

IN THE SUPREME COURT OF THE STATE OF NEVADA		Electronically Filed Aug 03 2023 05:29 PM Elizabeth A. Brown Clerk of Supreme Court
TKNR, INC., a California corporation,	Appellant,	Supreme Court Case No. 85620
vs.		District Court Case No. A-18-785917-C
WLAB INVESTMENT, LLC,	Respondent.	

Appeal from the Eighth Judicial District Court
District Court Case No. A-18-785917-C
Adriana Escobar, District Judge

RESPONDENT APPENDIX – Volume 6 of 10

KAEMPFER CROWELL
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Elva Castaneda, No. 15717
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Attorneys for Respondent WLAB Investment, LLC

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KAEMPFER CROWELL



Lesley B. Miller, No. 7987
Elva A. Castaneda No. 15717
1980 Festival Plaza Drive, Suite 650
Las Vegas, Nevada 89135

Attorneys for Respondent
WLAB Investment, LLC

CERTIFICATE OF SERVICE

I hereby certify that on the date indicated below, I electronically filed the foregoing **RESPONDENT APPENDIX** with the Clerk of the Court for the Supreme Court of the State of Nevada by using the electronic filing system to be delivered to the following registered user:

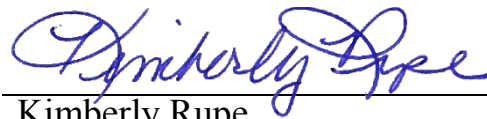
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Settlement Judge

DATED August 3, 2023



Kimberly Rupe
An employee of Kaempfer Crowell

EXHIBIT “8”



RESIDENTIAL PURCHASE AGREEMENT

(Joint Escrow Instructions)

Date: 09/05/17

Marie Zhu ("Buyer"), hereby offers to purchase
2132 HOUSTON DR ("Property"), within the
city or unincorporated area of LAS VEGAS, County of CLARK, State of Nevada,
Zip 89104, A.P.N. # 162-01-110-017 for the purchase price of \$ 200,000.00
(Two Hundred Thousand dollars) ("Purchase Price") on the terms and conditions
contained herein: BUYER ☐ does -OR- ☒ does not intend to occupy the Property as a residence.

Buyer's Offer

1. FINANCIAL TERMS & CONDITIONS:

\$ 500.00 A. **EARNEST MONEY DEPOSIT ("EMD")** is ☐ presented with this offer -OR- ☒ will wire to
escrow upon acceptance. Upon Acceptance, Earnest Money to be
deposited within one (1) business day from acceptance of offer (as defined in Section 23 herein) or 2
business days if wired to: ☒ Escrow Holder, ☐ Buyer's Broker's Trust Account, -OR- ☐ Seller's Broker's
Trust Account. (NOTE: It is a felony in the State of Nevada—punishable by up to four years in prison and a \$5,000
fine—to write a check for which there are insufficient funds. NRS 193.130(2)(d).)

\$ 0.00 B. **ADDITIONAL DEPOSIT** to be placed in escrow on or before (date) _____. The
additional deposit ☐ will -OR- ☐ will not be considered part of the EMD. (Any conditions on the additional
deposit should be set forth in Section 28 herein.)

\$ 150,000.00 C. **THIS AGREEMENT IS CONTINGENT UPON BUYER QUALIFYING FOR A NEW LOAN:**
☒ Conventional, ☐ FHA, ☐ VA, ☐ Other (specify) _____.

\$ 0.00 D. **THIS AGREEMENT IS CONTINGENT UPON BUYER QUALIFYING TO ASSUME THE
FOLLOWING EXISTING LOAN(S):**
☐ Conventional, ☐ FHA, ☐ VA, ☐ Other (specify) _____.
Interest: ☐ Fixed rate, _____ years - OR - ☐ Adjustable Rate, _____ years. Seller further agrees to
provide the Promissory Note and the most recent monthly statement of all loans to be assumed by Buyer
within FIVE (5) calendar days of acceptance of offer.

\$ 0.00 E. **BUYER TO EXECUTE A PROMISSORY NOTE SECURED BY DEED OF TRUST PER TERMS
IN "FINANCING ADDENDUM" which is attached hereto.**

\$ 49,500.00 F. **BALANCE OF PURCHASE PRICE** (Balance of Down Payment) in Good Funds to be paid prior to
Close of Escrow ("COE").

\$ 200,000.00 G. **TOTAL PURCHASE PRICE.** (This price DOES NOT include closing costs, prorations, or other fees
and costs associated with the purchase of the Property as defined herein.)

2. ADDITIONAL FINANCIAL TERMS & CONTINGENCIES:

A. **NEW LOAN APPLICATION:** Within 2 business days of Acceptance, Buyer agrees to (1) submit a

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is
otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu

BUYER(S) INITIALS: MZ

Property Address: 2132 HOUSTON DR

SELLER(S) INITIALS: CW

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completed loan application to a lender of Buyer's choice and (2) furnish a preapproval letter to Seller based upon a standard factual credit report and review of debt to income ratios. If Buyer fails to complete any of these conditions within the applicable time frame, Seller reserves the right to terminate this Agreement. In such event, both parties agree to cancel the escrow and return EMD to Buyer. Buyer shall use Buyer's best efforts to obtain financing under the terms and conditions outlined in this Agreement.

B. APPRAISAL CONTINGENCY: Buyer's obligation to purchase the property is contingent upon the property appraising for not less than the Purchase Price. If after the completion of an appraisal by a licensed appraiser, Buyer receives written notice from the lender or the appraiser that the Property has appraised for less than the purchase price (a "Notice of Appraised Value") Buyer may attempt to renegotiate or cancel the RPA by providing written notice to the Seller (with a copy of the Appraisal) no later than 7 calendar days after Acceptance of the RPA; whereupon the EMD shall be released to the Buyer without the requirement of written authorization from Seller. **IF this Residential Purchase Agreement is not cancelled, in writing on or before the Appraisal Deadline, Buyer shall be deemed to have waived the appraisal contingency.**

C. LOAN CONTINGENCY: Buyer's obligation to purchase the property is contingent upon Buyer obtaining the loan referenced in Section 1(C) or 1(D) of the RPA unless otherwise agreed in writing. Buyer shall remove the loan contingency in writing, attempt to renegotiate, or cancel the RPA by providing written notice to the Seller no later than 0 calendar days after Acceptance of the RPA; whereupon the EMD shall be released to the Buyer without the requirement of written authorization from Seller. **IF this Residential Purchase Agreement is not cancelled, in writing on or before the Loan Contingency Deadline, Buyer shall be deemed to have waived the loan contingency.**

D. CASH PURCHASE: Within n/a business days of Acceptance, Buyer agrees to provide written evidence from a bona fide financial institution of sufficient cash available to complete this purchase. If Buyer does not submit the written evidence within the above period, Seller reserves the right to terminate this Agreement.

3. SALE OF OTHER PROPERTY: This Agreement ☒ is not **-OR-** ☐ is contingent upon the sale (and closing) of another property which address is _____.
Said Property ☐ is ☒ is not currently listed **-OR-** ☐ is presently in escrow with _____.
Escrow Number: _____ Proposed Closing Date: _____.

When Buyer has accepted an offer on the sale of this other property, Buyer will promptly deliver a written notice of the sale to Seller. If Buyer's escrow on this other property is terminated, abandoned, or does not close on time, this Agreement will terminate without further notice unless the parties agree otherwise in writing. If Seller accepts a bona fide written offer from a third party prior to Buyer's delivery of notice of acceptance of an offer on the sale of Buyer's property, Seller shall give Buyer written notice of that fact. Within three (3) calendar days of receipt of the notice, Buyer will waive the contingency of the sale and closing of Buyer's other property, or this Agreement will terminate without further notice. In order to be effective, the waiver of contingency must be accompanied by reasonable evidence that funds needed to close escrow will be available and Buyer's ability to obtain financing is not contingent upon the sale and/or close of any other property.

4. FIXTURES AND PERSONAL PROPERTY: The following items will be transferred, free of liens, with the sale of the Property with no real value unless stated otherwise herein. Unless an item is covered under Section 7(F) of this Agreement, all items are transferred in an "AS IS" condition. All EXISTING fixtures and fittings including, but not limited to: electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fan(s), fireplace insert(s), gas logs and grates, solar power system(s), built-in appliance(s) including ranges/ovens, window and door screens, awnings, shutters, window coverings, attached floor covering(s), television antenna(s), satellite dish(es), private integrated telephone systems, air coolers/conditioner(s), pool/spa equipment, garage door opener(s)/remote control(s), mailbox, in-ground landscaping, trees/shrub(s), water softener(s), water purifiers, security systems/alarm(s);

The following additional items of personal property: _____

5. ESCROW:

A. OPENING OF ESCROW: The purchase of the Property shall be consummated through Escrow ("Escrow"). Opening of Escrow shall take place by the end of one (1) business day after Acceptance of this Agreement

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu
Property Address: 2132 HOUSTON DR

BUYER(S) INITIALS: MZ
SELLER(S) INITIALS: CW

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("Opening of Escrow"), at National Title title or escrow company ("Escrow Company" or "ESCROW HOLDER") with Lynnette Marrujo ("Escrow Officer") (or such other escrow officer as Escrow Company may assign). Opening of Escrow shall occur upon Escrow Company's receipt of this fully accepted Agreement. ESCROW HOLDER is instructed to notify the Parties (through their respective Agents) of the opening date and the Escrow Number.

B. EARNEST MONEY: Upon Acceptance, Buyer's EMD as shown in Section 1(A), and 1(B) if applicable, of this Agreement, shall be deposited pursuant to the language in Section 1(A) and 1(B) if applicable.

C. CLOSE OF ESCROW: Close of Escrow ("COE") shall be on or before: 09/22/17 (date). If the designated date falls on a weekend or holiday, COE shall be the next business day.

D. IRS DISCLOSURE: Seller is hereby made aware that there is a regulation that requires all ESCROW HOLDERS to complete a modified 1099 form, based upon specific information known only between parties in this transaction and the ESCROW HOLDER. Seller is also made aware that ESCROW HOLDER is required by federal law to provide this information to the Internal Revenue Service after COE in the manner prescribed by federal law.

6. TITLE INSURANCE: This Purchase Agreement is contingent upon the Seller's ability to deliver, good and marketable title as evidenced by a policy of title insurance, naming Buyer as the insured in an amount equal to the purchase price, furnished by the title company identified in Section 5(A). Said policy shall be in the form necessary to effectuate marketable title or its equivalent and shall be paid for as set forth in Section 8(A).

7. BUYER'S DUE DILIGENCE: Buyer's obligation is is not MZ conditioned on the Buyer's Due Diligence as defined in this section 7(A) below. This condition is referred to as the "Due Diligence Condition" if checked in the affirmative, Sections 7 (A) through (C) shall apply; otherwise they do not. Buyer shall have 0 calendar days from Acceptance (as defined in Section 23 herein) to complete Buyer's Due Diligence. Seller agrees to cooperate with Buyer's Due Diligence. **Seller shall ensure that all necessary utilities (gas, power and water) and all operable pilot lights are on for Buyer's investigations and through the close of escrow.**

A. PROPERTY INSPECTION/CONDITION: During the Due Diligence Period, Buyer shall take such action as Buyer deems necessary to determine whether the Property is satisfactory to Buyer including, but not limited to, whether the Property is insurable to Buyer's satisfaction, whether there are unsatisfactory conditions surrounding or otherwise affecting the Property (such as location of flood zones, airport noise, noxious fumes or odors, environmental substances or hazards, whether the Property is properly zoned, locality to freeways, railroads, places of worship, schools, etc.) or any other concerns Buyer may have related to the Property. During such Period, Buyer shall have the right to conduct, non-invasive/non-destructive inspections of all structural, roofing, mechanical, electrical, plumbing, heating/air conditioning, water/well/septic, pool/spa, survey, square footage, and any other property or systems, through licensed and bonded contractors or other qualified professionals. Seller agrees to provide reasonable access to the Property to Buyer and Buyer's inspectors. Buyer agrees to indemnify and hold Seller harmless with respect to any injuries suffered by Buyer or third parties present at Buyer's request while on Seller's Property conducting such inspections, tests or walk-throughs. Buyer's indemnity shall not apply to any injuries suffered by Buyer or third parties present at Buyer's request that are the result of an intentional tort, gross negligence or any misconduct or omission by Seller, Seller's Agent or other third parties on the Property. Buyer is advised to consult with appropriate professionals regarding neighborhood or Property conditions, including but not limited to: schools; proximity and adequacy of law enforcement; proximity to commercial, industrial, or agricultural activities; crime statistics; fire protection; other governmental services; existing and proposed transportation; construction and development; noise or odor from any source; and other nuisances, hazards or circumstances. If Buyer cancels this Agreement due to a specific inspection report, Buyer shall provide Seller at the time of cancellation with a copy of the report containing the name, address, and telephone number of the inspector.

