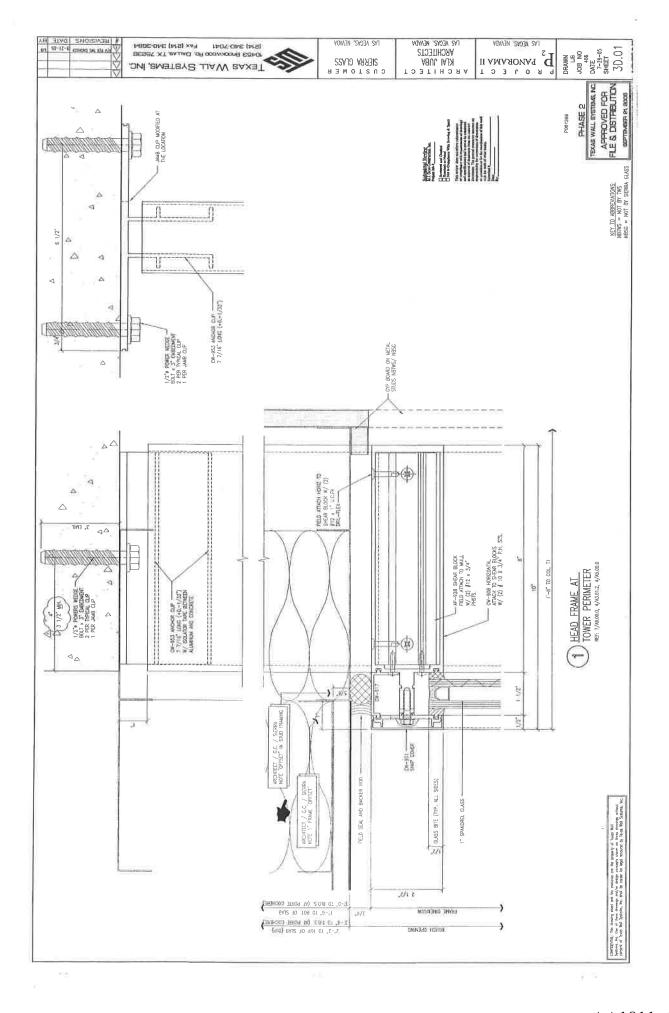


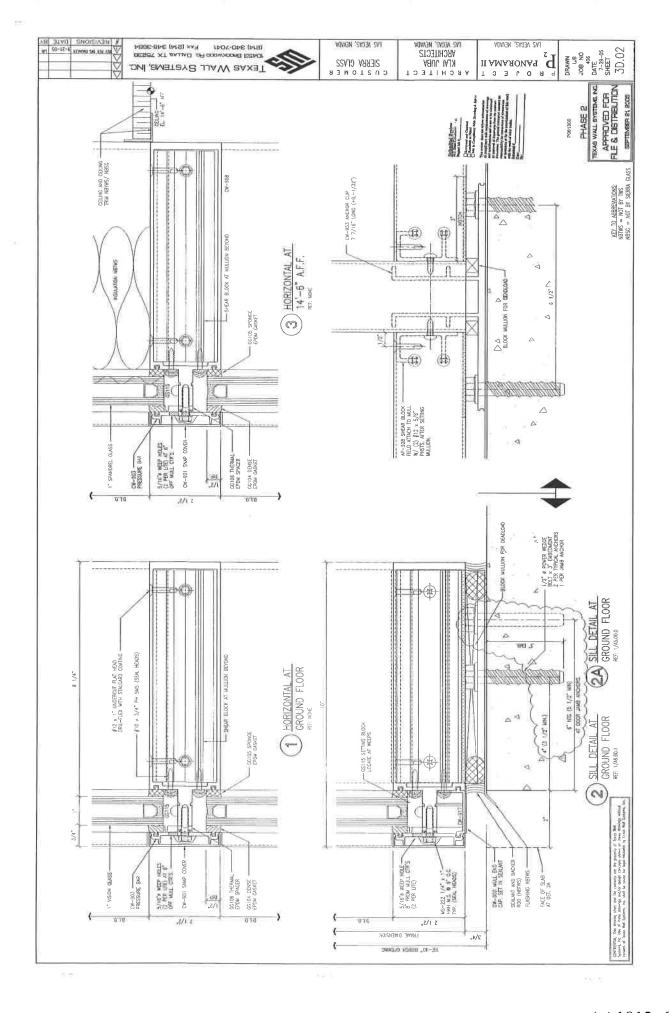


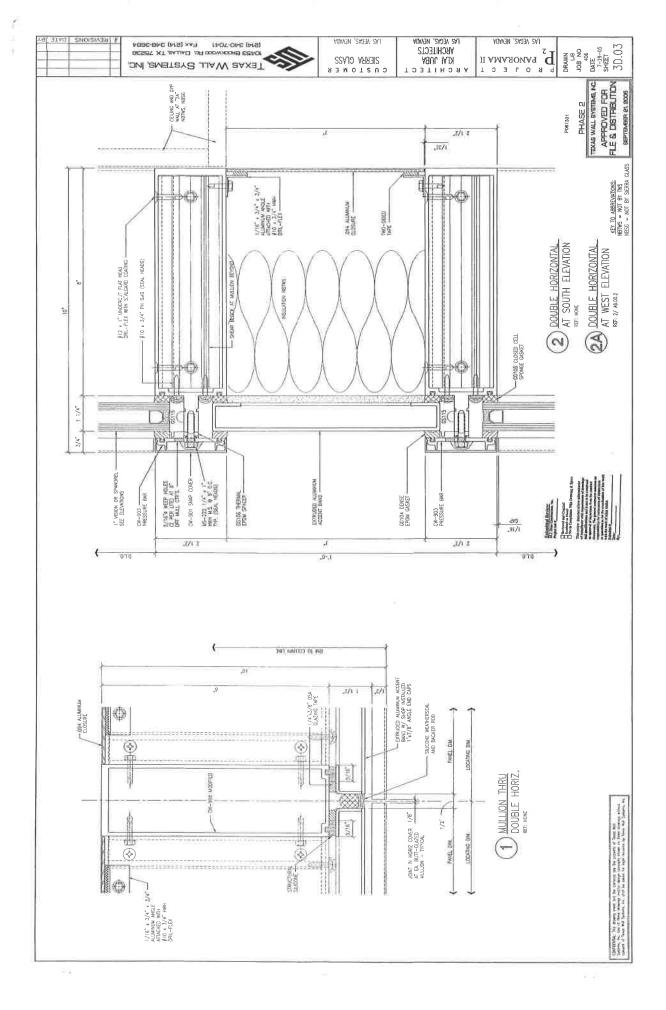


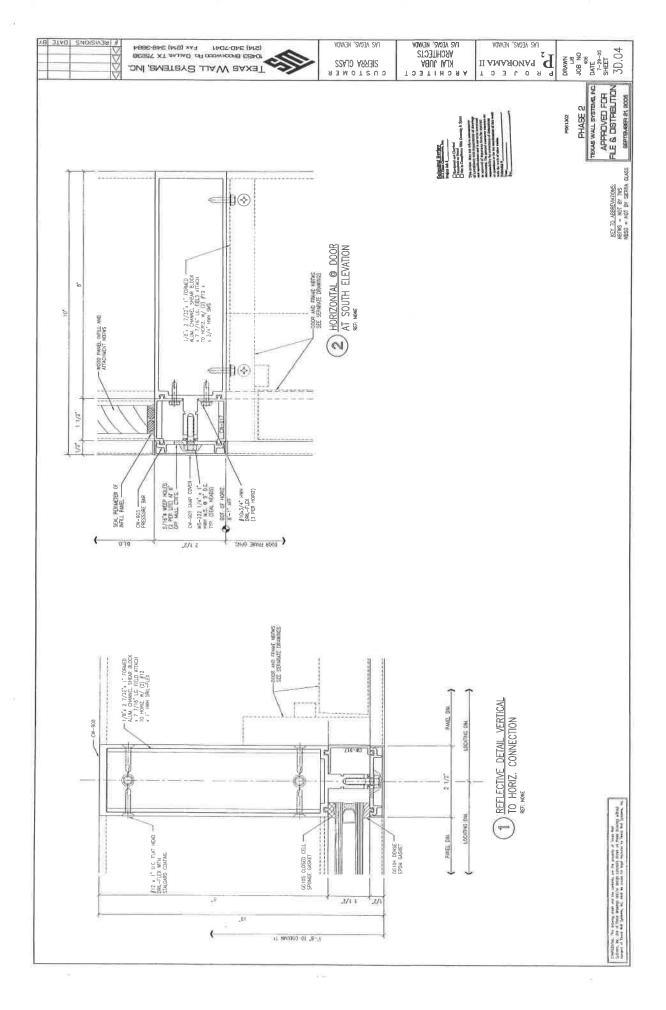


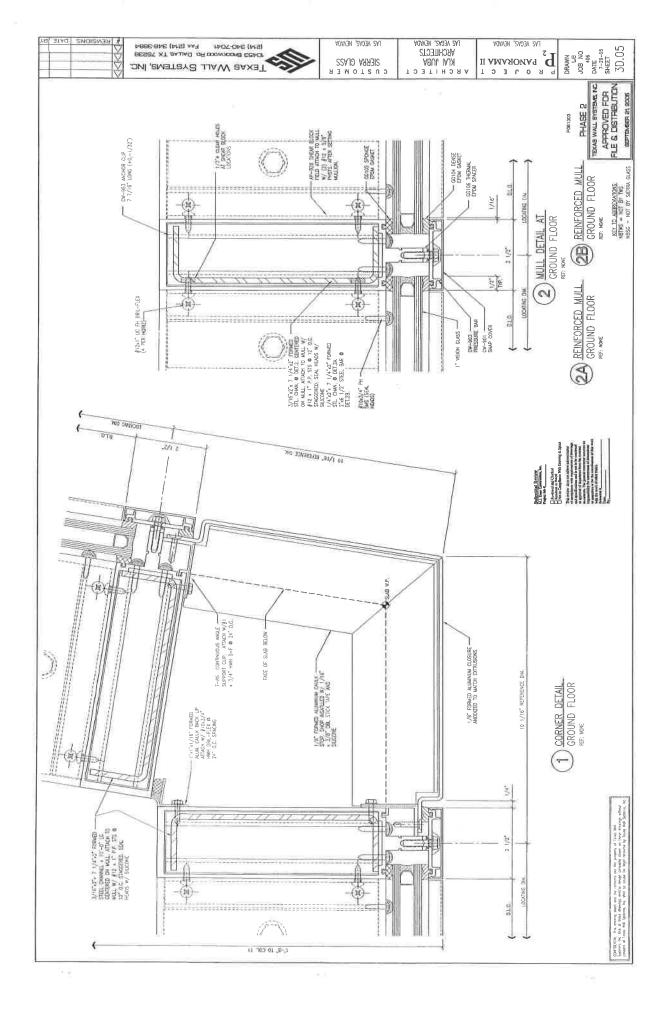


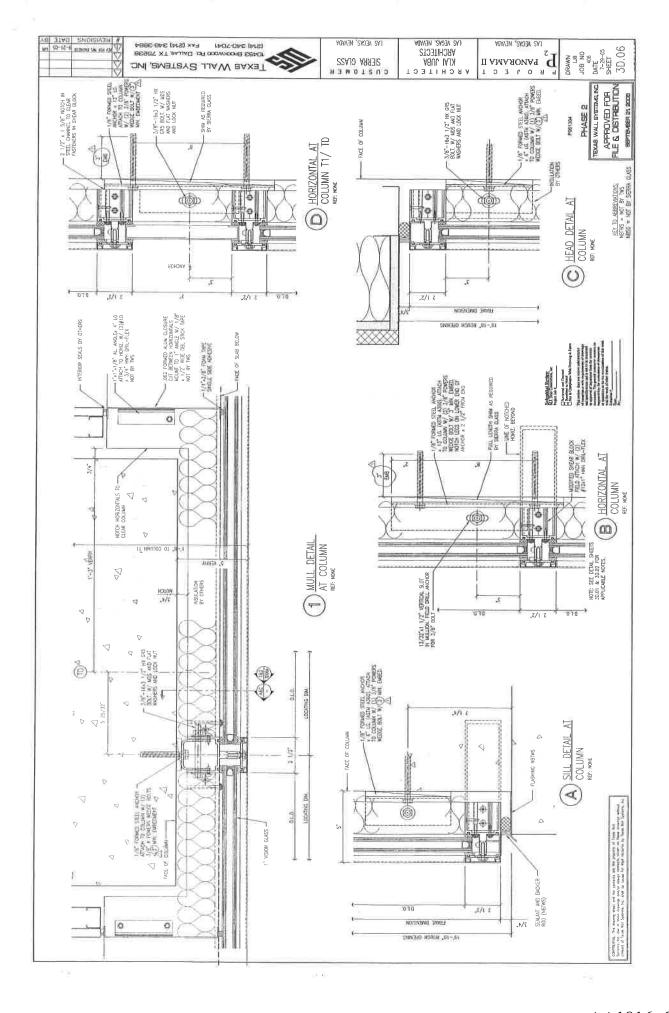


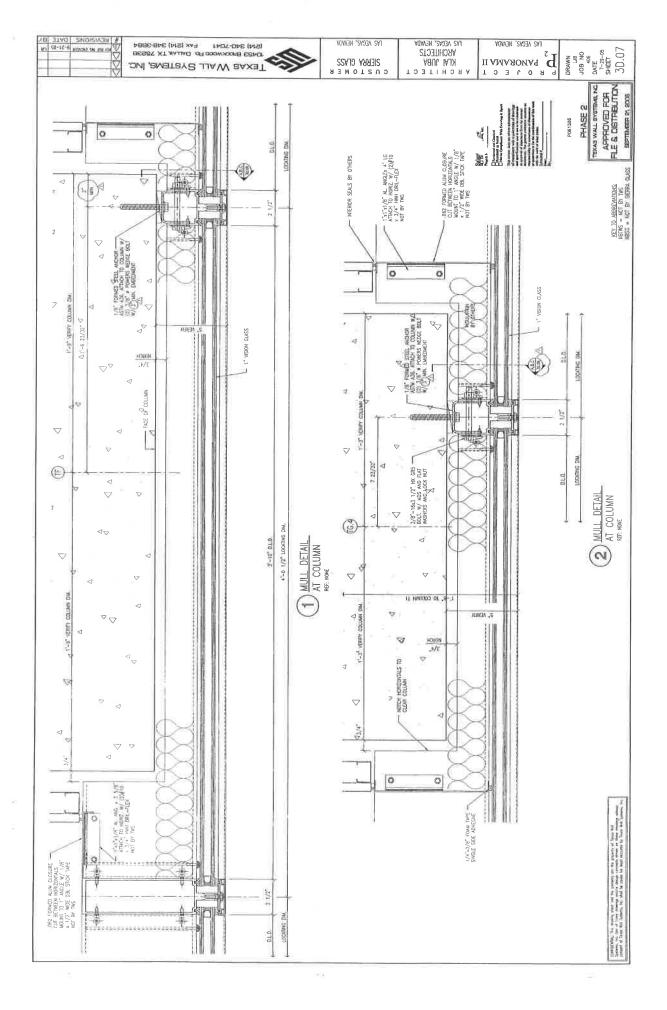


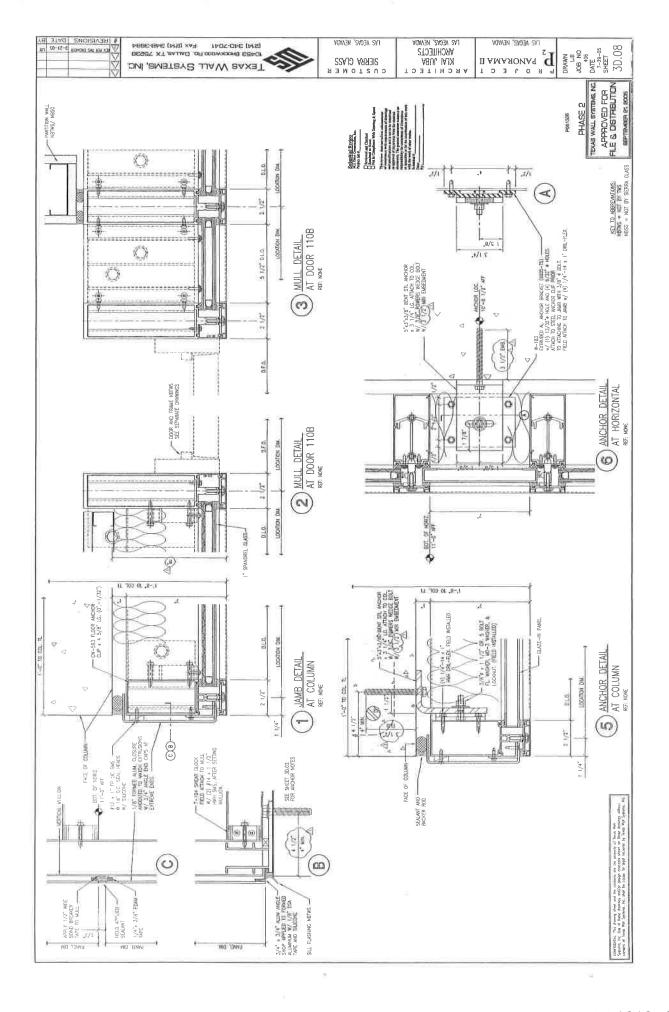


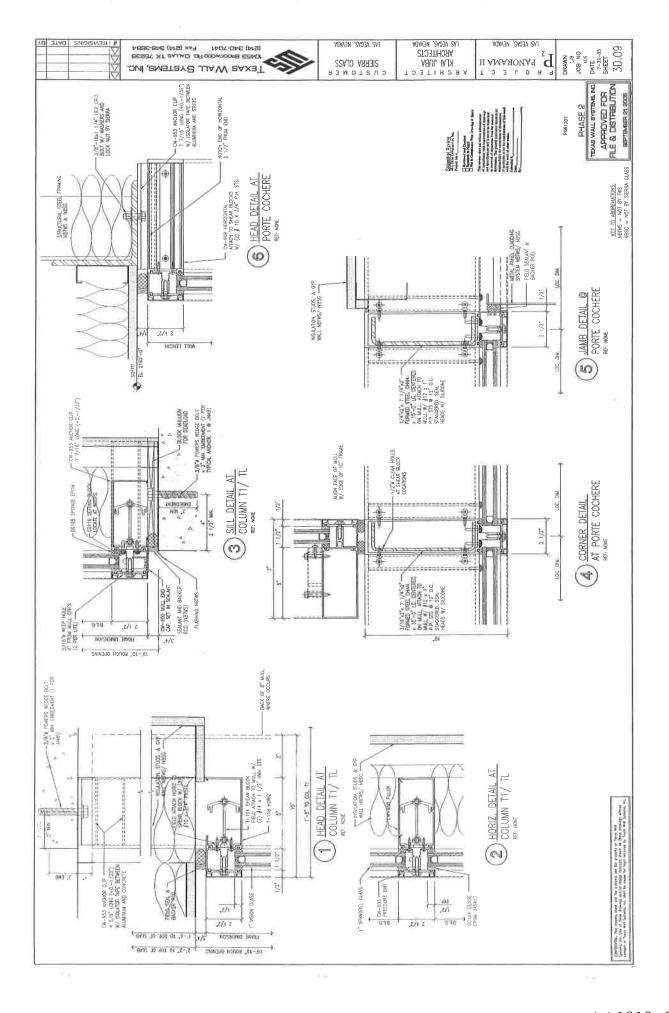


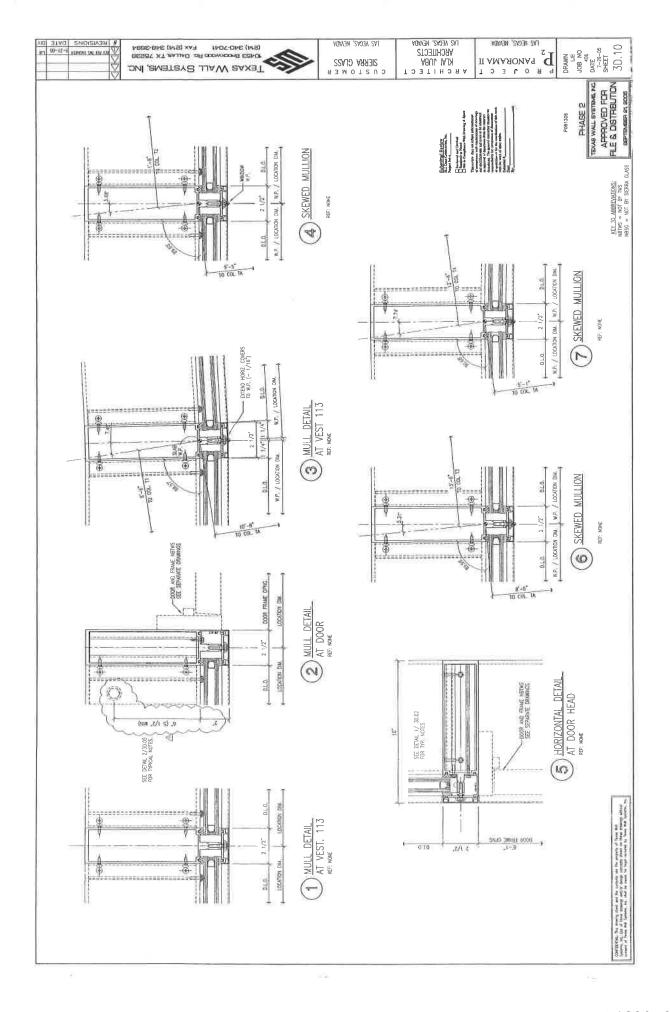


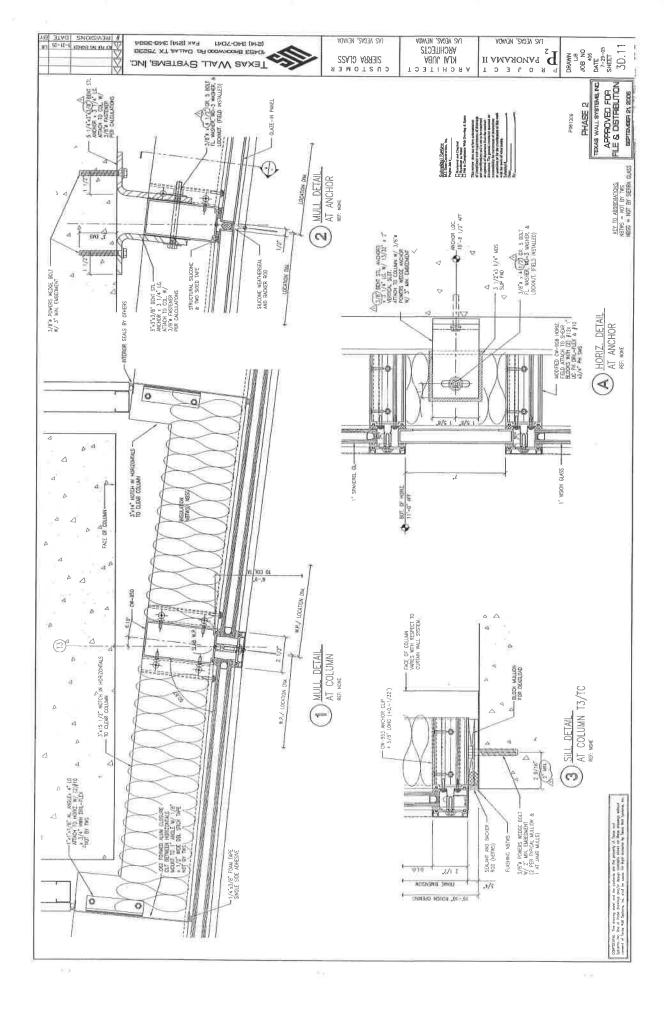


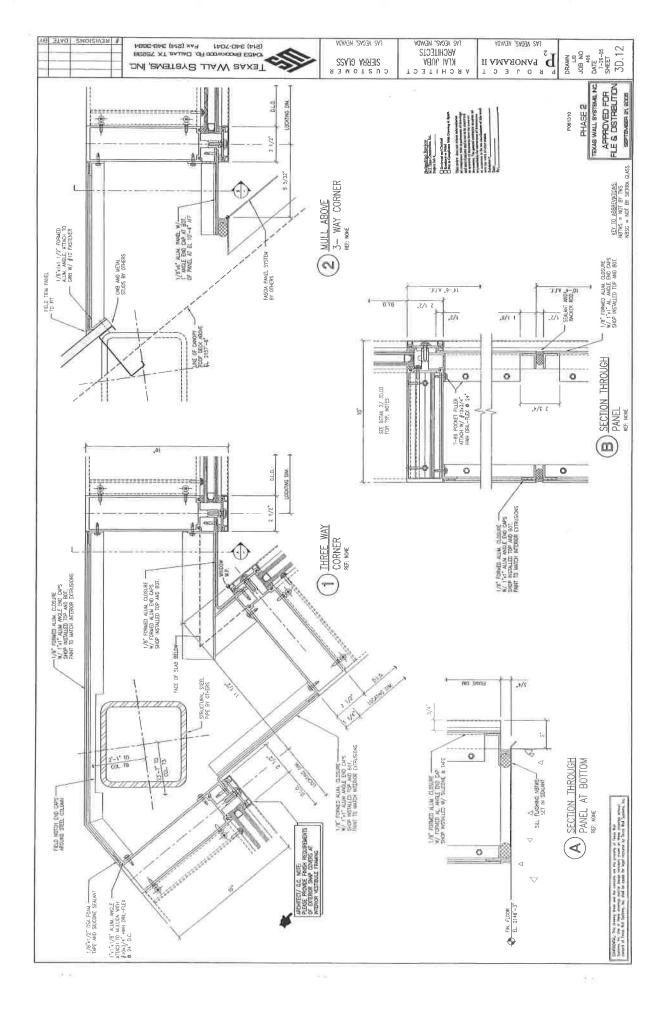


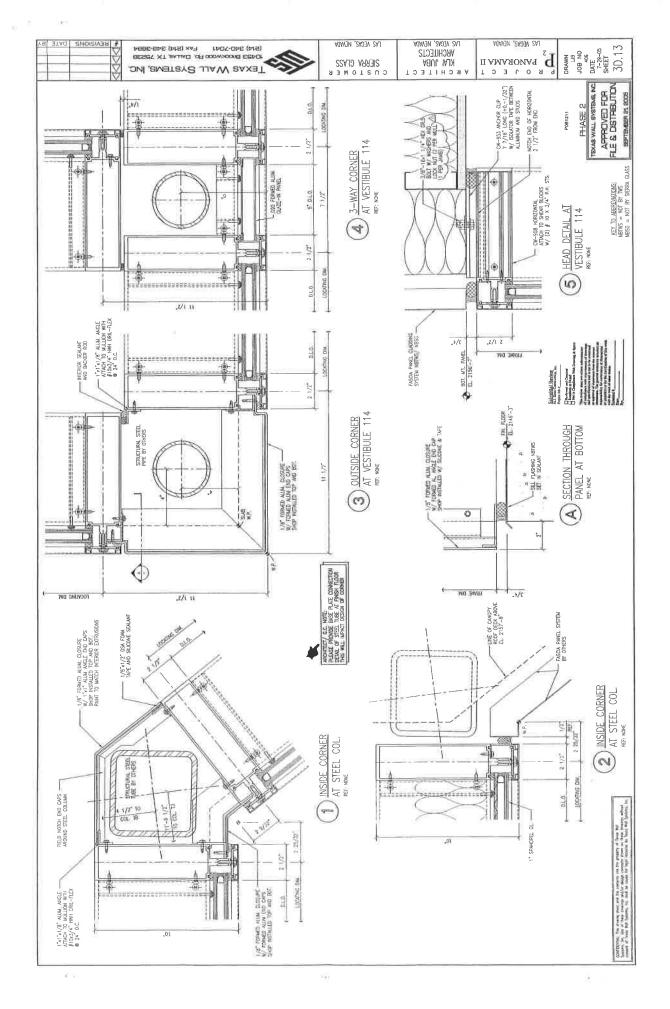