B. BUYER'S RIGHT TO CANCEL OR RESOLVE OBJECTIONS: If Buyer determines, in Buyer's sole discretion, that the results of the Due Diligence are unacceptable, Buyer may either: (i) no later than the Due Diligence Deadline referenced in Section 7, cancel the Residential Purchase Agreement by providing written notice to the Seller, whereupon the Earnest Money Deposit referenced in Section 1(A) shall be released to the Buyer without the requirement of further written authorization from Seller; or (ii) no later than the Due Diligence Deadline referenced in Section 7, resolve in

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu

Property Address: 2132 HOUSTON DR

BUYER(S) INITIALS: MZ

SELLER(S) INITIALS: CW

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writing with Seller any objections Buyer has arising from Buyer's Due Diligence.

C. FAILURE TO CANCEL OR RESOLVE OBJECTIONS: If Buyer fails to cancel the Residential Purchase Agreement or fails to resolve in writing with Seller any objections Buyer has arising from Buyer's Due Diligence, as provided in Section 7, **Buyer shall be deemed to have waived the Due Diligence Condition.**

D. INSPECTIONS: Acceptance of this offer is subject to the following reserved right. Buyer may have the

Property inspected and select the licensed contractors, certified building inspectors and/or other qualified professionals who will inspect the Property. Seller will ensure that necessary utilities (gas, power and water and all operable pilot lights) are turned on and supplied to the Property within two (2) business days after Acceptance of this Agreement, to remain on until COE. *It is strongly recommended that Buyer retain licensed Nevada professionals to conduct inspections.* If any inspection is not completed and requested repairs are not delivered to Seller within the Due Diligence Period, Buyer is deemed to have waived the right to that inspection and Seller's liability for the cost of all repairs that inspection would have reasonably identified had it been conducted, except as otherwise provided by law. The foregoing expenses for inspections will be paid outside of Escrow unless the Parties present instructions to the contrary prior to COE, along with the applicable invoice.

(Identify which party shall pay for the inspection noted below either: SELLER, BUYER, 50/50, WAIVED or N/A.)

Type	Paid By	Type	Paid By	Type	Paid By
Energy Audit	Waived	Fungal Contaminant Inspection	Waived	Well Inspection (Quantity)	N/A
Home Inspection	Buyer	Mechanical Inspection	Waived	Well Inspection (Quality)	N/A
Termite/Pest Inspection	Waived	Pool/Spa Inspection	N/A	Wood-Burning Device/Chimney Inspection	N/A
Roof Inspection	Waived	Soils Inspection	Waived	Septic Inspection	N/A
Septic Lid Removal	Waived	Septic Pumping	N/A	Structural Inspection	Waived
Survey (type):	N/A	Other:		Other:	

E. CERTIFICATIONS: In the event an inspection reveals areas of concern with the roof, septic system, well, wood burning device/chimney or the possible presence of a fungal contaminant, Buyer reserves the right to require a certification. The expenses for certifications will be paid outside of Escrow unless the Parties present instructions to the contrary prior to COE (along with the applicable invoice). A certification is not a warranty.

F. BUYER'S REQUEST FOR REPAIRS: It is Buyer's responsibility to inspect the Property sufficiently as to satisfy Buyer's use. Buyer reserves the right to request repairs, based upon the Seller's Real Property Disclosure or items which materially affect value or use of the Property revealed by an inspection, certification or appraisal. Items of a general maintenance or cosmetic nature which do not materially affect value or use of the Property, which existed at the time of Acceptance and which are not expressly addressed in this Agreement are deemed accepted by the Buyer, except as otherwise provided in this Agreement. The Brokers herein have no responsibility to assist in the payment of any repair, correction or deferred maintenance on the Property which may have been revealed by the above inspections, agreed upon by the Buyer and Seller or requested by one party.

8. FEES, AND PRORATIONS (Identify which party shall pay the costs noted below either: SELLER, BUYER, 50/50, WAIVED or N/A.)

A. TITLE, ESCROW & APPRAISAL FEES:

Type	Paid By	Type	Paid By	Type	Paid By
Escrow Fees	50/50	Lender's Title Policy	Buyer	Owner's Title Policy	Seller
Real Property Transfer Tax	Seller	Appraisal	Buyer	Other:	

B. PRORATIONS: Any and all rents, taxes, interest, homeowner association fees, trash service fees, payments on bonds, SIDs, LIDs, and assessments assumed by the Buyer, and other expenses of the property shall be prorated as of the date of the recordation of the deed. Security deposits, advance rentals or considerations involving future lease credits shall be

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu

Property Address: 2132 HOUSTON DR

BUYER(S) INITIALS: MZ

SELLER(S) INITIALS: CW

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credited to the Buyer. All prorations will be based on a 30-day month and will be calculated as of COE. Prorations will be based upon figures available at closing. Any supplementals or adjustments that occur after COE will be handled by the parties outside of Escrow.

C. PRELIMINARY TITLE REPORT: Within ten (10) business days of Opening of Escrow, Title Company shall provide Buyer with a Preliminary Title Report ("PTR") to review, which must be approved or rejected within five (5) business days of receipt thereof. If Buyer does not object to the PTR within the period specified above, the PTR shall be deemed accepted. If Buyer makes an objection to any item(s) contained within the PTR, Seller shall have five (5) business days after receipt of objections to correct or address the objections. If, within the time specified, Seller fails to have each such exception removed or to correct each such objection, Buyer shall have the option to: (a) terminate this Agreement by providing notice to Seller and Escrow Officer, entitling Buyer to a refund of the EMD or (b) elect to accept title to the Property as is. All title exceptions approved or deemed accepted are hereafter collectively referred to as the "Permitted Exceptions."

D. LENDER AND CLOSING FEES: In addition to Seller's expenses identified herein, Seller will contribute \$ 5000 to Buyer's Lender's Fees and/or Buyer's Title and Escrow Fees ☒ including ~~OR~~ ☐ excluding costs which Seller must pay pursuant to loan program requirements. Different loan types (e.g., FHA, VA, conventional) have different appraisal and financing requirements, which will affect the parties' rights and costs under this Agreement.

E. HOME PROTECTION PLAN: Buyer and Seller acknowledge that they have been made aware of Home Protection Plans that provide coverage to Buyer after COE. Buyer ☒ waives ~~OR~~ ☐ requires a Home Protection Plan with N/A. ☒ Seller ~~OR~~ ☐ Buyer will pay for the Home Protection Plan at a price not to exceed \$ 0. Buyer will order the Home Protection Plan. Neither Seller nor Brokers make any representation as to the extent of coverage or deductibles of such plans.

9. TRANSFER OF TITLE: Upon COE, Buyer shall tender to Seller the agreed upon Purchase Price, and Seller shall tender to Buyer marketable title to the Property free of all encumbrances other than (1) current real property taxes, (2) covenants, conditions and restrictions (CC&R's) and related restrictions, (3) zoning or master plan restrictions and public utility easements; and (4) obligations assumed and encumbrances accepted by Buyer prior to COE. Buyer is advised the Property may be reassessed after COE which may result in a real property tax increase or decrease.

10. COMMON-INTEREST COMMUNITIES: If the Property is subject to a Common Interest Community ("CIC"), Seller shall provide AT SELLER'S EXPENSE the CIC documents as required by NRS 116.4109 (collectively, the "resale package"). Seller shall request the resale package within two (2) business days of Acceptance and provide the same to Buyer within one (1) business day of Seller's receipt thereof.

- Pursuant to NRS 116.4109, Buyer may cancel this Agreement without penalty until midnight of the fifth (5th) calendar day following the date of receipt of the resale package. If Buyer elects to cancel this Agreement pursuant to this statute, he/she must deliver, via hand delivery, prepaid U.S. mail, or electronic transmission, a written notice of cancellation to Seller or his or her authorized agent.
- If Buyer does not receive the resale package within fifteen (15) calendar days of Acceptance, this Agreement may be cancelled in full by Buyer without penalty. Notice of cancellation shall be delivered pursuant to Section 24 of the RPA.
- Upon such written cancellation, Buyer shall promptly receive a refund of the EMD. The parties agree to execute any documents requested by ESCROW HOLDER to facilitate the refund. If written cancellation is not received within the specified time period, the resale package will be deemed approved. Seller shall pay all outstanding CIC fines or penalties at COE.

A. CIC RELATED EXPENSES: (Identify which party shall pay the costs noted below either: SELLER, BUYER, 50/50, WAIVED or N/A.)

Type	Paid By	Type	Paid By	Type	Paid By
CIC Demand	Seller	CIC Capital Contribution	Seller	CIC Transfer Fees	Seller
Other: _____					

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu
Property Address: 2132 HOUSTON DR

BUYER(S) INITIALS: MZ
SELLER(S) INITIALS: CW

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11. DISCLOSURES: Within five (5) calendar days of Acceptance of this Agreement, Seller will provide the following Disclosures and/or documents. Check applicable boxes.

☒ **Seller Real Property Disclosure Form:** (NRS 113.130) ☐ **Open Range Disclosure:** (NRS 113.065)

☐ **Construction Defect Claims Disclosure:** If Seller has marked "Yes" to Paragraph 1(d) of the Sellers Real Property Disclosure Form (NRS 40.688)

☒ **Lead-Based Paint Disclosure and Acknowledgment:** required if constructed before 1978 (24 CFR 745.113)

☐ **Other:** (list) _____

12. FEDERAL FAIR HOUSING COMPLIANCE AND DISCLOSURES: All properties are offered without regard to race, color, religion, sex, national origin, age, gender identity or expression, familial status, sexual orientation, ancestry, or handicap and any other current requirements of federal or state fair housing laws.

13. WALK-THROUGH INSPECTION OF PROPERTY: Buyer is entitled under this Agreement to a walk-through of the Property within 3 calendar days prior to COE to ensure the Property and all major systems, appliances, heating/cooling, plumbing and electrical systems and mechanical fixtures are as stated in Seller's Real Property Disclosure Statement, and that the Property and improvements are in the same general condition as when this Agreement was Accepted by Seller and Buyer. To facilitate Buyer's walk-through, Seller is responsible for keeping all necessary utilities on, including all operable pilot lights. If any systems cannot be checked by Buyer on walk-through due to non-access or no power/gas/water, then Buyer reserves the right to hold Seller responsible for defects which could not be detected on walk-through because of lack of such access or power/gas/water. The purpose of the walk-through is to confirm (a) the Property is being maintained (b) repairs, if any, have been completed as agreed, and (c) Seller has complied with Seller's other obligations. **If Buyer elects not to conduct a walk-through inspection prior to COE, then all systems, items and aspects of the Property are deemed satisfactory, and Buyer releases Seller's liability for costs of any repair that would have reasonably been identified by a walk-through inspection, except as otherwise provided by law.**

14. DELIVERY OF POSSESSION: Seller shall deliver the Property along with any keys, alarm codes, garage door opener/controls and, if freely transferable, parking permits and gate transponders outside of Escrow, upon COE. Seller agrees to vacate the Property and leave the Property in a neat and orderly, broom-clean condition and tender possession no later than ☒ **COE** ☐ **OR** _____. In the event Seller does not vacate the Property by this time, Seller shall be considered a trespasser in addition to Buyer's other legal and equitable remedies. Any personal property left on the Property after the date indicated in this section shall be considered abandoned by Seller.

15. RISK OF LOSS: Risk of loss shall be governed by NRS 113.040. This law provides generally that if all or any material part of the Property is destroyed before transfer of legal title or possession, Seller cannot enforce the Agreement and Buyer is entitled to recover any portion of the sale price paid. If legal title or possession has transferred, risk of loss shall shift to Buyer.

16. ASSIGNMENT OF THIS AGREEMENT: Unless otherwise stated herein, this Agreement is non-assignable unless agreed upon in writing by all parties.

17. CANCELLATION OF AGREEMENT: In the event this Agreement is properly cancelled in accordance with the terms contained herein, then Buyer will be entitled to a refund of the EMD. Neither Buyer nor Seller will be reimbursed for any expenses incurred in conjunction with due diligence, inspections, appraisals or any other matters pertaining to this transaction (unless otherwise provided herein or except as otherwise provided by law).

18. DEFAULT:

A. MEDIATION: Before any legal action is taken to enforce any term or condition under this Agreement, the parties agree to engage in mediation, a dispute resolution process, through GLVAR. Notwithstanding the foregoing, in the event the Buyer finds it necessary to file a claim for specific performance, this section shall not apply. Each party is encouraged to have an independent lawyer of their choice review this mediation provision before agreeing thereto. By initialing below, the parties confirm that they have read and understand this section and voluntarily agree to the provisions thereof.

BUYER(S) INITIALS: MZ / _____ **SELLER(S) INITIALS:** CN / _____

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu

Property Address: 2132 HOUSTON DR

BUYER(S) INITIALS: MZ

SELLER(S) INITIALS: CN

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B. IF SELLER DEFAULTS: If Seller defaults in performance under this Agreement, Buyer reserves all legal and/or equitable rights (such as specific performance) against Seller, and Buyer may seek to recover Buyer's actual damages incurred by Buyer due to Seller's default.

C. IF BUYER DEFAULTS: If Buyer defaults in performance under this Agreement, as Seller's sole legal recourse, Seller may retain, as liquidated damages, the EMD. In this respect, the Parties agree that Seller's actual damages would be difficult to measure and that the EMD is in fact a reasonable estimate of the damages that Seller would suffer as a result of Buyer's default. Seller understands that any additional deposit not considered part of the EMD in Section 1(B) herein will be immediately released by ESCROW HOLDER to Buyer.

Instructions to Escrow

19. ESCROW: If this Agreement or any matter relating hereto shall become the subject of any litigation or controversy, Buyer and Seller agree, jointly and severally, to hold ESCROW HOLDER free and harmless from any loss or expense, except losses or expenses as may arise from ESCROW HOLDER'S negligence or willful misconduct. If conflicting demands are made or notices served upon ESCROW HOLDER with respect to this Agreement, the parties expressly agree that Escrow is entitled to file a suit in interpleader and obtain an order from the Court authorizing ESCROW HOLDER to deposit all such documents and monies with the Court, and obtain an order from the Court requiring the parties to interplead and litigate their several claims and rights among themselves. Upon the entry of an order authorizing such Interpleader, ESCROW HOLDER shall be fully released and discharged from any obligations imposed upon it by this Agreement; and ESCROW HOLDER shall not be liable for the sufficiency or correctness as to form, manner, execution or validity of any instrument deposited with it, nor as to the identity, authority or rights of any person executing such instrument, nor for failure of Buyer or Seller to comply with any of the provisions of any agreement, contract or other instrument filed with ESCROW HOLDER or referred to herein. ESCROW HOLDER'S duties hereunder shall be limited to the safekeeping of all monies, instruments or other documents received by it as ESCROW HOLDER, and for their disposition in accordance with the terms of this Agreement. In the event an action is instituted in connection with this escrow, in which ESCROW HOLDER is named as a party or is otherwise compelled to make an appearance, all costs, expenses, attorney fees, and judgments ESCROW HOLDER may expend or incur in said action, shall be the responsibility of the parties hereto.

20. UNCLAIMED FUNDS: In the event that funds from this transaction remain in an account, held by ESCROW HOLDER, for such a period of time that they are deemed "abandoned" under the provisions of Chapter 120A of the Nevada Revised Statutes, ESCROW HOLDER is hereby authorized to impose a charge upon the dormant escrow account. Said charge shall be no less than \$5.00 per month and may not exceed the highest rate of charge permitted by statute or regulation. ESCROW HOLDER is further authorized and directed to deduct the charge from the dormant escrow account for as long as the funds are held by ESCROW HOLDER.

Brokers

21. BROKER'S COMPENSATION/FEEs: Buyer herein requires, and Seller agrees, as a condition of this Agreement, that Seller will pay Listing Broker and Buyer's Broker, who becomes by this clause a third party beneficiary to this Agreement, that certain sum and/or percentage of the Purchase Price (commission), that Seller, or Seller's Broker, offered for the procurement of ready, willing and able Buyer via the Multiple Listing Service, any other advertisement or written offer. Seller understands and agrees that if Seller defaults hereunder, Buyer's Broker, as a third-party beneficiary of this Agreement, has the right to pursue all legal recourse against Seller for any commission due. **In addition to any amount due to Buyer's Broker from Seller or Seller's Broker, Buyer ~~will~~ will not pay Buyer's Broker additional compensation in an amount determined between the Buyer and Buyer's Broker.**

22. WAIVER OF CLAIMS: Buyer and Seller agree that they are not relying upon any representations made by Brokers or Broker's agent. Buyer acknowledges that at COE, the Property will be sold AS-IS, WHERE-IS without any representations or warranties, unless expressly stated herein. Buyer agrees to satisfy himself/herself, as to the condition of the Property, prior to COE. Buyer acknowledges that any statements of acreage or square footage by Brokers are simply estimates, and Buyer agrees to make such measurements, as Buyer deems necessary, to ascertain actual acreage or square footage. Buyer waives all

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu

BUYER(S) INITIALS: MZ

Property Address: 2132 HOUSTON DR

SELLER(S) INITIALS: CN

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claims against Brokers or their agents for (a) defects in the Property; (b) inaccurate estimates of acreage or square footage; (c) environmental waste or hazards on the Property; (d) the fact that the Property may be in a flood zone; (e) the Property's proximity to freeways, airports or other nuisances; (f) the zoning of the Property; (g) tax consequences; or (h) factors related to Buyer's failure to conduct walk-throughs or inspections. Buyer assumes full responsibility for the foregoing and agrees to conduct such tests, walk-throughs, inspections and research, as Buyer deems necessary. In any event, Broker's liability is limited, under any and all circumstances, to the amount of that Broker's commission/fee received in this transaction.

Other Matters

23. DEFINITIONS: "Acceptance" means the date that both parties have consented to a final, binding contract by affixing their signatures to this Agreement and all counteroffers and said Agreement and all counteroffers have been delivered to both parties pursuant to Section 24 herein. "Agent" means a licensee working under a Broker or licensees working under a developer. "Agreement" includes this document as well as all accepted counteroffers and addenda. "Appraisal" means a written appraisal or Notice of Value as required by any lending institution prepared by a licensed or certified professional. "Bona Fide" means genuine. "Buyer" means one or more individuals or the entity that intends to purchase the Property. "Broker" means the Nevada licensed real estate broker listed herein representing Seller and/or Buyer (and all real estate agents associated therewith). "Business Day" excludes Saturdays, Sundays, and legal holidays. "Calendar Day" means a calendar day from/to midnight unless otherwise specified. "CFR" means the Code of Federal Regulations. "CIC" means Common Interest Community (formerly known as "HOA" or homeowners associations). "CIC Capital Contribution" means a one-time non-administrative fee, cost or assessment charged by the CIC upon change of ownership. "CIC Transfer Fees" means the administrative service fee charged by a CIC to transfer ownership records. "Close of Escrow (COE)" means the time of recordation of the deed in Buyer's name. "Default" means the failure of a Party to observe or perform any of its material obligations under this Agreement. "Delivered" means personally delivered to Parties or respective Agents, transmitted by facsimile machine, electronic means, overnight delivery, or mailed by regular mail. "Down Payment" is the Purchase Price less loan amount(s). "EMD" means Buyer's earnest money deposit. "Escrow Holder" means the neutral party that will handle the closing. "FHA" is the U.S. Federal Housing Administration. "GLVAR" means the Greater Las Vegas Association of REALTORS®. "Good Funds" means an acceptable form of payment determined by ESCROW HOLDER in accordance with NRS 645A.171. "IRC" means the Internal Revenue Code (tax code). "LID" means Limited Improvement District. "N/A" means not applicable. "NAC" means Nevada Administrative Code. "NRS" means Nevada Revised Statutes as Amended. "Party" or "Parties" means Buyer and Seller. "PITI" means principal, interest, taxes, and hazard insurance. "PMI" means private mortgage insurance. "PST" means Pacific Standard Time, and includes daylight savings time if in effect on the date specified. "PTR" means Preliminary Title Report. "Property" means the real property and any personal property included in the sale as provided herein. "Receipt" means delivery to the party or the party's agent. "RPA" means Residential Purchase Agreement. "Seller" means one or more individuals or the entity that is the owner of the Property. "SID" means Special Improvement District. "Title Company" means the company that will provide title insurance. "USC" is the United States Code. "VA" is the Veterans Administration.

24. SIGNATURES, DELIVERY, AND NOTICES:

A. This Agreement may be signed by the parties on more than one copy, which, when taken together, each signed copy shall be read as one complete form. This Agreement (and documents related to any resulting transaction) may be signed by the parties manually or digitally. Facsimile signatures may be accepted as original.

B. When a Party wishes to provide notice as required in this Agreement, such notice shall be sent regular mail, personal delivery, overnight delivery, by facsimile, and/or by electronic transmission to the Agent for that Party. The notification shall be effective when postmarked, received, faxed, delivery confirmed, and/or read receipt confirmed in the case of email. Delivery of all instruments or documents associated with this Agreement shall be delivered to the Agent for Seller or Buyer if represented. Any cancellation notice shall be contemporaneously delivered to Escrow in the same manner.

25. IRC 1031 EXCHANGE: Seller and/or Buyer may make this transaction part of an IRC 1031 exchange. The party electing to make this transaction part of an IRC 1031 exchange will pay all additional expenses associated therewith, at no cost to the other party. The other party agrees to execute any and all documents necessary to effectuate such an exchange.

26. OTHER ESSENTIAL TERMS: Time is of the essence. No change, modification or amendment of this Agreement

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu

Property Address: 2132 HOUSTON DR

BUYER(S) INITIALS: MZ

SELLER(S) INITIALS: CW

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shall be valid or binding unless such change, modification or amendment shall be in writing and signed by each party. This Agreement will be binding upon the heirs, beneficiaries and devisees of the parties hereto. This Agreement is executed and intended to be performed in the State of Nevada, and the laws of that state shall govern its interpretation and effect. The parties agree that the county and state in which the Property is located is the appropriate forum for any action relating to this Agreement. Should any party hereto retain counsel for the purpose of initiating litigation to enforce or prevent the breach of any provision hereof, or for any other judicial remedy, then the prevailing party shall be entitled to be reimbursed by the losing party for all costs and expenses incurred thereby, including, but not limited to, reasonable attorney's fees and costs incurred by such prevailing party.

THIS IS A LEGALLY BINDING CONTRACT. All parties are advised to seek independent legal and tax advice to review the terms of this Agreement.

THIS FORM HAS BEEN APPROVED BY THE GREATER LAS VEGAS ASSOCIATION OF REALTORS® (GLVAR). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

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27. **ADDENDUM(S) ATTACHED:** _____

28. **ADDITIONAL TERMS:**
Buyer agree to pay the difference in cash if appraisal come in lower than purchase price, not to exceed purchase price of \$200k.

Buyer's Acknowledgement of Offer

Confirmation of Representation: The Buyer is represented in this transaction by:

Buyer's Broker: <u>Joyce Nickrandt</u>	Agent's Name: <u>Liwei Helen Chen</u>
Company Name: <u>Investpro Realty</u>	Agent's License Number: <u>S.0175520</u>
Broker's License Number: <u>B0144660</u>	Office Address: <u>3553 VALLEY VIEW BLVD</u>
Phone: <u>702-997-3832</u>	City, State, Zip: <u>LAS VEGAS NV 89103</u>
Fax: <u>702-997-3836</u>	Email: <u>helen0510c@gmail.com</u>

BUYER LICENSEE DISCLOSURE OF INTEREST: Pursuant to NRS 645.252(1)(c), a real estate licensee must disclose if he/she is a principal in a transaction or has an interest in a principal to the transaction. Licensee declares that he/she:

☒ **DOES NOT** have an interest in a principal to the transaction. **-OR-**

☐ **DOES** have the following interest, direct or indirect, in this transaction: ☐ Principal (Buyer) **-OR-** ☐ family or firm relationship with Buyer or ownership interest in Buyer (if Buyer is an entity): (specify relationship)

Seller must respond by: 5 (☐AM☒PM) on (month) September, (day) 6, (year) 2017. Unless this

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu
Property Address: 2132 HOUSTON DR

BUYER(S) INITIALS: MZ
SELLER(S) INITIALS: CN

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Agreement is accepted, rejected or countered below and delivered to the Buyer's Broker before the above date and time, this offer shall lapse and be of no further force and effect. Upon Acceptance, Buyer agrees to be bound by each provision of this Agreement, and all signed addenda, disclosures, and attachments.