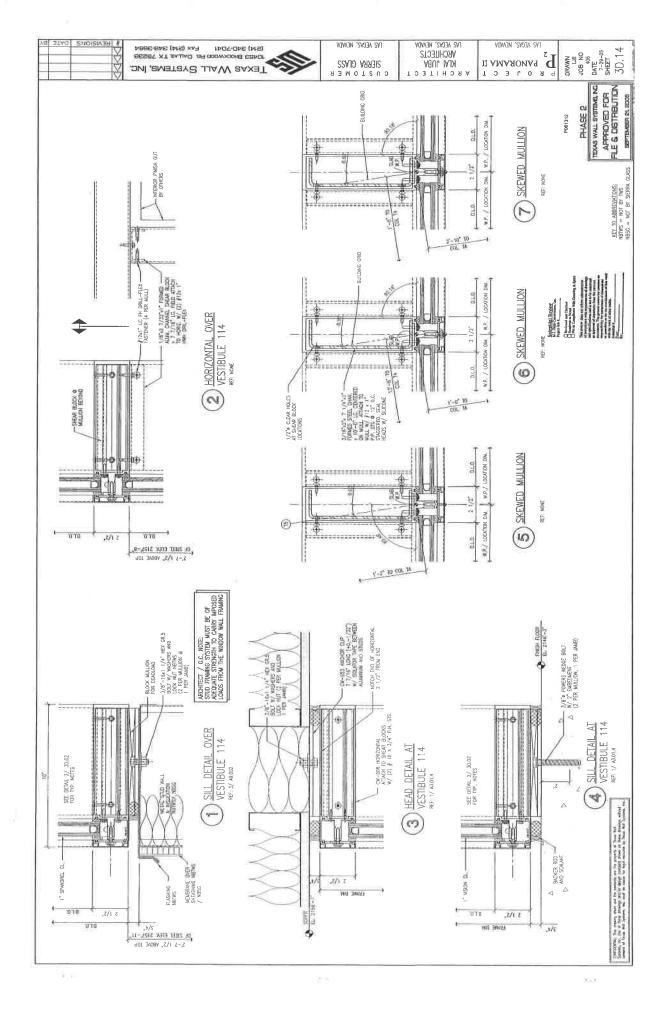


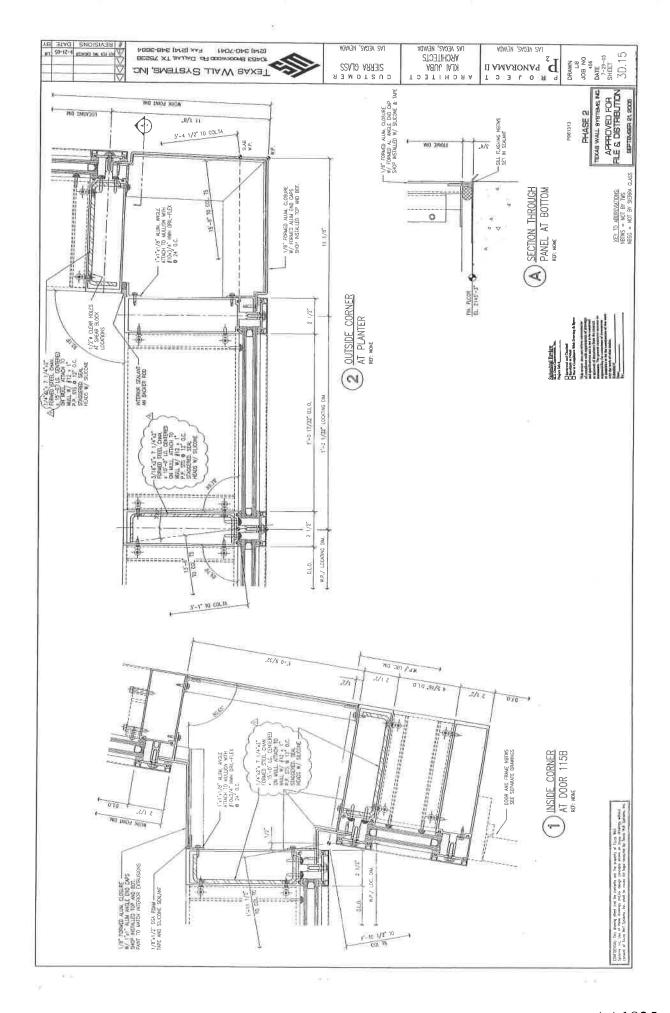


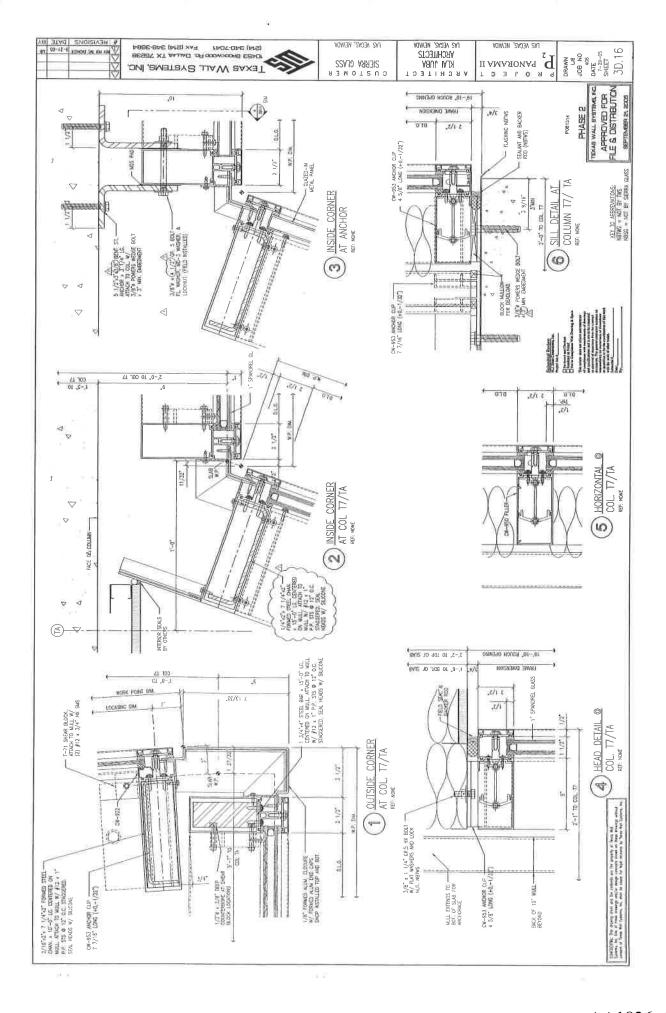


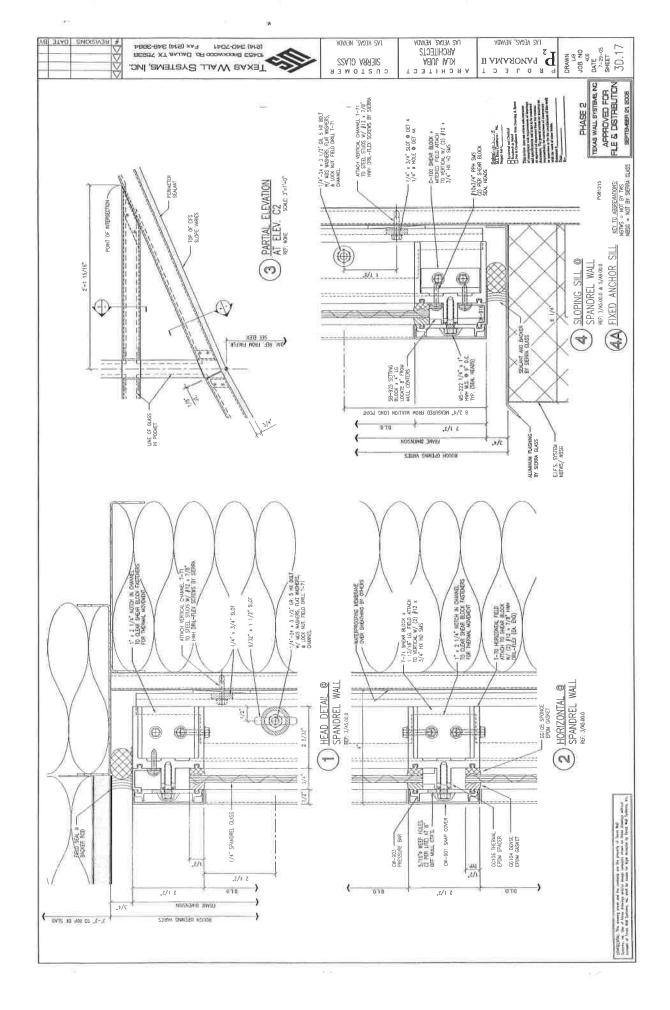


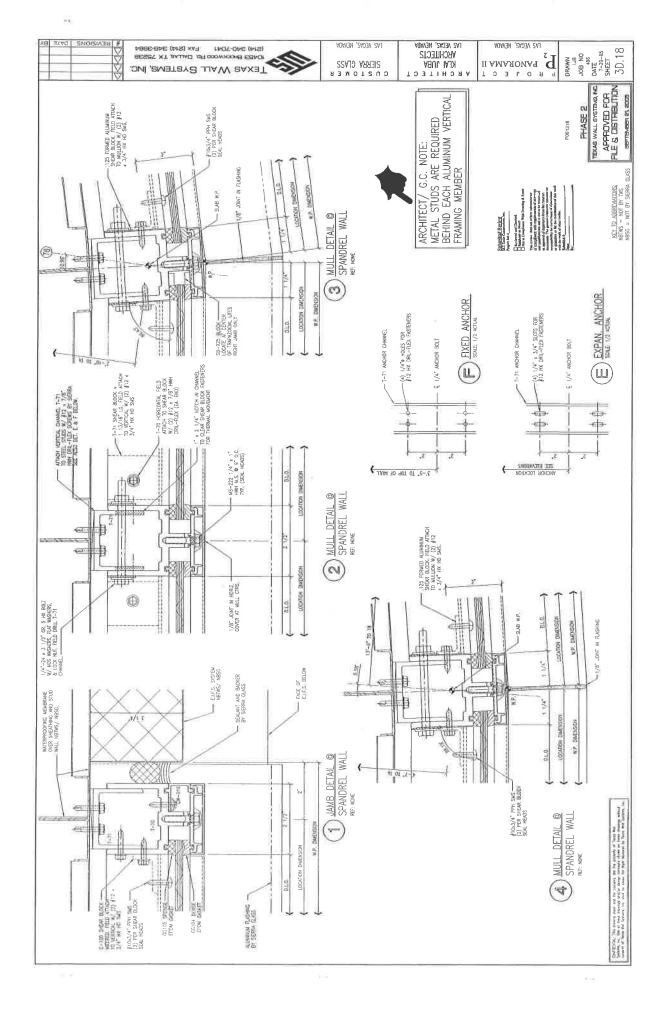


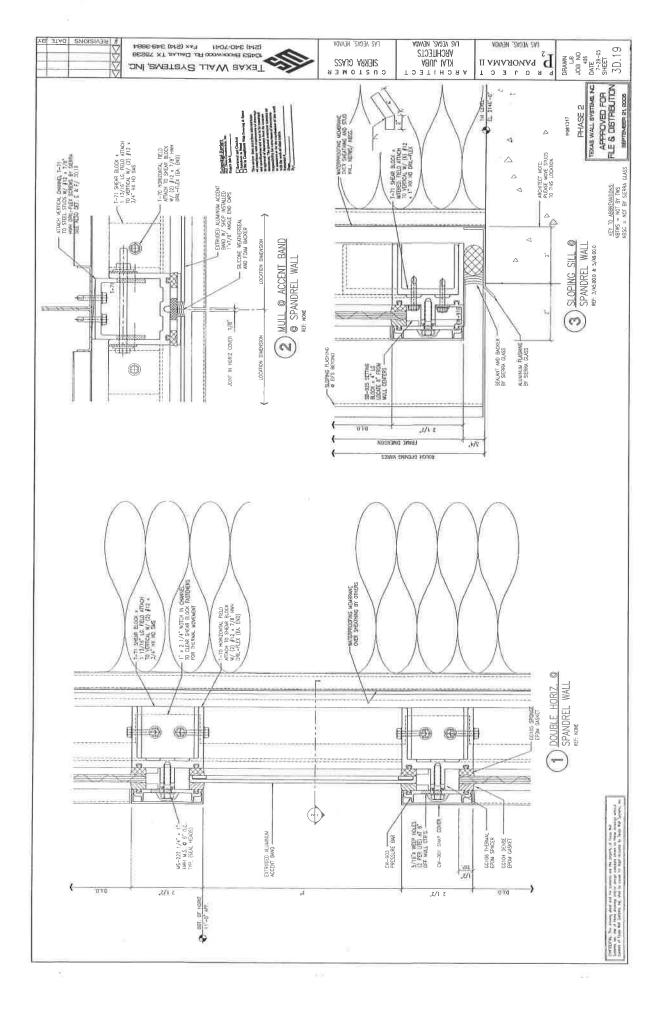