Buyer's Signature: Marie Zhu Buyer's Printed Name: Marie Zhu Date: 09/05/2017 Time: 4:05 PM ☐ AM ☐ PM

Buyer's Signature: _____ Buyer's Printed Name: _____ Date: _____ Time: _____ ☐ AM ☐ PM

Seller's Response

Confirmation of Representation: The Seller is represented in this transaction by:

Seller's Broker: Joyce Nickrandt Agent's Name: Liwei Helen Chen
 Company Name: Investpro Realty Agent's License Number: S.0172460
 Broker's License Number: B0144660 Office Address: 3553 Valley View Dr
 Phone: _____ City, State, Zip: Las Vegas NV 89103
 Fax: 866-782-3075 Email: zhong.kenny@gmail.com

SELLER LICENSEE DISCLOSURE OF INTEREST: Pursuant to NRS 645.252(1)(c), a real estate licensee must disclose if he/she is a principal in a transaction or has an interest in a principal to the transaction. Licensee declares that he/she:

☒ **DOES NOT** have an interest in a principal to the transaction. -OR-
☐ **DOES** have the following interest, direct or indirect, in this transaction: ☐ Principal (Seller) -OR- ☐ family or firm relationship with Seller or ownership interest in Seller (if Seller is an entity): (specify relationship)

FIRPTA: If applicable (as designated in the Seller's Response herein), Seller agrees to complete, sign, and deliver to Buyer's FIRPTA Designee a certificate indicating whether Seller is a foreign person or a nonresident alien pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA). A foreign person is a nonresident alien individual; a foreign corporation not treated as a domestic corporation; or a foreign partnership, trust or estate. A resident alien is not considered a foreign person under FIRPTA. Additional information for determining status may be found at www.irs.gov. Buyer and Seller understand that if Seller is a foreign person then the Buyer must withhold a tax in an amount to be determined by Buyer's FIRPTA Designee in accordance with FIRPTA, unless an exemption applies. Seller agrees to sign and deliver to the Buyer's FIRPTA Designee the necessary documents, to be provided by the Buyer's FIRPTA Designee, to determine if withholding is required. (See 26 USC Section 1445).

SELLER DECLARES that he/she ☒ **is not** -OR- ☐ **is** a foreign person therefore subjecting this transaction to FIRPTA withholding. SELLER(S) INITIALS: CN

☒ **ACCEPTANCE:** Seller(s) acknowledges that he/she accepts and agrees to be bound by each provision of this Agreement, and all signed addenda, disclosures, and attachments.

☐ **COUNTER OFFER:** Seller accepts the terms of this Agreement subject to the attached Counter Offer #1.

☐ **REJECTION:** In accordance with NAC 645.632, Seller hereby informs Buyer the offer presented herein **is not** accepted.

Seller's Signature: TKNR INC Seller's Printed Name: TKNR INC Date: 09/05/2017 Time: 4:53 PM ☐ AM ☐ PM

Seller's Signature: _____ Seller's Printed Name: _____ Date: _____ Time: _____ ☐ AM ☐ PM

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu BUYER(S) INITIALS: MZ
 Property Address: 2132 HOUSTON DR SELLER(S) INITIALS: CN

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ADDENDUM NO. 1 **TO PURCHASE AGREEMENT**



In reference to the Purchase Agreement executed by Marie Zhu
as Buyer(s) and TKNR INC
as Seller(s), dated 09/05/17
covering the real property at 2132 HOUSTON DR LASVEGAS NV 89104
, the ☒ Buyer ☐ Seller hereby proposes that the Purchase

Agreement be amended as follows:

1. buyer and seller agree to extend the COE to 1/5/18.
2. buyer to make an immediate additional deposit of \$60,000 (sixty thousand dollars) to escrow , and the escrow to release the entire \$60,000 (sixty thousands dollars) to seller immediately, and become non-refundable. If this transfer is not completed within 48 hours of execution of this addendum , this addendum will become invalid immediately, either buyer and seller have any obligations to each other.
3. Total of \$60,000 will be applied to purchase price as buyer's credit at COE. All other terms on the existing RPA and addendum to stay the same and effective .
4. Buyer also agree to pay for the rent on one of 2 bedroom unit at the rate of \$650 per month until seller place a tenant in the unit , the rent will be paid by buyer to seller at successful COE .in the event that seller place a tenant in the unit , buyer will no longer be paying the rent to seller , and buyer will pay \$800 tenant placement fee (leasing fee) to current PM immediately, which is none refundable and to be prorated at successful COE.
5. Time is essence on this addendum.
6. Seller has the right to cancel the escrow without any obligation to the buyer only if the buyer fails to close the escrow for any reason what so ever by Jan 5th, 2018.
7. Buyer agrees to hold harmless against the seller, listing agent and its broker, selling agent and its broker if the buyer fails the close by Jan 5th, 2018 per RPA and this addendum.

Authentisign
Joyce Nickrandt
witness 7/20/2017 7:48:07 PM PDT

☐ **ADDITIONAL PAGE(S) ATTACHED.** This Addendum is not complete without the additional terms on the attached _____ page(s).

When executed by both parties, this Addendum is made an integral part of the aforementioned Purchase Agreement.

WHEN PROPERLY COMPLETED, THIS IS A BINDING CONTRACT. IF YOU DO NOT FULLY UNDERSTAND ITS CONTENTS, YOU SHOULD SEEK COMPETENT LEGAL COUNSEL BEFORE SIGNING.

Authentisign
Marie Zhu
☒ Buyer ☐ Seller
Date 09/26/2017
7:48 PM

☐ Buyer ☐ Seller
Time _____

Acceptance:
[Signature]
☐ Buyer ☐ Seller
Date 09/27/2017
11:06 AM

☐ Buyer ☐ Seller
Time _____

Prepared by: Liwei Helen Chen _____
Agent's Printed Name Phone

Addendum to Purchase Agreement 9/12

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ADDENDUM NO. 2 TO PURCHASE AGREEMENT



In reference to the Purchase Agreement executed by Marie Zhu
as Buyer(s) and TKNR INC
as Seller(s), dated 09/05/17
covering the real property at 2132 HOUSTON DR LASVEGAS NV 89104
, the ☒ Buyer ☐ Seller hereby proposes that the Purchase Agreement be amended as follows:
1. Buyer's name amend to WLAB INVESTMENT GROUP LLC

☐ **ADDITIONAL PAGE(S) ATTACHED.** This Addendum is not complete without the additional terms on the attached _____ page(s).

When executed by both parties, this Addendum is made an integral part of the aforementioned Purchase Agreement.

WHEN PROPERLY COMPLETED, THIS IS A BINDING CONTRACT. IF YOU DO NOT FULLY UNDERSTAND ITS CONTENTS, YOU SHOULD SEEK COMPETENT LEGAL COUNSEL BEFORE SIGNING.

Marie Zhu 12/12/2017 1:39:33 PM PST
☒ Buyer ☐ Seller
Date
1:39 PM
Time

Acceptance:
[Signature] 12/12/2017 2:45:12 PM PST
☐ Buyer ☒ Seller
Date
2:45 PM
Time

Prepared by: Liwei Helen Chen
Agent's Printed Name
Phone

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RA000524



RESIDENTIAL PURCHASE AGREEMENT

(Joint Escrow Instructions)

Date: 08/11/17

Marie Zhu ("Buyer"), hereby offers to purchase
2132 HOUSTON DR ("Property"), within the
city or unincorporated area of LAS VEGAS, County of CLARK, State of Nevada,
Zip 89104, A.P.N. # 162-01-110-017 for the purchase price of \$ 200,000.00
(Two Hundred Thousand dollars) ("Purchase Price") on the terms and conditions
contained herein: BUYER ☐ does ~~OR~~ ☒ does not intend to occupy the Property as a residence.

Buyer's Offer

1. FINANCIAL TERMS & CONDITIONS:

\$ 5,000.00 A. **EARNEST MONEY DEPOSIT ("EMD")** is ☒ presented with this offer ~~OR~~ ☐ . Upon Acceptance, Earnest Money to be deposited within one (1) business day from acceptance of offer (as defined in Section 23 herein) or 2 business days if wired to: ☒ Escrow Holder, ☐ Buyer's Broker's Trust Account, ~~OR~~ ☐ Seller's Broker's Trust Account. (NOTE: It is a felony in the State of Nevada—punishable by up to four years in prison and a \$5,000 fine—to write a check for which there are insufficient funds. NRS 193.130(2)(d).)

\$ 0.00 B. **ADDITIONAL DEPOSIT** to be placed in escrow on or before (date) . The additional deposit ☐ will ~~OR~~ ☐ will not be considered part of the EMD. (Any conditions on the additional deposit should be set forth in Section 28 herein.)

\$ 150,000.00 C. **THIS AGREEMENT IS CONTINGENT UPON BUYER QUALIFYING FOR A NEW LOAN:**
☒ Conventional, ☐ FHA, ☐ VA, ☐ Other (specify)

\$ 0.00 D. **THIS AGREEMENT IS CONTINGENT UPON BUYER QUALIFYING TO ASSUME THE FOLLOWING EXISTING LOAN(S):**
☐ Conventional, ☐ FHA, ☐ VA, ☐ Other (specify)
Interest: ☐ Fixed rate, years ~~OR~~ ☐ Adjustable Rate, years. Seller further agrees to provide the Promissory Note and the most recent monthly statement of all loans to be assumed by Buyer within FIVE (5) calendar days of acceptance of offer.

\$ 0 E. **BUYER TO EXECUTE A PROMISSORY NOTE SECURED BY DEED OF TRUST PER TERMS IN "FINANCING ADDENDUM"** which is attached hereto.

\$ 45,000.00 F. **BALANCE OF PURCHASE PRICE** (Balance of Down Payment) in Good Funds to be paid prior to Close of Escrow ("COE").

\$ 200,000.00 G. **TOTAL PURCHASE PRICE.** (This price DOES NOT include closing costs, prorations, or other fees and costs associated with the purchase of the Property as defined herein.)

2. ADDITIONAL FINANCIAL TERMS & CONTINGENCIES:

A. **NEW LOAN APPLICATION:** Within 2 business days of Acceptance, Buyer agrees to (1) submit a

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu

BUYER(S) INITIALS: MZ

Property Address: 2132 HOUSTON DR

SELLER(S) INITIALS: CW

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completed loan application to a lender of Buyer's choice and (2) furnish a preapproval letter to Seller based upon a standard factual credit report and review of debt to income ratios. If Buyer fails to complete any of these conditions within the applicable time frame, Seller reserves the right to terminate this Agreement. In such event, both parties agree to cancel the escrow and return EMD to Buyer. Buyer shall use Buyer's best efforts to obtain financing under the terms and conditions outlined in this Agreement.

B. APPRAISAL CONTINGENCY: Buyer's obligation to purchase the property is contingent upon the property appraising for not less than the Purchase Price. If after the completion of an appraisal by a licensed appraiser, Buyer receives written notice from the lender or the appraiser that the Property has appraised for less than the purchase price (a "Notice of Appraised Value") Buyer may attempt to renegotiate or cancel the RPA by providing written notice to the Seller (with a copy of the Appraisal) no later than 14 calendar days after Acceptance of the RPA; whereupon the EMD shall be released to the Buyer without the requirement of written authorization from Seller. **IF this Residential Purchase Agreement is not cancelled, in writing on or before the Appraisal Deadline, Buyer shall be deemed to have waived the appraisal contingency.**

C. LOAN CONTINGENCY: Buyer's obligation to purchase the property is contingent upon Buyer obtaining the loan referenced in Section 1(C) or 1(D) of the RPA unless otherwise agreed in writing. Buyer shall remove the loan contingency in writing, attempt to renegotiate, or cancel the RPA by providing written notice to the Seller no later than 21 calendar days after Acceptance of the RPA; whereupon the EMD shall be released to the Buyer without the requirement of written authorization from Seller. **IF this Residential Purchase Agreement is not cancelled, in writing on or before the Loan Contingency Deadline, Buyer shall be deemed to have waived the loan contingency.**

D. CASH PURCHASE: Within n/a business days of Acceptance, Buyer agrees to provide written evidence from a bona fide financial institution of sufficient cash available to complete this purchase. If Buyer does not submit the written evidence within the above period, Seller reserves the right to terminate this Agreement.

3. SALE OF OTHER PROPERTY: This Agreement ☒ is not -OR- ☐ is contingent upon the sale (and closing) of another property which address is _____
Said Property ☐ is ☒ is not currently listed -OR- ☐ is presently in escrow with _____
Escrow Number: _____ Proposed Closing Date: _____

When Buyer has accepted an offer on the sale of this other property, Buyer will promptly deliver a written notice of the sale to Seller. If Buyer's escrow on this other property is terminated, abandoned, or does not close on time, this Agreement will terminate without further notice unless the parties agree otherwise in writing. If Seller accepts a bona fide written offer from a third party prior to Buyer's delivery of notice of acceptance of an offer on the sale of Buyer's property, Seller shall give Buyer written notice of that fact. Within three (3) calendar days of receipt of the notice, Buyer will waive the contingency of the sale and closing of Buyer's other property, or this Agreement will terminate without further notice. In order to be effective, the waiver of contingency must be accompanied by reasonable evidence that funds needed to close escrow will be available and Buyer's ability to obtain financing is not contingent upon the sale and/or close of any other property.

4. FIXTURES AND PERSONAL PROPERTY: The following items will be transferred, free of liens, with the sale of the Property with no real value unless stated otherwise herein. Unless an item is covered under Section 7(F) of this Agreement, all items are transferred in an "AS IS" condition. All EXISTING fixtures and fittings including, but not limited to: electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fan(s), fireplace insert(s), gas logs and grates, solar power system(s), built-in appliance(s) including ranges/ovens, window and door screens, awnings, shutters, window coverings, attached floor covering(s), television antenna(s), satellite dish(es), private integrated telephone systems, air coolers/conditioner(s), pool/spa equipment, garage door opener(s)/remote control(s), mailbox, in-ground landscaping, trees/shrub(s), water softener(s), water purifiers, security systems/alarm(s);

The following additional items of personal property: _____

5. ESCROW:

A. OPENING OF ESCROW: The purchase of the Property shall be consummated through Escrow ("Escrow"). Opening of Escrow shall take place by the end of one (1) business day after Acceptance of this Agreement

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu

Property Address: 2132 HOUSTON DR

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BUYER(S) INITIALS: MZ
SELLER(S) INITIALS: CW

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1 ("Opening of Escrow"), at Nevada Title title or escrow company ("Escrow Company" or
2 "ESCROW HOLDER") with Michele Eaton ("Escrow Officer") (or such other escrow officer as
3 Escrow Company may assign). Opening of Escrow shall occur upon Escrow Company's receipt of this fully accepted
4 Agreement. ESCROW HOLDER is instructed to notify the Parties (through their respective Agents) of the opening date and
5 the Escrow Number.

6
7 **B. EARNEST MONEY:** Upon Acceptance, Buyer's EMD as shown in Section 1(A), and 1(B) if applicable, of
8 this Agreement, shall be deposited pursuant to the language in Section 1(A) and 1(B) if applicable.

9
10 **C. CLOSE OF ESCROW:** Close of Escrow ("COE") shall be on or before:
11 30 days upon acceptance (date). If the designated date falls on a weekend or holiday, COE shall be the next business
12 day.

13
14 **D. IRS DISCLOSURE:** Seller is hereby made aware that there is a regulation that requires all ESCROW
15 HOLDERS to complete a modified 1099 form, based upon specific information known only between parties in this transaction
16 and the ESCROW HOLDER. Seller is also made aware that ESCROW HOLDER is required by federal law to provide this
17 information to the Internal Revenue Service after COE in the manner prescribed by federal law.

18
19 **6. TITLE INSURANCE:** This Purchase Agreement is contingent upon the Seller's ability to deliver, good and
20 marketable title as evidenced by a policy of title insurance, naming Buyer as the insured in an amount equal to the purchase
21 price, furnished by the title company identified in Section 5(A). Said policy shall be in the form necessary to effectuate
22 marketable title or its equivalent and shall be paid for as set forth in Section 8(A).

23
24 **7. BUYER'S DUE DILIGENCE:** Buyer's obligation is not is not conditioned on the Buyer's Due Diligence as
25 defined in this section 7(A) below. This condition is referred to as the "Due Diligence Condition" if checked in the affirmative,
26 Sections 7 (A) through (C) shall apply; otherwise they do not. Buyer shall have 14 calendar days from Acceptance (as
27 defined in Section 23 herein) to complete Buyer's Due Diligence. Seller agrees to cooperate with Buyer's Due Diligence.
28 **Seller shall ensure that all necessary utilities (gas, power and water) and all operable pilot lights are on for Buyer's**
29 **investigations and through the close of escrow.**

30
31 **A. PROPERTY INSPECTION/CONDITION:** During the Due Diligence Period, Buyer shall take such
32 action as Buyer deems necessary to determine whether the Property is satisfactory to Buyer including, but not limited to,
33 whether the Property is insurable to Buyer's satisfaction, whether there are unsatisfactory conditions surrounding or otherwise
34 affecting the Property (such as location of flood zones, airport noise, noxious fumes or odors, environmental substances or
35 hazards, whether the Property is properly zoned, locality to freeways, railroads, places of worship, schools, etc.) or any other
36 concerns Buyer may have related to the Property. During such Period, Buyer shall have the right to conduct, non-invasive/
37 non-destructive inspections of all structural, roofing, mechanical, electrical, plumbing, heating/air conditioning,
38 water/well/septic, pool/spa, survey, square footage, and any other property or systems, through licensed and bonded contractors
39 or other qualified professionals. Seller agrees to provide reasonable access to the Property to Buyer and Buyer's inspectors.
40 Buyer agrees to indemnify and hold Seller harmless with respect to any injuries suffered by Buyer or third parties present at
41 Buyer's request while on Seller's Property conducting such inspections, tests or walk-throughs. Buyer's indemnity shall not
42 apply to any injuries suffered by Buyer or third parties present at Buyer's request that are the result of an intentional tort, gross
43 negligence or any misconduct or omission by Seller, Seller's Agent or other third parties on the Property. Buyer is advised to
44 consult with appropriate professionals regarding neighborhood or Property conditions, including but not limited to: schools;
45 proximity and adequacy of law enforcement; proximity to commercial, industrial, or agricultural activities; crime statistics; fire
46 protection; other governmental services; existing and proposed transportation; construction and development; noise or odor
47 from any source; and other nuisances, hazards or circumstances. If Buyer cancels this Agreement due to a specific inspection
48 report, Buyer shall provide Seller at the time of cancellation with a copy of the report containing the name, address, and
49 telephone number of the inspector.

50
51 **B. BUYER'S RIGHT TO CANCEL OR RESOLVE OBJECTIONS:** If Buyer determines, in Buyer's sole
52 discretion, that the results of the Due Diligence are unacceptable, Buyer may either: (i) no later than the Due Diligence
53 Deadline referenced in Section 7, cancel the Residential Purchase Agreement by providing written notice to the Seller,
54 whereupon the Earnest Money Deposit referenced in Section 1(A) shall be released to the Buyer without the requirement of
55 further written authorization from Seller; or (ii) no later than the Due Diligence Deadline referenced in Section 7, resolve in

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is
otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu

Property Address: 2132 HOUSTON DR

BUYER(S) INITIALS: MZ

SELLER(S) INITIALS: CN

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1 writing with Seller any objections Buyer has arising from Buyer's Due Diligence.

2
3 **C. FAILURE TO CANCEL OR RESOLVE OBJECTIONS:** If Buyer fails to cancel the Residential
4 Purchase Agreement or fails to resolve in writing with Seller any objections Buyer has arising from Buyer's Due Diligence, as
5 provided in Section 7, **Buyer shall be deemed to have waived the Due Diligence Condition.**

6 **Buyer's Initials** **Buyer's Initials**
7 **D. INSPECTIONS:** Acceptance of this offer is subject to the following reserved right. Buyer may have the
8 Property inspected and select the licensed contractors, certified building inspectors and/or other qualified professionals who
9 will inspect the Property. Seller will ensure that necessary utilities (gas, power and water and all operable pilot lights) are
10 turned on and supplied to the Property within two (2) business days after Acceptance of this Agreement, to remain on until
11 COE. *It is strongly recommended that Buyer retain licensed Nevada professionals to conduct inspections.* If any inspection is
12 not completed and requested repairs are not delivered to Seller within the Due Diligence Period, Buyer is deemed to have
13 waived the right to that inspection and Seller's liability for the cost of all repairs that inspection would have reasonably
14 identified had it been conducted, except as otherwise provided by law. The foregoing expenses for inspections will be paid
15 outside of Escrow unless the Parties present instructions to the contrary prior to COE, along with the applicable invoice.

16
17 (Identify which party shall pay for the inspection noted below either: SELLER, BUYER, 50/50, WAIVED or N/A.)
18

Type	Paid By	Type	Paid By	Type	Paid By
Energy Audit	Waived	Fungal Contaminant Inspection	Waived	Well Inspection (Quantity)	N/A
Home Inspection	Buyer	Mechanical Inspection	Waived	Well Inspection (Quality)	N/A
Termite/Pest Inspection	Waived	Pool/Spa Inspection	N/A	Wood-Burning Device/Chimney Inspection	N/A
Roof Inspection	Waived	Soils Inspection	Waived	Septic Inspection	N/A
Septic Lid Removal	Waived	Septic Pumping	N/A	Structural Inspection	Waived
Survey (type):	N/A	Other:		Other:	

19
20 **E. CERTIFICATIONS:** In the event an inspection reveals areas of concern with the roof, septic system, well,
21 wood burning device/chimney or the possible presence of a fungal contaminant, Buyer reserves the right to require a
22 certification. The expenses for certifications will be paid outside of Escrow unless the Parties present instructions to the
23 contrary prior to COE (along with the applicable invoice). A certification is not a warranty.

24
25 **F. BUYER'S REQUEST FOR REPAIRS:** It is Buyer's responsibility to inspect the Property sufficiently as to
26 satisfy Buyer's use. Buyer reserves the right to request repairs, based upon the Seller's Real Property Disclosure or items
27 which materially affect value or use of the Property revealed by an inspection, certification or appraisal. Items of a general
28 maintenance or cosmetic nature which do not materially affect value or use of the Property, which existed at the time of
29 Acceptance and which are not expressly addressed in this Agreement are deemed accepted by the Buyer, except as otherwise
30 provided in this Agreement. The Brokers herein have no responsibility to assist in the payment of any repair, correction or
31 deferred maintenance on the Property which may have been revealed by the above inspections, agreed upon by the Buyer and
32 Seller or requested by one party.

33
34 **8. FEES, AND PRORATIONS** (Identify which party shall pay the costs noted below either: SELLER, BUYER, 50/50,
35 WAIVED or N/A.)
36

37 **A. TITLE, ESCROW & APPRAISAL FEES:**

Type	Paid By	Type	Paid By	Type	Paid By
Escrow Fees	50/50	Lender's Title Policy	Buyer	Owner's Title Policy	Seller
Real Property Transfer Tax	Seller	Appraisal	Buyer	Other:	

38
39 **B. PRORATIONS:** Any and all rents, taxes, interest, homeowner association fees, trash service fees, payments
40 on bonds, SIDs, LIDs, and assessments assumed by the Buyer, and other expenses of the property shall be prorated as of the
41 date of the recordation of the deed. Security deposits, advance rentals or considerations involving future lease credits shall be

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu

BUYER(S) INITIALS: MZ

Property Address: 2132 HOUSTON DR

SELLER(S) INITIALS: CH

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11. **DISCLOSURES:** Within five (5) calendar days of Acceptance of this Agreement, Seller will provide the following Disclosures and/or documents. Check applicable boxes.

☒ **Seller Real Property Disclosure Form:** (NRS 113.130) ☐ **Open Range Disclosure:** (NRS 113.065)

☐ **Construction Defect Claims Disclosure:** If Seller has marked "Yes" to Paragraph 1(d) of the Sellers Real Property Disclosure Form (NRS 40.688)

☒ **Lead-Based Paint Disclosure and Acknowledgment:** required if constructed before 1978 (24 CFR 745.113)

☐ **Other:** (list) _____

12. **FEDERAL FAIR HOUSING COMPLIANCE AND DISCLOSURES:** All properties are offered without regard to race, color, religion, sex, national origin, age, gender identity or expression, familial status, sexual orientation, ancestry, or handicap and any other current requirements of federal or state fair housing laws.

13. **WALK-THROUGH INSPECTION OF PROPERTY:** Buyer is entitled under this Agreement to a walk-through of the Property within 3 calendar days prior to COE to ensure the Property and all major systems, appliances, heating/cooling, plumbing and electrical systems and mechanical fixtures are as stated in Seller's Real Property Disclosure Statement, and that the Property and improvements are in the same general condition as when this Agreement was Accepted by Seller and Buyer. To facilitate Buyer's walk-through, Seller is responsible for keeping all necessary utilities on, including all operable pilot lights. If any systems cannot be checked by Buyer on walk-through due to non-access or no power/gas/water, then Buyer reserves the right to hold Seller responsible for defects which could not be detected on walk-through because of lack of such access or power/gas/water. The purpose of the walk-through is to confirm (a) the Property is being maintained (b) repairs, if any, have been completed as agreed, and (c) Seller has complied with Seller's other obligations. If Buyer elects not to conduct a walk-through inspection prior to COE, then all systems, items and aspects of the Property are deemed satisfactory, and Buyer releases Seller's liability for costs of any repair that would have reasonably been identified by a walk-through inspection, except as otherwise provided by law.

14. **DELIVERY OF POSSESSION:** Seller shall deliver the Property along with any keys, alarm codes, garage door opener/controls and, if freely transferable, parking permits and gate transponders outside of Escrow, upon COE. Seller agrees to vacate the Property and leave the Property in a neat and orderly, broom-clean condition and tender possession no later than ☒ **COE** ☐ **OR** ☐ _____. In the event Seller does not vacate the Property by this time, Seller shall be considered a trespasser in addition to Buyer's other legal and equitable remedies. Any personal property left on the Property after the date indicated in this section shall be considered abandoned by Seller.