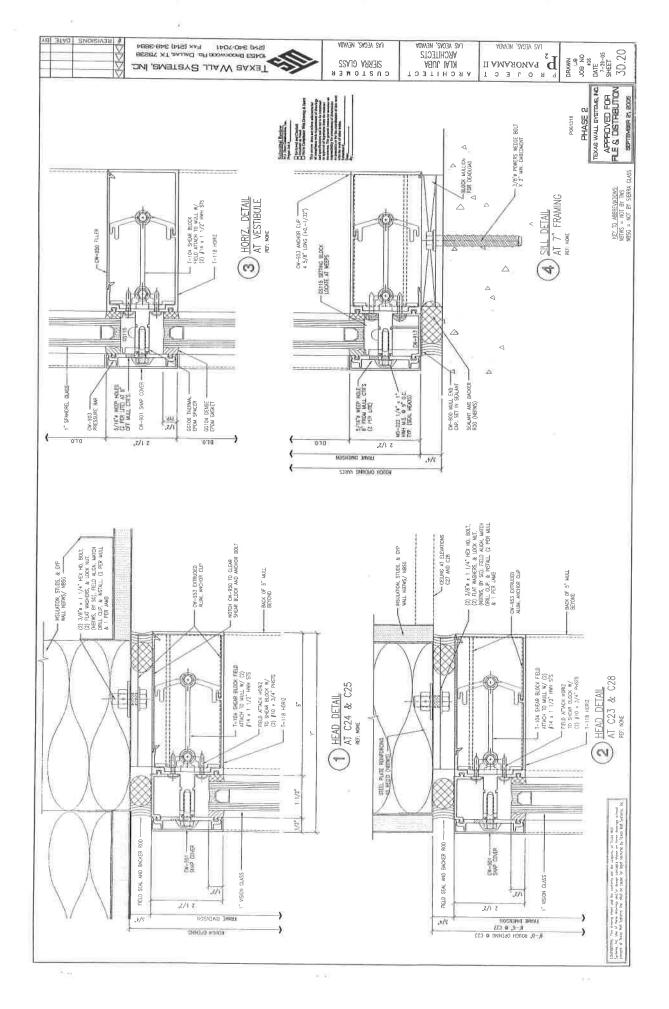


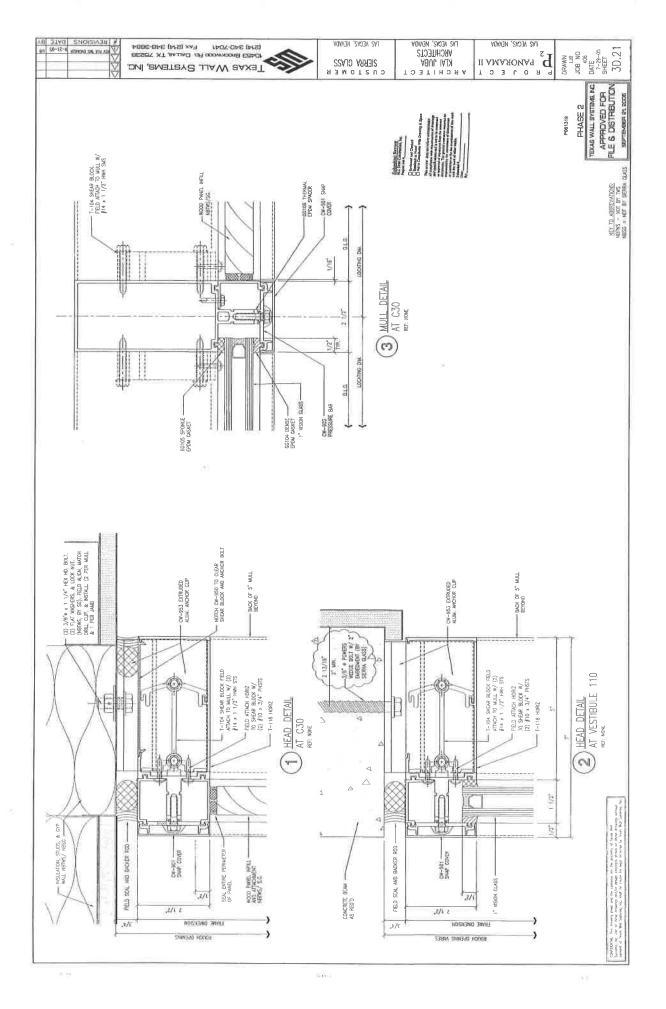


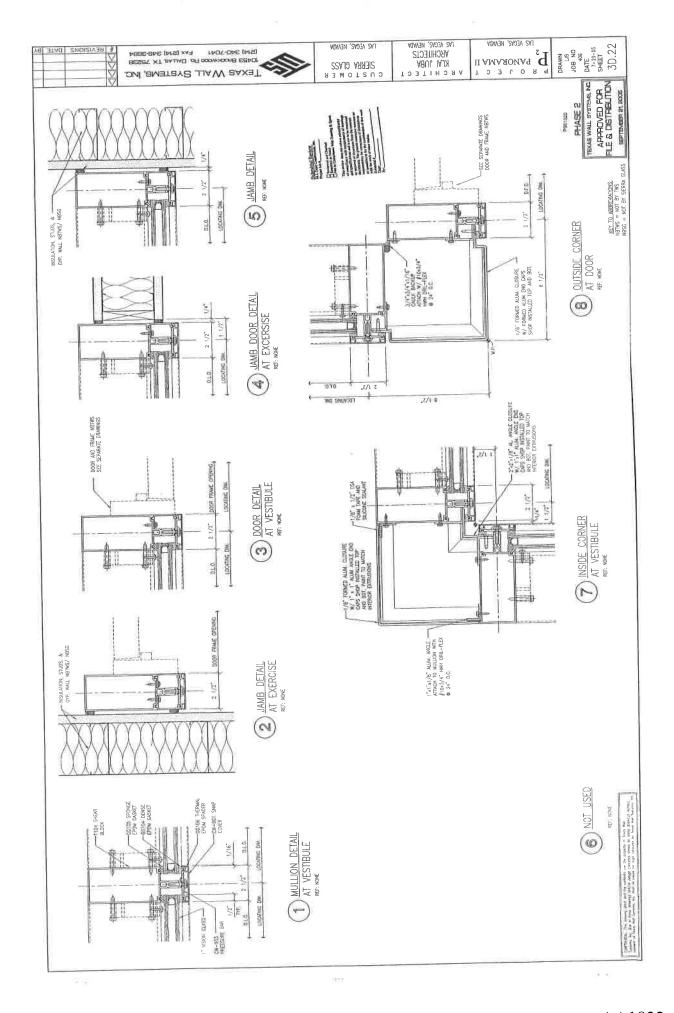


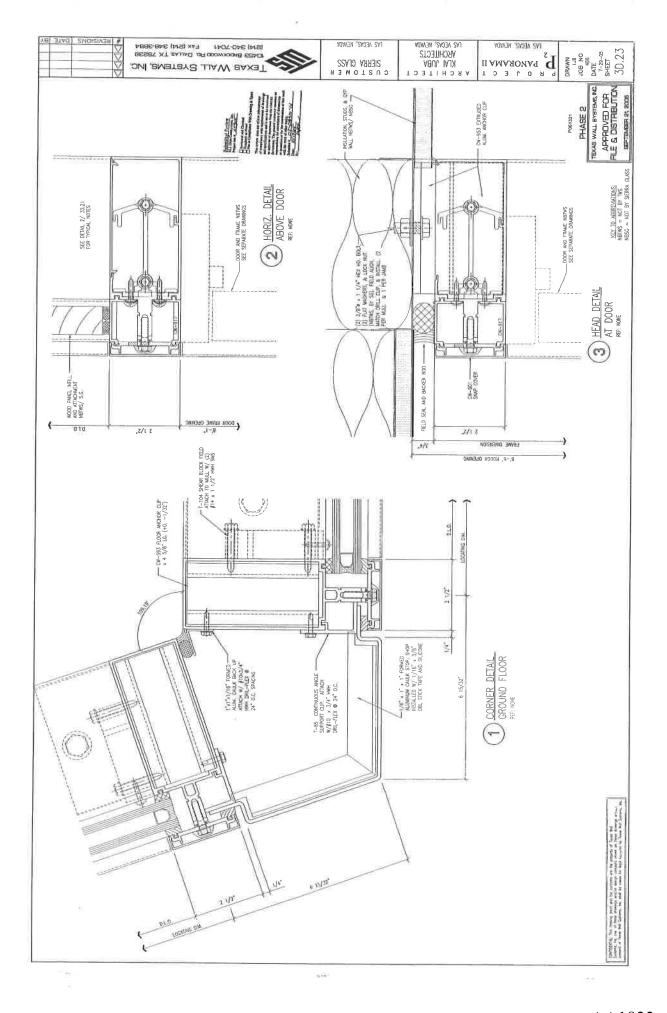


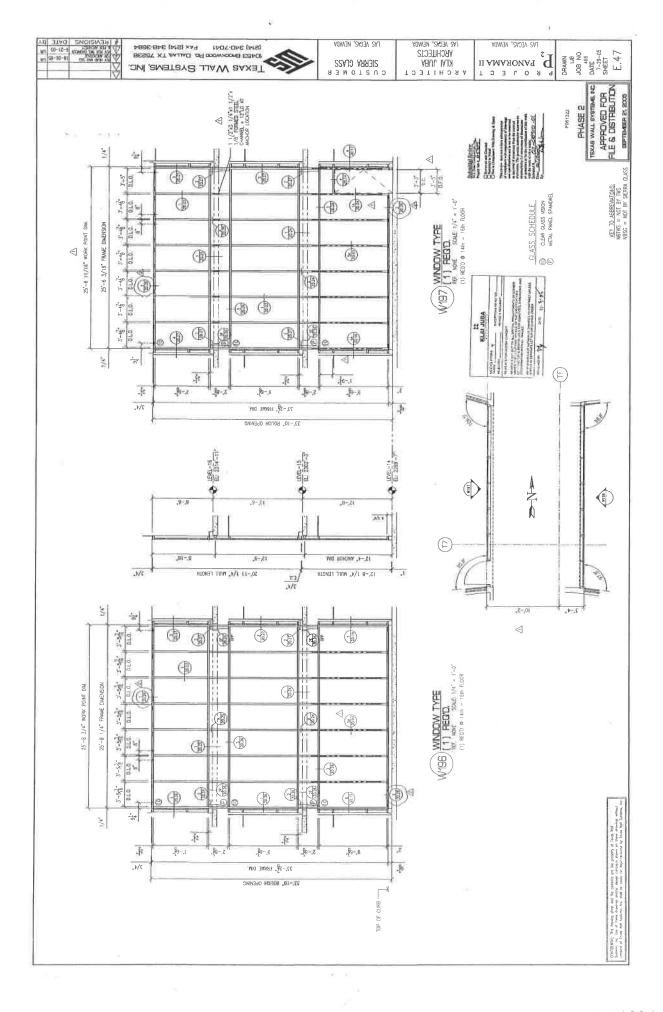


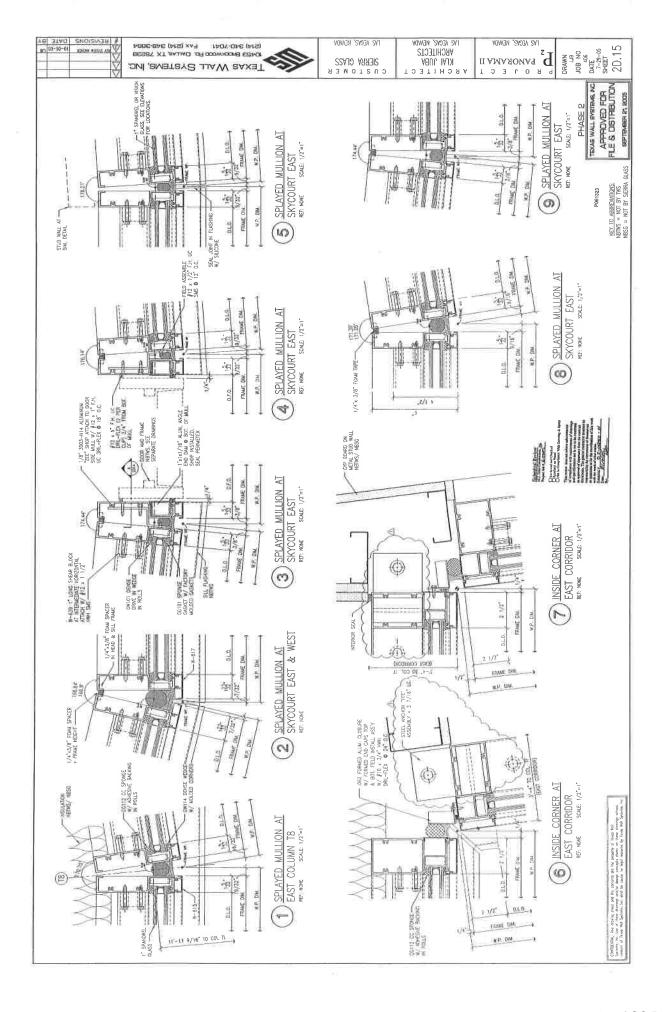