15. **RISK OF LOSS:** Risk of loss shall be governed by NRS 113.040. This law provides generally that if all or any material part of the Property is destroyed before transfer of legal title or possession, Seller cannot enforce the Agreement and Buyer is entitled to recover any portion of the sale price paid. If legal title or possession has transferred, risk of loss shall shift to Buyer.

16. **ASSIGNMENT OF THIS AGREEMENT:** Unless otherwise stated herein, this Agreement is non-assignable unless agreed upon in writing by all parties.

17. **CANCELLATION OF AGREEMENT:** In the event this Agreement is properly cancelled in accordance with the terms contained herein, then Buyer will be entitled to a refund of the EMD. Neither Buyer nor Seller will be reimbursed for any expenses incurred in conjunction with due diligence, inspections, appraisals or any other matters pertaining to this transaction (unless otherwise provided herein or except as otherwise provided by law).

18. **DEFAULT:**

A. **MEDIATION:** Before any legal action is taken to enforce any term or condition under this Agreement, the parties agree to engage in mediation, a dispute resolution process, through GLVAR. Notwithstanding the foregoing, in the event the Buyer finds it necessary to file a claim for specific performance, this section shall not apply. Each party is encouraged to have an independent lawyer of their choice review this mediation provision before agreeing thereto. By initialing below, the parties confirm that they have read and understand this section and voluntarily agree to the provisions thereof.

BUYER(S) INITIALS: MZ SELLER(S) INITIALS: CN

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu

Property Address: 2132 HOUSTON DR

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BUYER(S) INITIALS: MZ
SELLER(S) INITIALS: CN

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B. IF SELLER DEFAULTS: If Seller defaults in performance under this Agreement, Buyer reserves all legal and/or equitable rights (such as specific performance) against Seller, and Buyer may seek to recover Buyer's actual damages incurred by Buyer due to Seller's default.

C. IF BUYER DEFAULTS: If Buyer defaults in performance under this Agreement, as Seller's sole legal recourse, Seller may retain, as liquidated damages, the EMD. In this respect, the Parties agree that Seller's actual damages would be difficult to measure and that the EMD is in fact a reasonable estimate of the damages that Seller would suffer as a result of Buyer's default. Seller understands that any additional deposit not considered part of the EMD in Section 1(B) herein will be immediately released by ESCROW HOLDER to Buyer.

Instructions to Escrow

19. ESCROW: If this Agreement or any matter relating hereto shall become the subject of any litigation or controversy, Buyer and Seller agree, jointly and severally, to hold ESCROW HOLDER free and harmless from any loss or expense, except losses or expenses as may arise from ESCROW HOLDER'S negligence or willful misconduct. If conflicting demands are made or notices served upon ESCROW HOLDER with respect to this Agreement, the parties expressly agree that Escrow is entitled to file a suit in interpleader and obtain an order from the Court authorizing ESCROW HOLDER to deposit all such documents and monies with the Court, and obtain an order from the Court requiring the parties to interplead and litigate their several claims and rights among themselves. Upon the entry of an order authorizing such Interpleader, ESCROW HOLDER shall be fully released and discharged from any obligations imposed upon it by this Agreement; and ESCROW HOLDER shall not be liable for the sufficiency or correctness as to form, manner, execution or validity of any instrument deposited with it, nor as to the identity, authority or rights of any person executing such instrument, nor for failure of Buyer or Seller to comply with any of the provisions of any agreement, contract or other instrument filed with ESCROW HOLDER or referred to herein. ESCROW HOLDER'S duties hereunder shall be limited to the safekeeping of all monies, instruments or other documents received by it as ESCROW HOLDER, and for their disposition in accordance with the terms of this Agreement. In the event an action is instituted in connection with this escrow, in which ESCROW HOLDER is named as a party or is otherwise compelled to make an appearance, all costs, expenses, attorney fees, and judgments ESCROW HOLDER may expend or incur in said action, shall be the responsibility of the parties hereto.

20. UNCLAIMED FUNDS: In the event that funds from this transaction remain in an account, held by ESCROW HOLDER, for such a period of time that they are deemed "abandoned" under the provisions of Chapter 120A of the Nevada Revised Statutes, ESCROW HOLDER is hereby authorized to impose a charge upon the dormant escrow account. Said charge shall be no less than \$5.00 per month and may not exceed the highest rate of charge permitted by statute or regulation. ESCROW HOLDER is further authorized and directed to deduct the charge from the dormant escrow account for as long as the funds are held by ESCROW HOLDER.

Brokers

21. BROKER'S COMPENSATION/FEE: Buyer herein requires, and Seller agrees, as a condition of this Agreement, that Seller will pay Listing Broker and Buyer's Broker, who becomes by this clause a third party beneficiary to this Agreement, that certain sum and/or percentage of the Purchase Price (commission), that Seller, or Seller's Broker, offered for the procurement of ready, willing and able Buyer via the Multiple Listing Service, any other advertisement or written offer. Seller understands and agrees that if Seller defaults hereunder, Buyer's Broker, as a third-party beneficiary of this Agreement, has the right to pursue all legal recourse against Seller for any commission due. **In addition to any amount due to Buyer's Broker from Seller or Seller's Broker, Buyer ☐ will -OR- ☐ will not pay Buyer's Broker additional compensation in an amount determined between the Buyer and Buyer's Broker.**

22. WAIVER OF CLAIMS: Buyer and Seller agree that they are not relying upon any representations made by Brokers or Broker's agent. Buyer acknowledges that at COE, the Property will be sold AS-IS, WHERE-IS without any representations or warranties, unless expressly stated herein. Buyer agrees to satisfy himself/herself, as to the condition of the Property, prior to COE. Buyer acknowledges that any statements of acreage or square footage by Brokers are simply estimates, and Buyer agrees to make such measurements, as Buyer deems necessary, to ascertain actual acreage or square footage. Buyer waives all

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu

Property Address: 2132 HOUSTON DR

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BUYER(S) INITIALS: MZ

SELLER(S) INITIALS: CW

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claims against Brokers or their agents for (a) defects in the Property; (b) inaccurate estimates of acreage or square footage; (c) environmental waste or hazards on the Property; (d) the fact that the Property may be in a flood zone; (e) the Property's proximity to freeways, airports or other nuisances; (f) the zoning of the Property; (g) tax consequences; or (h) factors related to Buyer's failure to conduct walk-throughs or inspections. Buyer assumes full responsibility for the foregoing and agrees to conduct such tests, walk-throughs, inspections and research, as Buyer deems necessary. In any event, Broker's liability is limited, under any and all circumstances, to the amount of that Broker's commission/fee received in this transaction.

Other Matters

23. DEFINITIONS: "Acceptance" means the date that both parties have consented to a final, binding contract by affixing their signatures to this Agreement and all counteroffers and said Agreement and all counteroffers have been delivered to both parties pursuant to Section 24 herein. "Agent" means a licensee working under a Broker or licensees working under a developer. "Agreement" includes this document as well as all accepted counteroffers and addenda. "Appraisal" means a written appraisal or Notice of Value as required by any lending institution prepared by a licensed or certified professional. "Bona Fide" means genuine. "Buyer" means one or more individuals or the entity that intends to purchase the Property. "Broker" means the Nevada licensed real estate broker listed herein representing Seller and/or Buyer (and all real estate agents associated therewith). "Business Day" excludes Saturdays, Sundays, and legal holidays. "Calendar Day" means a calendar day from/to midnight unless otherwise specified. "CFR" means the Code of Federal Regulations. "CIC" means Common Interest Community (formerly known as "HOA" or homeowners associations). "CIC Capital Contribution" means a one-time non-administrative fee, cost or assessment charged by the CIC upon change of ownership. "CIC Transfer Fees" means the administrative service fee charged by a CIC to transfer ownership records. "Close of Escrow (COE)" means the time of recordation of the deed in Buyer's name. "Default" means the failure of a Party to observe or perform any of its material obligations under this Agreement. "Delivered" means personally delivered to Parties or respective Agents, transmitted by facsimile machine, electronic means, overnight delivery, or mailed by regular mail. "Down Payment" is the Purchase Price less loan amount(s). "EMD" means Buyer's earnest money deposit. "Escrow Holder" means the neutral party that will handle the closing. "FHA" is the U.S. Federal Housing Administration. "GLVAR" means the Greater Las Vegas Association of REALTORS®. "Good Funds" means an acceptable form of payment determined by ESCROW HOLDER in accordance with NRS 645A.171. "IRC" means the Internal Revenue Code (tax code). "LID" means Limited Improvement District. "N/A" means not applicable. "NAC" means Nevada Administrative Code. "NRS" means Nevada Revised Statutes as Amended. "Party" or "Parties" means Buyer and Seller. "PITI" means principal, interest, taxes, and hazard insurance. "PMI" means private mortgage insurance. "PST" means Pacific Standard Time, and includes daylight savings time if in effect on the date specified. "PTR" means Preliminary Title Report. "Property" means the real property and any personal property included in the sale as provided herein. "Receipt" means delivery to the party or the party's agent. "RPA" means Residential Purchase Agreement. "Seller" means one or more individuals or the entity that is the owner of the Property. "SID" means Special Improvement District. "Title Company" means the company that will provide title insurance. "USC" is the United States Code. "VA" is the Veterans Administration.

24. SIGNATURES, DELIVERY, AND NOTICES:

A. This Agreement may be signed by the parties on more than one copy, which, when taken together, each signed copy shall be read as one complete form. This Agreement (and documents related to any resulting transaction) may be signed by the parties manually or digitally. Facsimile signatures may be accepted as original.

B. When a Party wishes to provide notice as required in this Agreement, such notice shall be sent regular mail, personal delivery, overnight delivery, by facsimile, and/or by electronic transmission to the Agent for that Party. The notification shall be effective when postmarked, received, faxed, delivery confirmed, and/or read receipt confirmed in the case of email. Delivery of all instruments or documents associated with this Agreement shall be delivered to the Agent for Seller or Buyer if represented. Any cancellation notice shall be contemporaneously delivered to Escrow in the same manner.

25. IRC 1031 EXCHANGE: Seller and/or Buyer may make this transaction part of an IRC 1031 exchange. The party electing to make this transaction part of an IRC 1031 exchange will pay all additional expenses associated therewith, at no cost to the other party. The other party agrees to execute any and all documents necessary to effectuate such an exchange.

26. OTHER ESSENTIAL TERMS: Time is of the essence. No change, modification or amendment of this Agreement

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu

Property Address: 2132 HOUSTON DR

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BUYER(S) INITIALS: MZ

SELLER(S) INITIALS: CW

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shall be valid or binding unless such change, modification or amendment shall be in writing and signed by each party. This Agreement will be binding upon the heirs, beneficiaries and devisees of the parties hereto. This Agreement is executed and intended to be performed in the State of Nevada, and the laws of that state shall govern its interpretation and effect. The parties agree that the county and state in which the Property is located is the appropriate forum for any action relating to this Agreement. Should any party hereto retain counsel for the purpose of initiating litigation to enforce or prevent the breach of any provision hereof, or for any other judicial remedy, then the prevailing party shall be entitled to be reimbursed by the losing party for all costs and expenses incurred thereby, including, but not limited to, reasonable attorney's fees and costs incurred by such prevailing party.

THIS IS A LEGALLY BINDING CONTRACT. All parties are advised to seek independent legal and tax advice to review the terms of this Agreement.

THIS FORM HAS BEEN APPROVED BY THE GREATER LAS VEGAS ASSOCIATION OF REALTORS® (GLVAR). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

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27. **ADDENDUM(S) ATTACHED:** _____

28. **ADDITIONAL TERMS:** _____

Buyer's Acknowledgement of Offer

Confirmation of Representation: The Buyer is represented in this transaction by:

Buyer's Broker: <u>Joyce Nickrandt</u>	Agent's Name: <u>Liwei Helen Chen</u>
Company Name: <u>Investpro Realty</u>	Agent's License Number: <u>S.0175520</u>
Broker's License Number: <u>B0144660</u>	Office Address: <u>3553 VALLEY VIEW BLVD</u>
Phone: <u>702-997-3832</u>	City, State, Zip: <u>LAS VEGAS NV 89103</u>
Fax: <u>702-997-3836</u>	Email: <u>helen0510c@gmail.com</u>

BUYER LICENSEE DISCLOSURE OF INTEREST: Pursuant to NRS 645.252(1)(c), a real estate licensee must disclose if he/she is a principal in a transaction or has an interest in a principal to the transaction. Licensee declares that he/she:

☒ **DOES NOT** have an interest in a principal to the transaction. **-OR-**
☐ **DOES** have the following interest, direct or indirect, in this transaction: ☐ Principal (Buyer) **-OR-** ☐ family or firm relationship with Buyer or ownership interest in Buyer (if Buyer is an entity): (specify relationship)

Seller must respond by: 5 (☐AM☒PM) on (month) August, (day) 12, (year) 2017. Unless this

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu
 Property Address: 2132 HOUSTON DR

BUYER(S) INITIALS: MZ
 SELLER(S) INITIALS: CW

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Agreement is accepted, rejected or countered below and delivered to the Buyer's Broker before the above date and time, this offer shall lapse and be of no further force and effect. Upon Acceptance, Buyer agrees to be bound by each provision of this Agreement, and all signed addenda, disclosures, and attachments.

☒ Marie Zhu Marie Zhu 08/11/2017 2:23 PM ☐ AM ☐ PM
 Buyer's Signature Buyer's Printed Name Date Time

 Buyer's Signature Buyer's Printed Name Date Time ☐ AM ☐ PM

Seller's Response

Confirmation of Representation: The Seller is represented in this transaction by:

Seller's Broker: Joyce Nickrandt Agent's Name: Kenny Lin
 Company Name: Investpro Realty Agent's License Number: 8.0172460
 Broker's License Number: _____ Office Address: 3553 Valley View Dr
 Phone: 702-997-3832 City, State, Zip: Las Vegas NV 89103
 Fax: 866-782-3075 Email: zhong.kenny@gmail.com

SELLER LICENSEE DISCLOSURE OF INTEREST: Pursuant to NRS 645.252(1)(c), a real estate licensee must disclose if he/she is a principal in a transaction or has an interest in a principal to the transaction. Licensee declares that he/she:

☒ **DOES NOT** have an interest in a principal to the transaction. **-OR-**
☐ **DOES** have the following interest, direct or indirect, in this transaction: ☐ Principal (Seller) **-OR-** ☐ family or firm relationship with Seller or ownership interest in Seller (if Seller is an entity): (specify relationship)

FIRPTA: If applicable (as designated in the Seller's Response herein), Seller agrees to complete, sign, and deliver to Buyer's FIRPTA Designee a certificate indicating whether Seller is a foreign person or a nonresident alien pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA). A foreign person is a nonresident alien individual; a foreign corporation not treated as a domestic corporation; or a foreign partnership, trust or estate. A resident alien is not considered a foreign person under FIRPTA. Additional information for determining status may be found at www.irs.gov. Buyer and Seller understand that if Seller is a foreign person then the Buyer must withhold a tax in an amount to be determined by Buyer's FIRPTA Designee in accordance with FIRPTA, unless an exemption applies. Seller agrees to sign and deliver to the Buyer's FIRPTA Designee the necessary documents, to be provided by the Buyer's FIRPTA Designee, to determine if withholding is required. (See 26 USC Section 1445).

SELLER DECLARES that he/she ☒ is not **-OR-** ☐ is a foreign person therefore subjecting this transaction to FIRPTA withholding. SELLER(S) INITIALS: CW

☒ **ACCEPTANCE:** Seller(s) acknowledges that he/she accepts and agrees to be bound by each provision of this Agreement, and all signed addenda, disclosures, and attachments.

☐ **COUNTER OFFER:** Seller accepts the terms of this Agreement subject to the attached Counter Offer #1.

☐ **REJECTION:** In accordance with NAC 645.632, Seller hereby informs Buyer the offer presented herein is not accepted.

☒ TKNR Inc 08/11/2017 10:24 PM ☐ AM ☐ PM
 Seller's Signature Seller's Printed Name Date Time

 Seller's Signature Seller's Printed Name Date Time ☐ AM ☐ PM

Each party acknowledges that he/she has read, understood, and agrees to each and every provision of this page unless a particular paragraph is otherwise modified by addendum or counteroffer.

Buyer's Name: Marie Zhu
 Property Address: 2132 HOUSTON DR

BUYER(S) INITIALS: MZ
 SELLER(S) INITIALS: CW

Rev. 06/17

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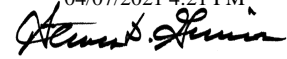
WLAB Investment v. TKNR
 Case # A-18-78597-C

This form presented by Liwei Chen | Investpro Realty | 702-997-3832 | Helen0510@gmail.com

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RA000534

EXHIBIT “9”


CLERK OF THE COURT

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IN THE EIGHTH JUDICIAL DISTRICT COURT

CLARK COUNTY, NEVADA

W L A B INVESTMENT, LLC,

Plaintiff,

vs.

TKNR INC., a California Corporation, and
CHI ON WONG aka CHI KUEN WONG, an
individual, and KENNY ZHONG LIN, aka
KEN ZHONG LIN aka KENNETH ZHONG
LIN aka WHONG K. LIN aka CHONG
KENNY LIN aka ZHONG LIN, an
individual, and LIWE HELEN CHEN aka
HELEN CHEN, an individual and YAN QIU
ZHANG, an individual, and INVESTPRO
LLC dba INVESTPRO REALTY, a Nevada
Limited Liability Company, and MAN
CHAU CHENG, an individual, and JOYCE
A. NICKRANDT, an individual, and
INVESTPRO INVESTMENTS LLC, a
Nevada Limited Liability Company, and
INVESTPRO MANAGER LLC, a Nevada
Limited Liability Company and JOYCE A.
NICKRANDT, an individual and Does 1
through 15 and Roe Corporation I - XXX,

Defendants.

AND RELATED CLAIMS.

CASE NO.: A-18-785917-C
DEPT. NO.: XIV

**ORDER GRANTING DEFENDANTS'
MOTION FOR SUMMARY JUDGMENT,
OR IN THE ALTERNATIVE, PARTIAL
SUMMARY JUDGMENT**

Date of Hearing: March 11, 2021
Time of Hearing: 9:30 a.m.

This matter being set for hearing before the Honorable Court on March 11, 2021 at 9:30
a.m., on Defendants' TKNR INC., CHI ON WONG aka CHI KUEN WONG, KENNY ZHONG
LIN, aka KEN ZHONG LIN aka KENNETH ZHONG LIN aka WHONG K. LIN aka CHONG
KENNY LIN aka ZHONG LIN, LIWE HELEN CHEN aka HELEN CHEN, YAN QIU
ZHANG, INVESTPRO LLC dba INVESTPRO REALTY, MAN CHAU CHENG, JOYCE A.
NICKRANDT, INVESTPRO INVESTMENTS LLC, and INVESTPRO MANAGER LLC,

(collectively, the “Defendants”), Motion for Summary Judgment, or in the Alternative, Partial Summary Judgment (“Motion”), by and through their attorney of record, MICHAEL B. LEE, P.C. Plaintiff W L A B INVESTMENT, LLC appeared on and through its counsel of record, DAY & NANCE. Defendants filed the Motion on December 15, 2020. Plaintiff filed an Opposition to the Motion (“Opposition”), Countermotion for Continuance Based on NRCP 56(f) (“56(f) Countermotion”), and Countermotion for Imposition of Monetary Sanctions (collectively, “Countermotion”) on December 29, 2020. On January 20, 2021, Defendants filed a Reply brief. On January 29, 2021, Defendants filed a Supplement (“Supplement”) to Defendants’ Motion for Summary Judgment. The Supplement included the deposition of Frank Miao (“Miao”), the designated person most knowledgeable for Plaintiff, from January 12, 2021. Plaintiff did not file a response to the Supplement. Mr. Miao attended the hearing.

After considering the pleadings of counsel, the Court enters the following order **GRANTING** the Motion, **DENYING** the 56(f) Countermotion, and Countermotion, and **GRANTING** attorneys’ fees and costs to Defendants pursuant to Nevada Rule of Civil Procedure 11:

Findings of Facts

First Residential Purchase Agreement and Waiver of Inspections, Contractual Broker Limitations

1. 2132 Houston Drive, Las Vegas, NV 89104 (“Property”) was originally constructed in 1954. On or about August 11, 2017, Marie Zhu (“Zhu”), the original purchaser, executed a residential purchase agreement (“RPA”) for the Property. At all times relevant, Ms. Zhu and Mr. Miao, the managing member of Plaintiff, were sophisticated buyers related to “property management, property acquisition, and property maintenance.” The purchase price for the property was \$200,000.

2. Through the RPA, Ms. Zhu waived her due diligence, although she had a right to conduct inspections:

During such Period, Buyer shall have the right to conduct, non-invasive/non-destructive inspections of all structural, roofing, mechanical, electrical, plumbing, heating/air conditioning,

1 water/well/septic, pool/spa, survey, square footage, and any other
2 property or systems, through licensed and bonded contractors or
other qualified professionals.

3 3. Ms. Zhu did not cancel the contract related to any issues with the Property.

4 4. Under Paragraph 7(C) of the RPA, Ms. Zhu waived the Due Diligence condition.

5 *Id.* Under Paragraph 7(D) of the RPA, it provided:

6 *It is strongly recommended that Buyer retain licensed Nevada*
7 *professionals to conduct inspections.* If any inspection is not
8 completed and requested repairs are not delivered to Seller within
9 the Due Diligence Period, Buyer is deemed to have waived the
right to that inspection and Seller's liability for the cost of all
repairs that inspection would have reasonably identified had it
been conducted, except as otherwise provided by law.

10 5. Ms. Zhu waived any liability of Defendants for the cost of all repairs that
11 inspection would have reasonably identified had it been conducted. Ms. Zhu also waived the
12 energy audit, pest inspection, roof inspection, septic lid removal inspection, mechanical
13 inspection, soil inspection, and structural inspection.

14 6. Under Paragraph 7(F), it was Ms. Zhu's responsibility to inspect the Property
15 sufficiently as to satisfy her use. Additionally, Wong, Lin, Chen, Zhang, Cheng, and Nickrandt
16 (collectively, "Brokers" or "Broker Defendants") had "no responsibility to assist in the payment
17 of any repair, correction or deferred maintenance on the Property which may have been revealed
18 by the above inspections, agreed upon by the Buyer and Seller or requested by one party."

19 7. On August 2, 2017, TKNR submitted Seller's Real Property Disclosure Form
20 ("SRPDF" or "Seller's Disclosures") timely indicating all known conditions of the Subject
21 Property. In fact, TKNR disclosed that "3 units has (sic) brand new AC installed within 3
22 months," and further that the "owner never resided in the property and never visited the
23 property." It also disclosed that the minor renovations, such as painting, were conducted by the
24 Seller's "handyman" as disclosed in the Seller's Disclosures. Seller also disclosed that it had
25 done construction, modification, alterations, or repairs without permits. Despite these
26 disclosures, Plaintiff chose not to inspect the Subject Property, request additional information
27 and/or conduct any reasonable inquires.

28 ////

Second Residential Purchase Agreement and Waiver of Inspections, Contractual Broker Limitations

8. On or before September 5, 2017, Ms. Zhu had issues related to the financing for the Property because of an appraisal, so Ms. Zhu executed a new purchase agreement, and would agree to pay the difference in an appraisal with a lower value than the purchase price, and waive inspections:

Please note that seller agree the rest of terms and request to add the below term on the contract:

"Buyer agree to pay the difference in cash if appraisal come in lower than purchase price, not to exceed purchase price of \$200k"

I just send you the docs, please review and sign if you are agree.
Thank you!

(Per buyer's request will waive licensed home inspector to do the home inspection)

9. On the same day, Ms. Zhu and TKNR agreed to Addendum No. 1 to cancel the RPA dated August 11, 2017 and entered into a new Residential Purchase Agreement dated September 5, 2017 ("2nd RPA"). As before, the overall purchase price for the Property was \$200,000, but Ms. Zhu changed the contingency for the loan to \$150,000 with earnest money deposit of \$500 and a balance of \$49,500 owed at the close of escrow ("COE" or "Closing"). The COE was set for September 22, 2017.

10. Notably, although Ms. Zhu had not initialed the "Failure to Cancel or Resolve Objections" provision in the RPA, she initialed the corresponding provision in the 2nd RPA. This was consistent with Ms. Zhu's instructions to Ms. Chen. Ex. D. This is the second time that Ms. Zhu waived inspections for the Property despite the language in the 2nd RPA that strongly advised to get an inspection done.