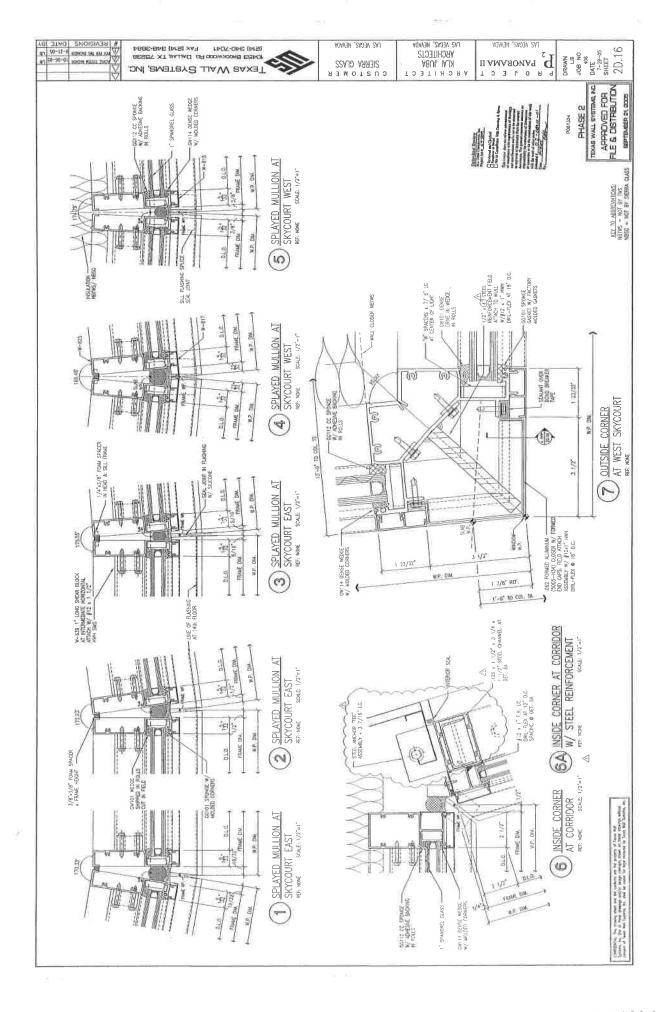


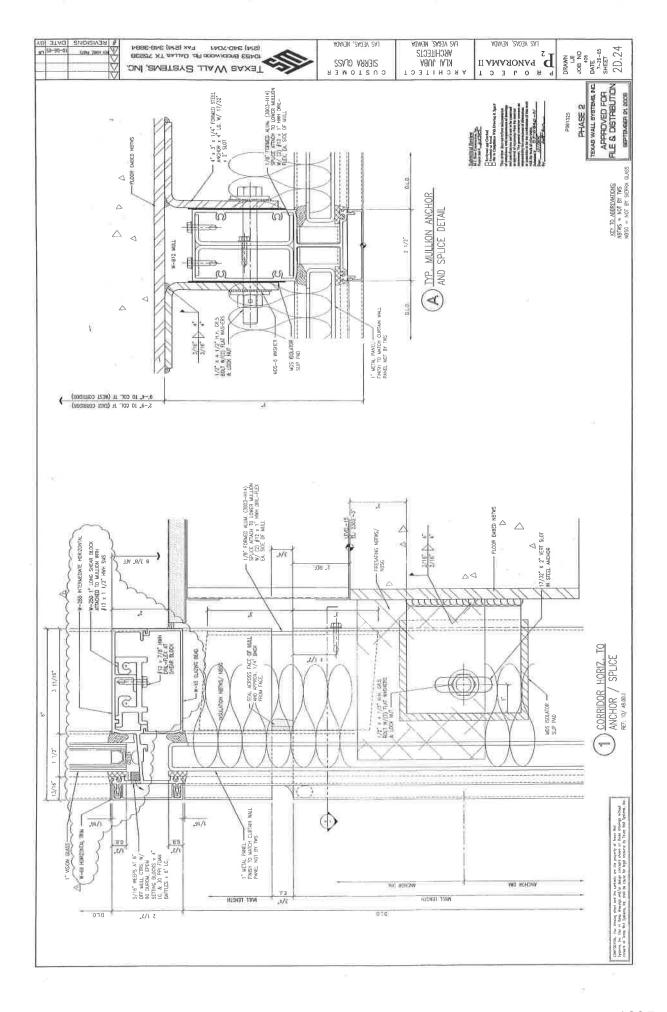


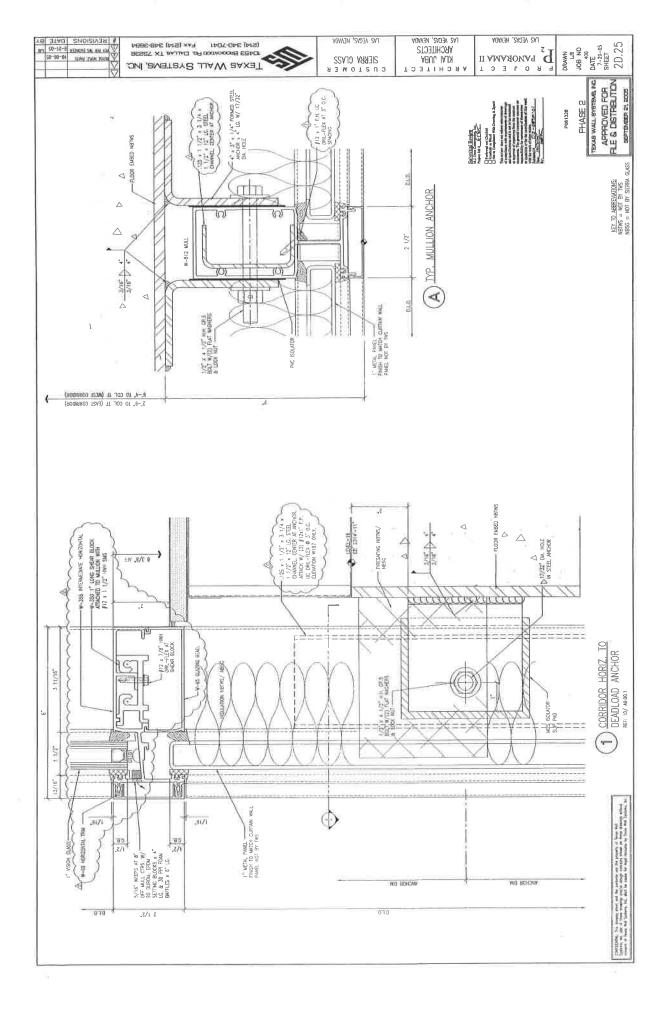


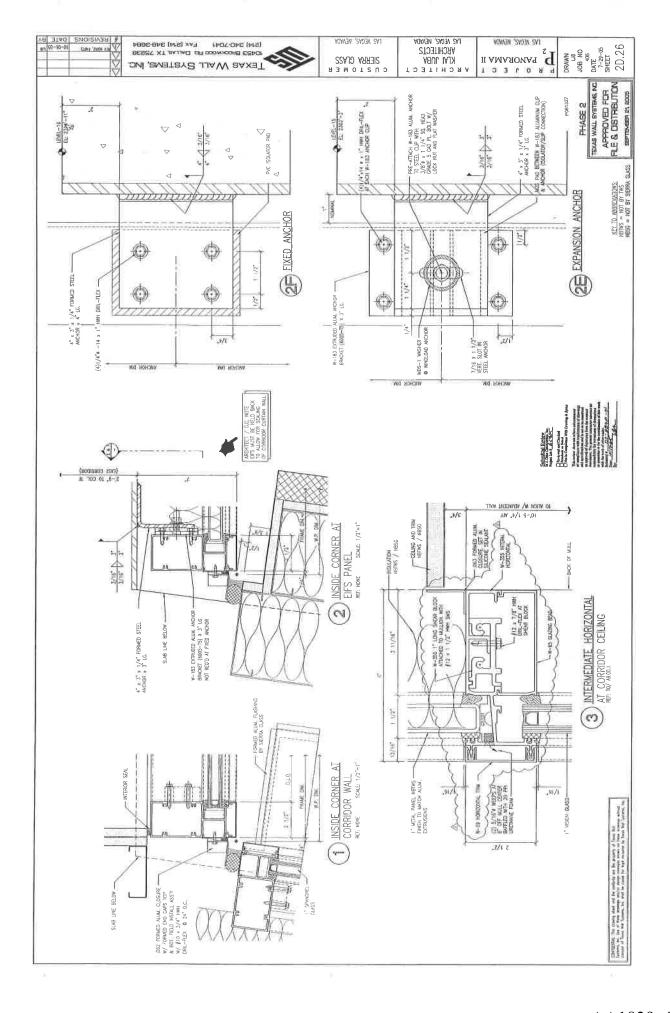


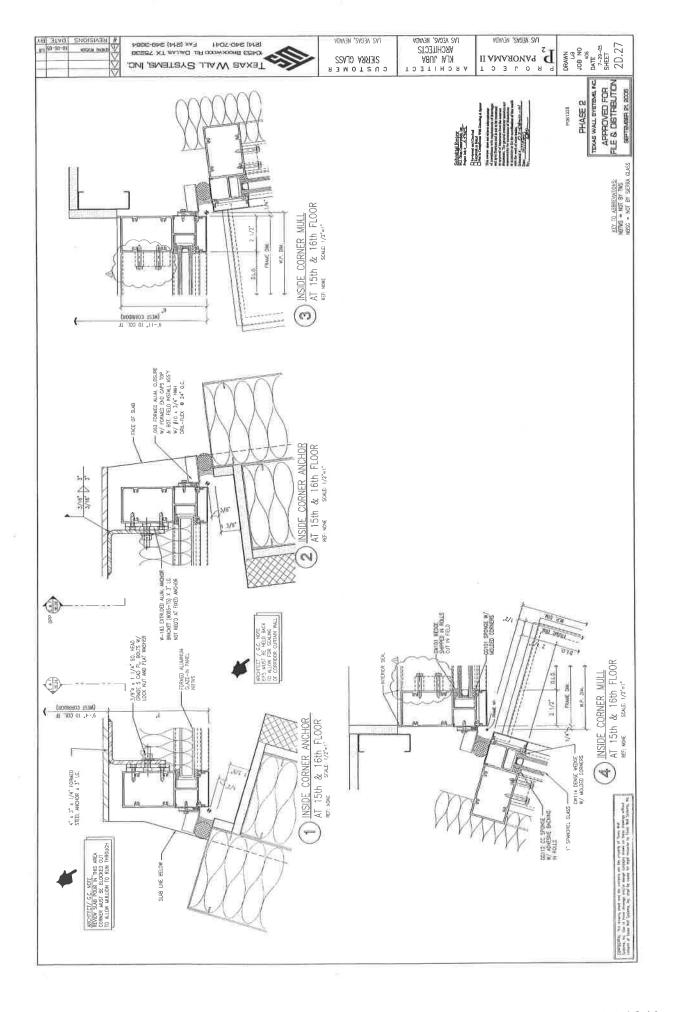












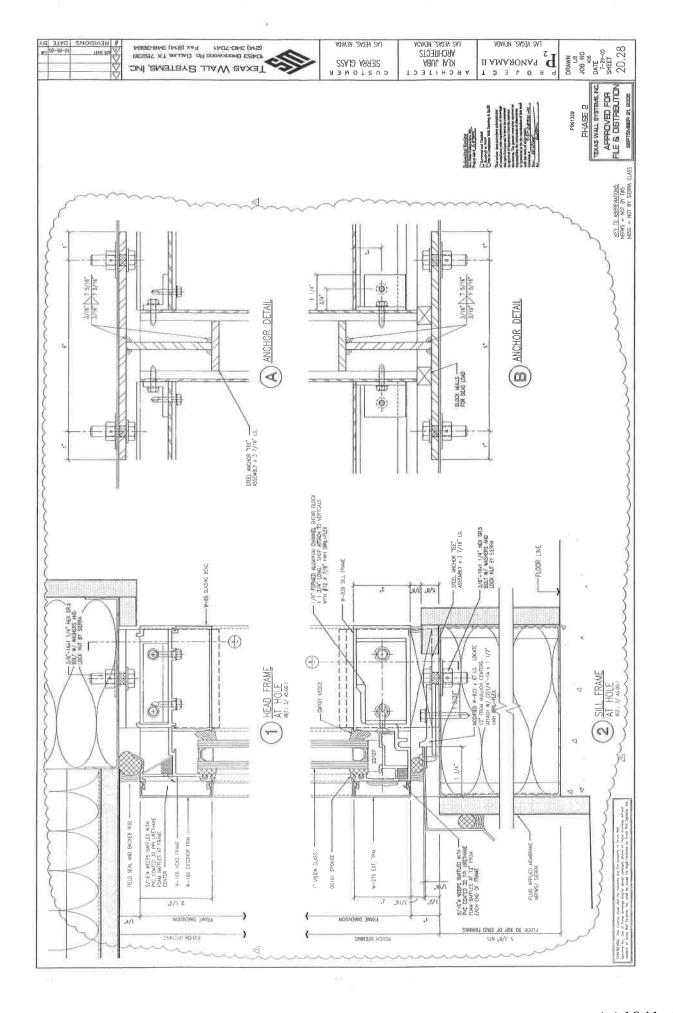


EXHIBIT "O"

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UNCONDITIONAL WAIVER AND RELEASE UPON PROGRESS PAYMENT

Property Name: Panorama Tower I

Property Location: 3570 Las Vegas Blvd. S. Undersigned's Customer: Sierra Glass & Mirror

Invoice/Payment Application Number: 4

Payment Amount: \$42,000.00

Payment Period: November 30, 2005

The undersigned has been paid and has received a progress payment in the above referenced Payment Amount for all work, materials and equipment the undersigned furnished to his Customer for the above described Property and does hereby waive and release any notice of lien, any private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to payment rights that the undersigned has on the above described Property to the following extent:

This release covers a progress payment for the work, materials and equipment furnished by the undersigned to the Property or to the Undersigned's Customer which are the subject of the Invoice or Payment Application, but only to the extent of the Payment Amount or such portion of the Payment Amount as the undersigned is actually paid, and does not cover any retention, withheld, any items, modifications or changes pending approval, disputed items and claims, or items furnished or invoiced after the Payment Period. The undersigned warrants that he either has already paid or will use the money he receives from this progress payment promptly to pay in full all his laborers, subcontractors, materialmen and suppliers for all work, materials or equipment that are the subject of this waiver and release.

Notary Public in and for said County and State

NOTICE: This document waives rights unconditionally and states that you have been paid for giving up those rights. This document is enforceable against you if you sign it to the extent of the Payment Amount or the amount received. If you have not been paid, use a conditional release form.

Exhibit "P"

Exhibit "P"

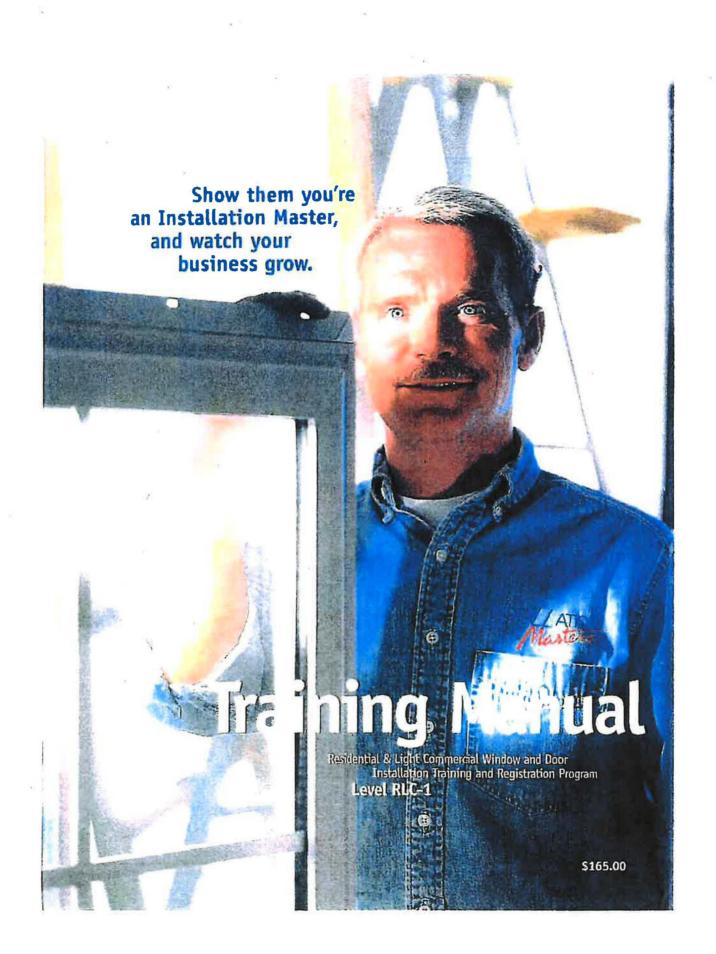


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TRAINING MANUAL

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APPENDICES

- 1. GLOSSARY
- 2. ABBREVIATIONS AND ACRONYMS

This training manual was developed by AAMA as a training tool for use in the AAMA INSTALLER TRAINING PROGRAM for residential and light commercial window and exterior door installers in the fenestration industry. Much of the information contained in this manual is based on techniques and best practices developed by nationally recognized associations and is published for use in the AAMA INSTALLER TRAINING PROGRAM. AAMA disclaims all liability for the use, application or adaptation of the information contained in this manual.

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Phone: (847) 303-5664 Fax: (847) 303-5774

E-Mail: webmaster@aamanet.org

1. INTRODUCTION

This training manual addresses the installation of residential and light commercial windows and exterior glass doors. It includes information pertaining to both new construction and replacement projects. This manual is only a portion of the information provided to installers who participate in the AAMA Installer Training and Registration Program. In addition to this manual:

- Training videos involving twenty-one installation demonstrations will be used; and
- Instructional training classes are offered, which may include installation demonstrations, product samples, and classroom lectures.

Important Note: Different types of windows and doors require specific installation techniques. The information provided in this manual does <u>not</u> supercede installation instructions provided by the manufacturer. Always consult the manufacturer's instructions.

1.1 AAMA INSTALLER TRAINING AND REGISTRATION PROGRAM

1.1.1 Purpose of the Program

The AAMA Installer Training and Registration Program was developed to improve the installation of fenestration products within the construction industry. The goal is to eliminate avoidable problems and reduce the need for additional work due to callbacks.

This program is intended for installers of residential and light commercial windows and exterior glass doors. This training does not address the installation of residential entrance doors (i.e., wood, steel, fiberglass doors).

Other professionals involved in the construction industry can benefit from this training program and the information contained in this manual. This includes architects, specification writers, contractors, building owners, manufacturers, and numerous others.

Through an examination process, installers can demonstrate a mastery of the minimum knowledge required to complete the course in good standing. After an installer passes the examination, he/she will become an AAMA Registered installer.

Receiving an AAMA Registration does not assure the quality or appropriateness of work with respect to any particular installation. Being an AAMA Registered Installer is an indication that the candidate has attained a specific body of knowledge skills required to complete the course and pass a final examination.

The specific objectives of the AAMA Installer Training and Registration Program are to:

- Promote consistent, high quality installations in the residential and light commercial markets, promoting energy efficiency, decreasing installation deficiencies, minimizing product failure and callbacks, thereby lowering the ultimate cost to the consumer;
- Provide a means for installers to gain specific training regarding current practices used in their field;
- Provide a means of verification of installers' knowledge attained within their industry;
- Provide employers of installers an additional method of evaluating a potential employee's knowledge;
- Improve the credibility of practicing installers by verifying the measurement of a specific body of knowledge;

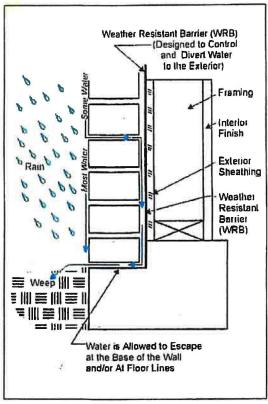


Figure 8-2 Membrane/Drainage Wall System

- Windows and doors are just one component of the entire building. Buildings employing the "Membrane/ Drainage System" must incorporate the "Whole Building Concept." This concept is based on the knowledge that each construction element may allow some minor water infiltration; therefore, the water must be controlled and allowed to escape harmlessly. The "Whole Building Concept" includes the use of a weather resistant barrier applied in weatherboard (shingled) fashion, which allows any residual water to drain down to the base where it is diverted out by a flashing member, screed, or screen.
- The most common types of products used in Membrane/Drainage Systems are products with mounting flanges (nail

- fins). The mounting flange is used to locate and/or attach the product into the opening. Additionally, flashing and sealant are applied to integrate the fenestration product and the weather resistant barrier. Block frame windows can also be used in membrane/drainage walls when they include exterior casing (brick mold) and are properly integrated with the flashing and weather resistant barrier materials. Block frame windows in this example can be attached through the brick mold or through the frame.
- Sealing to the exterior surface (building façade) of a membrane/drainage wall should never be the <u>only</u> method of sealing between the fenestration product and the weather resistant barrier. Sealing to the exterior surface of the membrane/drainage wall only may inhibit or trap water inside the drainage plane of the wall cavity, which could result in water buildup and water infiltration toward the interior of the building.

EIFS and GFRC Walls

EIFS (Exterior Insulation Finish System) and GFRC (Glass Fiber Reinforced Concrete) walls can be considered either the "Surface Barrier System" or the "Membrane/Drainage System," depending on the manufacturer and the design of their product. EIFS systems (see Figure 8-3) are proprietary and may not be compatible with all types of fenestration products, flashing systems, and sealants. The installer should work with the approving authority to verify requirements of the fenestration system, flashing, sealant, and EIFS suppliers to ensure the compatibility of these materials in the completed assembly. If conflicts exist, the installer should receive written direction from the approving authority on how to proceed with the work.

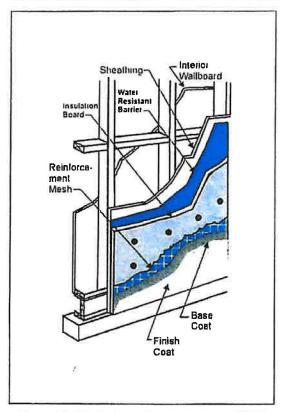


Figure 8-3 Exterior Insulation Finish System (EIFS)

- EIFS walls require a weather resistant barrier over the sheathing, which allows the system to be mechanically attached through the paper into the supporting wall structure. A drainage plane can be introduced by placing a plastic mesh between the EIFS and the weather resistant barrier. Weep holes or drainage tracks installed at the bottom of the walls and the floor lines eliminate the buildup of incidental water, permitting it to drain to the exterior.
- Wall systems which do not incorporate a weather resistant barrier (such as house wrap or building paper) behind the exterior face to allow for drainage must be treated as a "Surface Barrier System."

 The installer must consult with the EIFS cladding supplier to obtain information regarding the type of EIFS system to be installed in order to determine the appropriate method of installing the fenestration products and related flashing materials.

8.2 HEALTH AND SAFETY INSPECTION

Contractors and Installers are required to comply with Occupational Safety and Health Administration (OSHA) Standards (29CRF Parts 1910 and 1926) if they have employees. OSHA requires all employers to provide a safe and healthy workplace for their employees. In addition to OSHA's requirements, it is also important to protect the occupants from health and safety hazards as well as to protect their possessions from damage resulting from the installation process.

Health and safety on the job site are very important. Over 90 percent of construction-related major accidents are the result of four factors:

- 1. Falls (from heights)
- 2. Electrocutions
- 3. Crushing injuries (i.e., trench cave-ins)
- 4. Being struck by equipment or materials

On the job, a little caution and care go a long way. Make health and safety awareness a habit. Workers can avoid most accidents by using common sense, working at a reasonable pace, and maintaining constant awareness of their surroundings.

Contractors and/or installers can maintain a safe and healthful workplace by conducting a health and safety inspection of the work site before and during each job.

CODES, STANDARDS, AND SPECIFICATIONS: CHAPTER 9

9.1.4 Standards

There are numerous groups that work diligently to develop standards for the fenestration industry (see Table 9-2).

AMAA

American Architectural
Manufacturers Association
1827 Walden Office Square, Suite 104
Schaumburg, IL 60173-4268
847/303-5664

ANSI

American National
Standards Institute, Inc.

11 West 42nd Street, 13th Floor
New York, NY 10036
212/642-4900

ASTM

American Society for
Testing and Materials
100 Barr Harbor Drive
West Conshohocken, PA 19428
610/832-9500

NFRC

National Fenestration Rating Council 1300 Spring Street, Suite 500 Silver Spring, MD 20910 301/589-6372

SIGMA

Sealed Insulating Glass

Manufacturers' Association

401 North Michigan Avenue, Suite 2200

Chicago, IL 60611

312/644-6610

WDMA

Window and Door
Manufacturers Association
1400 East Touhy Avenue, Suite 470
Des Plaines, IL 60018
847/299-5200

Table 9-2 Agencies Developing Standards

Agencies and departments within the federal government also develop standards to protect the health, safety, and welfare of citizens. Many of their standards address fenestration product requirements which have been adopted as code and must be obeyed.

- CPSC Consumer Product Safety Commission (CPSC) is a federal agency that regulates product safety. Safety glazing regulation 16 CFR Part 1201 became law on July 6, 1977, and mandates glazing in all doors designed primarily for human passage.
- OSHA Occupational Safety and Health Administration (OSHA) is a division of the U.S. Department of Labor that develops and enforces safety requirements for the protection of employees in the workplace.
- ADA Americans With Disabilities Act (ADA) became law in 1990 and was implemented by the Department of Justice on July 26, 1991. These regulations have had far-reaching effects upon the glazing trade, especially regarding access to, and use of, buildings by the disabled.

9.2 Home Rule Doctrine

Because of the large number of specifications, codes, and standards that affect the fenestration industry, conflicts between their requirements will inevitably arise. When a conflict occurs, one should

remember the concept of "Home Rule Doctrine," which means "the most stringent requirement applies." Our governmental structure allows the lowest governing body to have final control of the code, as long as their requirement is more stringent than state or federally adopted regulations.

An example of "Home Rule Doctrine" might be maximum sill height for an egress window (see Figure 9-3). The UBC (Uniform Building Code) allows a maximum of 44 inches. A state code may reduce this to 42 inches. The county code may be 40 inches, and the local code even lower, to 38 inches. In this case, the 38-inch maximum would be enforced because it is the most stringent. The Homeowners' Association's CC&Rs (Covenants, Conditions, and Restrictions) could reduce the sill height even more.

9.3 ACCESSIBILITY

The Fair Housing Amendments Act of 1988 requires that public buildings and multifamily dwellings include certain features of accessible design. Therefore, installers of doors must have an awareness of Fair Housing Act design and construction requirements. Multifamily dwellings are generally considered to be buildings consisting of four or more dwelling units.

9.3.1 Windows

The Fair Housing Act Amendment requirement does not apply to windows.

9.3.2 Doors

When installing exterior glass doors in multiple family dwellings, consider this list of pointers and cautions:

 Doors must be wide enough to enable a person in a wheelchair to maneuver through easily.

- Doors must have a minimum clearopening width of 32 inches (measured from face of door to the stop with door open 90 degrees) for wheelchair access.
- Exterior door thresholds and sliding door tracks must not exceed 3/4" in height. Thresholds and changes in level at these locations are beveled with a slope no greater than 1:2.
- In single-story dwelling units, changes in height within the unit of 1/4" to 1/2" must be beveled with a slope no greater than 1:2. Those greater than 1/2" must be ramped or have other means of access.
- Minimum clear width for accessible route inside the unit is 36 inches.
- All types of doors are covered hinged, sliding, and folding.
- Doors leading to any outdoor amenities the dwelling may have—balcony, patio, deck—should be covered. If a deck or patio has doorways leading into two or more separate rooms, all these doors must be accessible.
- Requirements apply to public and common-use doors, doors leading into an individual dwelling unit, and all doors within the dwelling unit itself.
- Doors in public or common-use areas, when installed, must be in conformance with ANSI Standards.
- Hallways, passages, and corridors must be wide enough to allow room to maneuver a wheelchair throughout.

9.4 EGRESS REQUIREMENTS

Egress refers to a means of exiting a building. All three Model Codes include specific requirements for egress. They include requirements for emergency egress (doors and windows) and standard egress (doors). This section briefly discusses emergency egress, which is titled "Access

10. MANUFACTURER'S INSTALLATION INSTRUCTIONS

There are hundreds of manufacturers of windows and doors across the country. Many manufacturers have developed specific uses and installation procedures for their products, which are referred to as "manufacturer's installation instructions."

These manufacturers provide installation instructions for guidance and direction in the proper installation of their products. The information provided as part of the instructions protects both the installer and the manufacturer from improper installation of fenestration products.

Manufacturer's Instructions should be considered a requirement, not an option. At any time that the manufacturer's instructions appear inconsistent with the job requirements, the installer must seek further information from the responsible architect, builder, and manufacturer. Action inconsistent with manufacturer instructions must never be taken without consultation with all appropriate parties.

10.1 MANUFACTURER'S INSTALLATION INSTRUCTIONS

Manufacturers often develop and build products to meet industry standards. These products must meet specific performance requirements when built and installed in a certain manner. It is not the Intent of this training to override the manufacturer's recommendations on proper installation techniques. This training is meant to provide minimum requirements and to reinforce the use of the manufacturer's installation instructions.

et's review an example. Assume that there are no architectural drawings, specifications, or shop drawings. If a manufacturer's

installation instructions indicate that the products are to be installed with #10 x 2 inches long wood screws located at 8 inches on center, those recommendations must be followed. The manufacturer is being specific regarding the need to attach the product at certain locations. entirely possible that the manufacturer has determined through testing that the window performs better when attached in this manner. If another source, such as this training manual, indicates that products are to be attached at a minimum of 12 inches on center, the manufacturer's instructions should still be followed. For clarification. this training manual might indicate a spacing that covers most circumstances. but the manufacturer's requirement is based on product performance. When this situation occurs, the installer must follow manufacturer's quidelines. Understanding this distinction is critical to an installer's success in meeting his obligation to install the products in an appropriate manner.

To reduce the potential for confusion, the installer or the appropriate responsible authority should review the construction documents listed below:

- ocal and Regional Codes
- Building Codes
- Architectural Specifications and Drawings
- Manufacturer's Detailed Shop Drawings and Installation Instructions

10.2 GENERAL INSTALLATION GUIDELINES

The guidelines and principles outlined in this training manual are general installation guidelines and should be considered minimum requirements. The manufacturer's specific installation instructions should be followed. However.

MANUFACTURER'S INSTALLATION INSTRUCTIONS: CHAPTER 10

Notes:

they sometimes do not include flashing or sealing technique information. When information is missing, use the manufacturer's instructions to attach or install the product into the opening and the guidelines outlined in this manual for appropriate sealing and flashing techniques.

This training manual does not offer recommendations specific to every manufacturer. does offer but It recommendations basic installation for practices. The installation practices outlined in this training manual have been developed by consensus among industry experts in the field of building construction.

10.3 CONSULTING THE MANUFACTURER

If the installer does not find Installation instructions with the product, the installer should consult the contractor, manufacturer, or dealer regarding his or her recommendations and have instructions sent before proceeding. When no installation instructions are offered from any other source, the installer should use the procedures outlined in this training manual as a minimum installation requirement.

10.4 SPECIAL CIRCUMSTANCES

Occasionally, the installation of windows and doors differs from the "norm." If the manufacturer's installation instructions and the guidelines offered in this training do not address a special circumstance found on the job, the installer is responsible for contacting the contractor or manufacturer for specific instructions relative to the special job in question. Many manufacturers have trained engineering personnel on staff who can assist with special applications. Often the manufacturer provides products based on a specific order without knowing the intended use of his products. Detailed information should be shared between the installer and

the manufacturer to correctly address the special circumstances that arise.

10.5 WHEN CONFLICTS ARISE

There will be cases when conflicts arise between the installer and the approving authority. An installer may be told to install a product in a certain manner which is in direct conflict with the manufacturer's instructions and/or the principles outlined in this training manual. When this situation occurs, the installer may consider stopping work until a written wavier of responsibility is provided.

Full documentation of the situation, the conflicting instructions, and the actions taken by the installer must be done in writing as a matter of permanent record. Installers are encouraged to maintain these records for a period of not less than ten (10) years.

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ภูหา[] ดูดหลาเหยู	Whan comsell tile
Shingle	Before wall covering
Stucco, Brick, and Stone	Before wall covering
Horizontal or Vertical Board Siding	Before or After wall covering
Plywood Siding	After wall covering
Specialty Design	As determined by the architect

Table 16-3 Trim Application

- 4. Use a top-quality exterior primer to seal all sides and ends of the trim before installing. Unsealed trim will tend to soak up water and decay.
- 5. Attach bottom trim first, jambs second and head last (if needed).
- 6. Butter sealant along end grain of jamb trim before installing.
- 7. Do not penetrate mounting flange, if
- 8. Seal the joints between the trim, siding, and window using the proper sealant and joint designs.
- 9. Finish with two coats of top-quality exterior paint. For detailed information on Priming and Painting, see Chapter 13. Section 13.7.

16.9.2 Drip Caps

A drip cap is often used at the head of windows to help direct water away (see Figure 16-75). Whenever adding a drip cap. the top surface should extend beyond the outboard face of the window and/or trim, slope to the exterior, and have a pronounced drip edge. The drip cap can be made of wood, vinyl, aluminum, and other materials.

Some drip caps are provided as an integral part of the frame, while others are site-built and applied. When field-applying a drip cap, make sure to integrate it with a piece of rigid head flashing, both above and below the drip cap. The rigid head flashing above the drip cap and/or brick mold should be set in a bead of sealant. When using rigid head flashing under the drip cap, the sealant is omitted in order to allow for any residual water to escape from behind the drip cap. In both cases, the top edge of the rigid head flashing is sealed to the flexible flashing and/or weather resistant barrier. (See Section 16.9.3 for instructions relative to the application of rigid head flashing.)

16.9.3 Rigid Head Flashing

When using head trim, brick mold, and /or drip caps, a piece of rigid head flashing is recommended. The head flashing is applied over the head trim to promote shedding of water off the top of the window head. The upstanding leg of this flashing must be integrated with the weather resistant barrier as indicated in Section 16.7.5.

To apply the head flashing, follow the instructions below:

- Cut the rigid head flashing the full length of the width of the window head trim or drip cap, plus enough to allow for capping the ends. (Approximately 1" to 1 1/2" longer than trim, depending on the height of the down turned leg of the flashing.) (See Figure 16-74.)
- Cut the ends of the head flashing and fold over to cover the exposed ends of any head trim or brick mold. The folded

- ends will help restrict water from blowing under the head flashing.
- Prior to installation of the rigid head flashing, apply a bead of sealant on top of the drip cap or brick mold. Locate the bead where it will allow the head flashing to be set in sealant.
- 4. Apply another bead of sealant to the top edge of the head flashing prior to attaching it to the header/sheathing. Install the head flashing under the flap of the weather resistant barrier.
- flashing 5. Attach the head galvanized screws or nails. Seal over the heads of any fasteners that penetrate the flashing (see Figure 16-75).
- 6. Trim the weather resistant barrier to lie flat against the upstanding leg of the flashing.
- 7. Place a bead of sealant along the lower portion of the upstanding leg of the rigid flashing.
- Release the weather resistant barrier and trim to lay against the upstanding leg of the flashing. Compress the flap of the weather resistant barrier into the sealant previously applied to the rigid head flashing.
- Apply sheathing tape over the diagonal cuts previously made in the flap of the weather resistant barrier at the head.

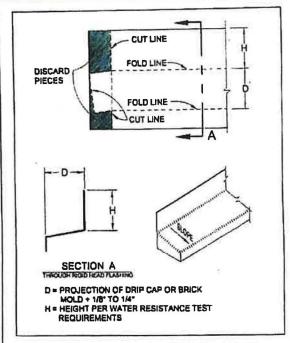


Figure 16-74 Cut and Fold Rigid Head Flashing

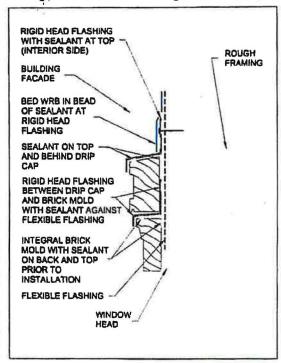


Figure 16-75 Seal Drip Cap and Rigid Head Flashing

Las Vegas, Nevada 89169 Tel. (702) 385-6000 • Fax: (702) 385-6001

1 FRANCIS I, LYNCH, ESQ. (#4145) LYNCH HOPPER, LLP 2 1210 South Valley View Boulevard #208 Las Vegas, Nevada 89102 3 T: (702) 868-1115 F: (702) 868-1114 4 SCOTT WILLIAMS (California Bar #78588) 5 WILLIAMS & GUMBINER, LLP 1010 B Street, Suite 200 6 San Rafael, California 94901 T: (415) 755-1880 7 F: (415) 419-5469 Admitted Pro Hac Vice 8 WILLIAM L. COULTHARD, ESQ. (#3927) MICHAEL J. GAYAN, ESQ. (#11125) KEMP, JONES & COULTHARD, LLP 10 3800 Howard Hughes Parkway, 17th Floor Las Vegas, Nevada 89169 11 T: (702) 385-6000 F: (702) 385-6001 12 m.gayan@kempjones.com 13 Counsel for Defendant/Counter-claimant Panorama Towers Condominium Unit 14 Owners' Association 15 16 17 LAURENT HALLIER, an individual;

Electronically Filed 1/29/2019 12:08 PM Steven D. Grierson CLERK OF THE COURT

DISTRICT COURT

CLARK COUNTY, NEVADA

PANORAMA TOWERS I, LLC, a Nevada limited liability company; PANORAMA TOWERS I MEZZ, LLC, a Nevada limited liability company; and M.J. DEAN CONSTRUCTION, INC., a Nevada corporation,

Plaintiffs,

21 VS.

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PANORAMA TOWERS CONDOMINIUM UNIT OWNERS' ASSOCIATION, a Nevada non-profit corporation.

Defendant.

Case No.: A-16-744146-D

Dept. No.: XXII

Defendant's Reply in Support of Countermotions to Exclude Inadmissible Evidence and for Rule 56(f) Relief

Hearing Date: February 12, 2019

Hearing Time: 8:30 a.m.

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1 PANORAMA TOWERS CONDOMINIUM UNIT OWNERS' ASSOCIATION, a Nevada 2 non-profit corporation, and Does 1 through 1000. 3 Counterclaimants. VS. 4 LAURENT HALLIER, an individual; 5 PANORAMA TOWERS I, LLC, a Nevada limited liability company; PANORAMA 6 TOWERS I MEZZ, LLC, a Nevada limited liability company; M.J. DEAN 7 CONSTRUCTION, INC., a Nevada Corporation; SIERRA GLASS & MIRROR, 8 INC.; F. ROGERS CORPORATION,; DEAN ROOFING COMPANY; FORD 9 CONTRACTING, INC.; INSULPRO, INC.; XTREME XCAVATION; SOUTHERN

NEVADA PAVING, INC.; FLIPPINS TRENCHING, INC.; BOMBARD

MECHANICAL, LLC; R. RODGERS

ROES 1 through 1000, inclusive,

CORPORATION; FIVE STAR PLINBING & HEATING, LLC, dba Silver Star Plumbing; and

Counterdefendants.

MEMORANDUM OF POINTS AND AUTHORITIES

I.

INTRODUCTION

In effort to obtain an unfair and early end to this litigation, the Builders oppose the HOA's legally sound Countermotions to exclude the Builders' inadmissible parol evidence and to conduct discovery pursuant to Rule 56(f). Nevada law, ignored by the Builders, clearly subjects the Declaration to the parol evidence rule and precludes the Court from considering the Builders' unreliable, self-serving extrinsic evidence. Nevada law also requires affording the HOA an opportunity to conduct discovery before having summary judgment against it due to the HOA's amply supported Rule 56(f) request. At a bare minimum, the HOA must be allowed to depose the Builders' purported expert, Mr. Loadsman, before having this Court adopt any of his inconsistent statements.

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moorsecom

as Vegas, Nevac 385-6000 · Fax kjc@kempjone 13

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III

II.

LEGAL ARGUMENT

A. The Declaration is Subject to the Parol Evidence Rule, Which Precludes the Court from Considering the Builders' Extrinsic Evidence to Alter the Declaration's Unambiguous Terms.

The Builders go to great lengths to support their incorrect argument that the parol evidence rule does not apply to the Declaration. *See* Reply at 22:1–23:27. The Nevada Supreme Court has held that "CC & Rs constitute[] a written contract to convey land" and applied the parol evidence rule to such instruments. *See Sandy Valley Assocs. Sky Ranch Estates Owners Ass'n*, 117 Nev. 948, 956–58, 35 P.3d 964, 969–70 (2001) (permitting parol evidence to interpret ambiguous part of CC&Rs), *overruled on other grounds by Horgan v. Felton*, 123 Nev. 577, 170 P.3d 982 (2007). Therefore, Nevada law plainly requires this Court to follow the well-established parol evidence rule when deciding the Builders' Motion seeking to strictly enforce the Declaration against the HOA.

The Builders also claim the Declaration is not an integrated contractual document. Reply at 21:21–24. When parties intentionally reduce their agreement to writing in a way that shows consideration of the legal ramifications, Nevada law conclusively presumes the entire agreement is contained in the writing. See Brunzell v. Woodbury, 85 Nev. 29, 33, 449 P.2d 158, 160 (1969). The Builders cannot seriously contend the Declaration does not show consideration of legal ramifications related to this highly detailed contractual document. Therefore, Nevada law requires this Court to conclusively presume the Declaration contains the entire agreement and reject parol evidence except as needed to interpret ambiguous terms. To the extent any ambiguities exist in the Declaration, the Court must construe them against the parties responsible for drafting the Declaration—the Builders. See Am. First Fed. Credit Union v. Soro, 131 Nev. Adv. Op. 73, 359 P.3d 105, 106 (2015) (holding ambiguous contracts "should be construed against the drafter.").

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1. The parol evidence rule precludes the Court from considering the Builders' self-serving extrinsic evidence aimed at altering the Declaration's plain meaning.

The parol evidence rule prohibits reliance on extrinsic evidence "to add to, subtract from, vary, or contradict . . . written instruments which dispose of property, or are contractual in nature and which are valid, complete, unambiguous, and unaffected by accident or mistake." *M.C. Multi-Family Development, L.L.C. v. Crestdale Associates, Ltd.*, 124 Nev. 901, 913–14, 193 P.3d 536, 544–45 (2008).

Here, the Builders' contention that the Court may consider their inadmissible parol evidence because it simply explains the Declaration is inaccurate for two reasons. First, the Builders never claim the Declaration is ambiguous and in need of explanation via extrinsic evidence. Second, the Builders use the Loadsman affidavit and Glossary for more than merely explaining the Declaration. For example, Mr. Loadsman provides a suspect statement that conflates the definitions of "pan/panning" and "pan flashing" from the Glossary, a document he claims as support for his opinion. *See* Mot., Ex. F at ¶ 4; *compare* Mot., Ex. E at 38. The Builders plainly use these two pieces of extrinsic evidence to alter the Declaration in their favor, something Nevada law precludes under any scenario.

B. The HOA's Conditional Countermotion for a Rule 56(f) Continuance.

The Builders ask this Court to summarily dispose of the HOA's entire case without any ability to conduct discovery, including a deposition of Mr. Loadsman, whose affidavit the Builders ask this Court to rely on to throw out the HOA's case. Nevada law makes it quite clear that a district court abuses its discretion by granting summary judgment without permitting any discovery. See Aviation

¹ The Court may not consider extrinsic parol evidence to interpret the Declaration unless it first finds the relevant terms to be ambiguous. *See M.C. Multi-Family Development, L.L.C.*, 124 Nev. at 913–14, 193 P.3d at 544–45. And if the Court finds those terms to be ambiguous, Nevada law requires the Court to interpret the terms in the HOA's favor and against the Builders. *See Am. First Fed. Credit Union v. Soro*, 359 P.3d at 106.

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Ventures, Inc. v. Joan Morris, Inc., 110 P.3d 59, 62 (Nev. 2005) (citing Halimi v. H.R. Blacketor, 770) P.2d 531, 531-32 (Nev. 1989) (holding abuse of discretion to deny Rule 56(f) continuance where complaint on file less than one year and party not dilatory in doing discovery)); Summerfeld v. Coca Cola Bottling Co., 948 P.2d 704, 705-06 (Nev. 1997) (same holding where complaint on file less than two years); Ameritrade, Inc. v. First Interstate Bank, 782 P.2d 1318, 1320 (Nev. 1989) (same holding where complaint on file less than eight months); see also Harrison v. Falcon Products, Inc., 746 P.2d 642 (Nev. 1987) (same holding where complaint on file less than two years). The Builders have no viable response to this long line of binding authority.

The Builders falsely claims the HOA has not identified what specific discovery it would perform if given the opportunity. Reply at 26:10-18. The HOA identified, by declaration of its counsel and elsewhere, the following discovery it would like to conduct: (1) depose Mr. Loadsman, see Opp. at 13:8–10; (2) propound written discovery to the Builders, see id., Ex. 3 (Gayan Dec.) at ¶ 6(a); (3) depose the Builders' Rule 30(b)(6) designee(s) related to the design and construction of the windows, see id. at ¶ 6(b); (4) depose others on the same issues, see id. at ¶ 6(c); and (5) designate experts after a full and fair opportunity to conduct fact discovery on the relevant issues. See id. at ¶ 6(d). All of this discovery will assist the HOA in presenting the fact-intensive, technical issues related to the window components before having summary judgment entered against it, which is the exact purpose of a Rule 56(f) request.

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III.

CONCLUSION

For the foregoing reasons, should the Court consider the Builders' woefully inadequate request for summary judgment, the HOA respectfully countermoves (1) to exclude the Builders' inadmissible parol evidence, and (2) for a continuance pursuant to Rule 56(f) in order to conduct discovery before having summary judgment entered against it on these critical issues.

DATED this day of January, 2019.

Respectfully submitted,

KEMP, JONES & COULTHARD, LLP

WILLIAM L. COULTHARD, ESQ. (#3927) MICHAEL J. GAYAN, ESO., (#11135) 3800 Howard Hughes Parkway, 17th Floor Las Vegas, Nevada 89169

Counsel for Defendant/Counter-claimant Panorama Towers Condominium Unit Owners' Association

Certificate of Service

I hereby certify that on the 29th day of January, 2019, the foregoing Defendant's Reply in Support of Countermotions to Exclude Inadmissible Evidence and for Rule 56(f) Relief was served on the following by Electronic Service to all parties on the Court's service list.

An employee of Kemp, Jones & Coulthard, LLP

2/4/2019 1:37 PM Steven D. Grierson CLERK OF THE COURT 1 RIS PETER C. BROWN, ESQ. Nevada State Bar No. 5887 JEFFREY W. SAAB, ESQ. Nevada State Bar No. 11261 DEVIN R. GIFFORD, ESQ. Nevada State Bar No. 14055 BREMER WHYTE BROWN & O'MEARA LLP 1160 N. TOWN CENTER DRIVE **SUITE 250** LAS VEGAS, NV 89144 TELEPHONE: (702) 258-6665 FACSIMILE: (702) 258-6662 pbrown@bremerwhyte.com 8 isaab@bremerwhyte.com dgifford@bremerwhyte.com Attorneys for Plaintiffs/Counter-Defendants LAURENT HALLIER, PANORAMA TOWERS I, LLC, PANORAMA TOWERS I MEZZ, LLC, and M.J. DEAN CONSTRUCTION, INC. 11 DISTRICT COURT 12 13 **CLARK COUNTY, NEVADA** 14 LAURENT HALLIER, an individual; Case No. A-16-744146-D PANORAMA TOWERS I, LLC, a Nevada 16 limited liability company; PANORAMA Dept. XXII TOWERS I MEZZ, LLC, a Nevada limited liability company; and M.J. DEAN PLAINTIFFS/COUNTER-DEFENDANTS 17 CONSTRUCTION, INC., a Nevada Corporation, LAURENT HALLIER, PANORAMA 18 **TOWERS I, LLC, PANORAMA** Plaintiffs, TOWERS I MEZZ, LLC, AND M.J. 19 **DEAN CONSTRUCTION, INC.'S REPLY** VS. IN SUPPORT OF MOTION FOR 20 RECONSIDERATION OF THEIR PANORAMA TOWERS CONDOMINIUM MOTION FOR SUMMARY JUDGMENT UNIT OWNERS' ASSOCIATION, a Nevada 21 ON DEFENDANT/COUNTERnon-profit corporation, **CLAIMANT PANORAMA TOWER** 22 **CONDOMINIUM UNIT OWNERS'** Defendant. **ASSOCIATION'S APRIL 5, 2018** 23 AMENDED NOTICE OF CLAIMS PANORAMA TOWERS CONDOMINIUM UNIT OWNERS' ASSOCIATION, a Nevada 25 non-profit corporation, 26 Counter-Claimant, 27 VS. LAURENT HALLIER, an individual; PANORAMA TOWERS I, LLC, a Nevada BREMER WHYTE BROWN O'MEARA LLP 160 N. Town Center Drive Suite 250 Las Vegas, NV 89144 (702) 258-6665 AA1863 1287 551 4834-3503-2199 2

Electronically Filed

Case Number: A-16-744146-D

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limited liability company; PANORAMA
    TOWERS I MEZZ, LLC, a Nevada limited
   liability company; and M.J. DEAN
    CONSTRUCTION, INC., a Nevada Corporation;
    SIERRA GLASS & MIRROR, INC.; F.
    ROGERS CORPORATION; DEAN ROOFING
   COMPANY; FORD CONTRACTING, INC.;
   INSULPRO, INC.; XTREME EXCAVATION;
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   SOUTHERN NEVADA PAVING, INC.;
   FLIPPINS TRENCHING, INC.; BOMBARD
   MECHANICAL, LLC; R. RODGERS
    CORPORATION; FIVE STAR PLUMBING &
   HEATING, LLC, dba SILVER STAR
   PLUMBING; and ROES 1 through, inclusive,
 8
                 Counter-Defendants.
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          COME NOW Plaintiffs/Counter-Defendants Laurent Hallier, Panorama Towers I, LLC,
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   Panorama Towers I Mezz, LLC and M.J. Dean Construction, Inc. (hereinafter collectively referred
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   to as "the Builders"), by and through their attorneys of record Peter C. Brown, Esq., Jeffrey W.
   Saab, Esq. and Devin R. Gifford, Esq. of the law firm of Bremer Whyte Brown & O'Meara LLP,
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   and hereby file their Reply in Support of Motion For Reconsideration of Their Motion For
   Summary Judgment on Defendant/Counter-Claimant Panorama Tower Condominium Unit
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   Owners' Association's April 5, 2018 Amended Notice Of Claims ("Motion for Reconsideration").
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1	This Reply in Support of Motion for Reconsideration is made and based on the attached					
2	Memorandum of Points and Authorities, the pleadings and papers on file herein, the Declaration of					
3	Jeffrey W. Saab, Esq., and all evidence and/or testimony accepted by this Honorable Court at the					
4	time of the hearing on this Motion for Reconsideration.					
5						
6	Dated: February 4, 2019 BREMER WHYTE BROWN & O'MEARA LLP					
7						
8	By:					
9	Peter C. Brown, Esq. Nevada State Bar No. 5887					
10	Jeffrey W. Saab, Esq. Nevada State Bar No. 11261					
11	Devin R. Gifford, Esq. Nevada State Bar No. 14055					
12	Attorneys for Plaintiffs/Counter-Defendants LAURENT HALLIER, PANORAMA					
13	TOWERS I, LLC, PANORAMA TOWERS I MEZZ, LLC, and M.J. DEAN					
14	CONSTRUCTION, INC.					
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