11. As noted, Ms. Zhu waived any inspections related to the purchase of the Property in the 2nd RPA. Although Ms. Zhu had actual knowledge of the Seller's Disclosures, and the Parties agreed to extend the COE to January 5, 2018, Ms. Zhu did not conduct professional inspections. Instead, she put down an additional \$60,000 as a non-refundable deposit to the TNKR. Moreover, she also agreed to pay rent in the amount of \$650 per month for one of the units, and to also pay the property manager \$800 for the tenant placement fee. Through

1 Addendum 2 to the 2nd RPA, Ms. Zhu later changed the purchaser to Plaintiff.

2 Deposition of Plaintiff's Person Most Knowledgeable – Mr. Miao

3 12. Since 2008, Mr. Miao, Ms. Zhu, and/or Plaintiff have been involved in the
4 purchase of approximately twenty residential properties. In Clark County alone, Ms. Zhu and
5 Mr. Miao were involved with the purchase of at least eight rental properties starting in 2014.

6 13. Plaintiff understands the importance of reading contracts.

7 14. Mr. Miao specified that he understands that he needs to check public records
8 when conducting his due diligence.

9 15. Plaintiff was a sophisticated buyer who understood the necessity of getting
10 properties inspected.

11 Requirement to Inspect was Known

12 16. The terms of the RPA were clear to Plaintiff.

13 17. As to Paragraph 7(A), Mr. Miao specified that he believed that his inspection and
14 conversations with the tenant constituted the actions necessary to deem the Property as
15 satisfactory for Plaintiff's purchase.

16 19. . . . A. . . Yes. . . Based on -- we bought this -- we go
17 20 to the inspection, then we also talk to the tenant,
18 21 so we thinking this is investment property; right?
19 22 So financial it's looking at the rent, it's
20 23 reasonable, it's not very high compared with the
21 24 surrounding area. . . Then also financially, it's good.
22 25. Then I take a look at the -- everything
23 Page 164
24 .1 outside. . Good. . So I said, Fine. . That's satisfied.
25 .2 That's the reason I command my wife to sign the
26 .3 purchase agreement.

27 18. At all times relevant prior to the purchase of the Property, Plaintiff had access to
28 inspect the entire property and conduct non-invasive, non-destructive inspections:

29 .2. . . Q. . . So at the time when you did your
30 .3 diligence, you had a right to conduct noninvasive,
31 .4 nondestructive inspection; correct?
32 .5. . . A. . . Yes, I did.
33 .6. . . Q. . . And you had the opportunity to inspect all
34 .7 the structures?
35 .8. . . A. . . I check the other one -- on the walk, I
36 .9 don't see the new cracking, so the -- some older
37 10 cracking. . I check the neighbor who also have that

1 11 one. I think it's okay; right? Then the –
2 Supplement at 166:2-11.

3 8 Q. So you had the right to inspect the
4 9 structure; correct?
5 10 A. Yes, yes, I did that.
6 11 Q. You had the right to inspect the roof; is
7 12 that correct?
8 13 A. Yes.
9 14 Q. Okay. Did you do that?
10 15 A. I forgot. I maybe did that because
11 16 usually I go to the roof.

* * *

12 22 Q. You had the right to inspect the
13 23 mechanical system; correct?

14 24 A. Right. Yes, yes.

15 25 Q. You had the right to inspect the
16 Page 167

17 1 electrical systems; correct?

18 2 A. I check the electrical system, yes.

19 3 Q. You had a right to inspect the plumbing
20 4 systems; correct?

21 5 A. Yes.

22 6 Q. You had the right to inspect the
23 7 heating/air conditioning system; correct?

24 8 A. Yes.

* * *

25 3 Q. And then you could have inspected any
26 4 other property or system within the property itself;
27 5 correct?

28 6 A. Yes, yes.

Id. at 167:8-16, 167:22-25-168:1-11, 168:25-169:1-6.

19 19. Prior to the purchase, Mr. Miao was always aware that the Seller “strongly
20 recommended that buyer retain licensed Nevada professionals to conduct inspections”:

21 13 Q. "It is strongly recommended that buyer
22 14 retain licensed Nevada professionals to conduct
23 15 inspections."

24 16 A. Yes.

25 17 Q. Yeah. So you were aware of this
26 18 recommendation at the time --

27 19 A. Yeah, I know.

Id. at 176:13-19.

26 20. Plaintiff was also aware of the language in the RPA under Paragraph 7(D) that
27 limited potential damages that could have been discovered by an inspection:

28 ///

18 · · · Q. · Okay. · So going back to paragraph 7D --

19 · · · A. · Yeah.

20 · · · Q. · -- right, after the language that's in
21 italics, would you admit that because it's in the
22 italics, it's conspicuous, you can see this
23 language?

24 · · · A. · Yeah. · Yeah.

25 · · · Q. · Okay. · Then it goes on to say, "If any
Page 179

· 1 inspection is not completed and requested repairs
· 2 are not delivered to seller within the due diligence
· 3 period, buyer is deemed to have waived the right to
· 4 that inspection and seller's liability for the cost
· 5 of all repairs that inspection would have reasonably
· 6 identified had it been conducted."

· 7 · · · · Did I read that correctly?

· 8 · · · A. · Yes, yes.

· 9 · · · Q. · Okay. · So we'll eventually get to the
10 issues that, you know, Ms. Chen identified that you
11 wanted corrected in the emails or text messages.

12 · · · · Is that fair to say that those are the
13 only issues that you deemed needed to be resolved to
14 go forward with the purchase?

15 · · · A. · Yeah. · After that time, yes.

16 *Id.* at 179:18-25-180:1-15.

17 21. Finally, as to the RPA, Mr. Miao agreed that all the terms in it were conspicuous
18 and understandable, and it was a standard agreement similar to the other agreements he had used
19 in purchasing the other properties in Clark County, Nevada. *Id.* at 198:19-25-199:1-2, 200:3-15.

20 *Mr. Miao Does Inspections for Plaintiff Although he is not a Licensed, Bonded Professional*
21 *Inspector*

22 22. As to all the properties purchased by Plaintiff, Mr. Miao always does the
23 inspections and does not believe a professional inspection is necessary. *Id.* at 116:2-9, 119:3-25,
24 140:5-10. Based on his own belief, he does not believe that a professional inspection is
25 necessary for multi-tenant residential properties. *Id.* at 120:6-9 (his own understanding), 120:16-
26 25 (second-hand information he received).

27 23. Notably, he does not have any professional license related to being a general
28 contractor, inspector, appraiser, or project manager. *Id.* at 123:5-16 (no professional licenses),
123:23-24 (no property management license), 169:7-14 (no licensed or bonded inspector),
171:23-25 (have not read the 1952 Uninformed Building Code), 172:17-19 (not an electrician),

1 172:23-25-1-16 (no general contractor license or qualified under the intentional building code),
2 174:13-23 (not familiar with the international residential code).

3 24. Mr. Miao has never hired a professional inspector in Clark County, *Id.* at 140:19-
4 21, so he does not actually know what a professional inspection would encompass here. *Id.* at
5 143:9-13, 144:8-19.

6 25. The main reason Plaintiff does not use a professional inspector is because of the
7 cost. *Id.* at 147:2-7.

8 26. On or about August 10, 2017, Mr. Miao did an inspection of the Property. *Id.* at
9 158:1-25-159:1-12. During that time, he admitted that he noticed some issues with the Property
10 that were not up to code, finishing issues, GFCI outlets, and electrical issues:

11 16. . . . A. . I looked at a lot of things. For example,
12 17 like, the -- I point out some drywall is not
13 18 finished; right? And the -- some of smoke alarm is
14 19 not -- is missing and -- which is law required to
15 20 put in for smoke alarm. Then no carbon monoxide
16 21 alarm, so I ask them to put in.
17 22. . . . Then in the kitchen, lot of electrical,
18 23 the outlet is not a GFCI outlet, so I tell them, I
19 24 said, You need to change this GFCI. Right now this
20 25 outlet is not meet code. You probably have problem.

21 *Id.*

22 27. Similarly, he also specified that there was an issue with exposed electrical in Unit
23 C. *Id.* at 175:10-24. He also noted that there could have been a potential asbestos issue as well.
24 *Id.* at 160:7-12.

25 28. Additionally, Mr. Miao noted that there were cracks in the ceramic floor tiles, *Id.*
26 at 249:22-25, and he was aware of visible cracks in the concrete foundation, *Id.* at 269:13-22
27 (aware of slab cracks), which were open and obvious. *Id.* at 270:14-24.

28 29. Mr. Miao admitted that he could also have seen the dryer vent during his
inspection. *Id.* at 269:23-25.

30. As to those issues, Mr. Miao determined that the aforementioned issues were the
only issues that TKNR needed to fix after his inspection. *Id.* at 171:2-9 (was only concerned
about the appraisal), *Id.* at 219:13-25-221:1-2.

1 31. Moreover, Mr. Miao received the SRPDF prior to the purchase of the Property.
2 Id. at 201:22-25. As to SRPDF, Plaintiff was aware that TKNR was an investor who had not
3 resided in the Property, and there were issues with the heating systems, cooling systems, and that
4 there was work done without permits. *Id.* at 201:1-25-202:1-12. Similarly, it was aware that the
5 Property was 63 years old at that time, *Id.* at 204:4-7, and all the work was done by a handyman
6 other than the HVAC installation. *Id.* at 205:14-25, *Id.* at 134:14-25 (understands the difference
7 between a handyman and a licensed contractor), 243:2 ("Yes. They did by the handyman, yes.").

8 32. Despite these disclosures, Mr. Miao never followed up:

9 23 · · · Q · · Okay · So when they disclosed that there
10 24 was construction and modification, alterations,
11 25 and/or repairs made without State, City, County
12 Page 205
13 · 1 building permits, which was also work that was done
14 · 2 by owner's handyman, did you ever do any follow-up
15 · 3 inquiries to the seller about this issue?
16 · 4 · · · A · · No, I didn't follow up ·

17 *Id.* at 204:23-25-205:1-4.

18 33. However, Mr. Miao also admitted that he could have followed up on the issues
19 identified in the SRPDF that included the HVAC and the permits:

20 10 · · · Q · · Under the disclosure form --
21 11 · · · A · · Yeah.
22 12 · · · Q · · -- like, where it specified that there
23 13 were heating system/cooling system issues that
24 14 they're aware of, that you could have elected to
25 15 have an inspection done at that time; correct?
26 16 · · · A · · Yes.

27 *Id.* at 206:10-16.

28 15 · · · Q · · Okay · So as your attorney said, you could
29 16 have obtained a copy of the permits at any time?
30 17 Yes?
31 18 · · · A · · Yes.
32 19 · · · Q · · Okay · And then it's fair to say that just
33 20 put you on notice of the potential permit issue;
34 21 correct?
35 22 · · · A · · Yes.
36 23 · · · Q · · It also put you on notice of the issues of
37 24 everything that's basically specified on page 38;
38 25 correct?
39 Page 209
40 1 · · · A · · Yes.

1
2 *Id.* at 209:15-25-210:1, 245:22-25 (could have obtained permit information in 2018).

3 34. Similarly, Mr. Miao was aware that he should have contacted the local building
4 department as part of his due diligence:

5 22 · · · Q · Okay · So you understand that for more
6 23 information during the diligence process, you should
7 24 contact the local building department?

8 25 · · · A · Yes ·

9 Page 260

10 * * *

11 5 · · · Q · -- it provides you with the address of the
12 6 building and safety department; is that correct?

13 7 · · · A · Yes ·

14 8 · · · Q · And the office hours; is that correct?

15 9 · · · A · Yes ·

16 10 · · · Q · And it also provides you with a phone
17 11 number; correct?

18 12 · · · A · Yes ·

19 13 · · · Q · And this is information or resources that
20 14 you could have used at any time related to finding
21 15 information about the permits of the property;
22 16 correct?

23 17 · · · A · Yes ·

24 18 · · · Q · And this would have been true prior to the
25 19 purchase of the building; correct?

26 20 · · · A · Yes ·

27 21 · · · Q · And this would also have been true at the
28 22 time you read the disclosure that specified that
29 23 some of the improvements or some of the disclosures
30 24 had been done without a permit; right?

31 25 · · · A · Yes ·

32 *Id.* at 260:22-25, 261:5-25.

33 35. Plaintiff was also on notice of the potential for mold and the requirement to get a
34 mold inspection:

35 5 · · · Q · Okay · And it says, "It's the buyer's duty
36 6 to inspect · Buyer hereby assumes responsibility to
37 7 conduct whatever inspections buyer deems necessary
38 8 to inspect the property for mold contamination.

39 9 · · · · "Companies able to perform such
40 10 inspections can be found in the yellow pages under
41 11 environmental and ecological services."

42 12 · · · · I read that correctly? Yes?

43 13 · · · A · Yes ·

44 14 · · · Q · Okay · And then you elected not to get a
45 15 mold inspection; correct?

46 16 · · · A · Yeah ·

1 *Id.* at 213:5-16.

2 ·5· · · Q· ·So you relied upon your own determination
3 ·6 related to the potential mold exposure of the
4 ·7 property; correct?

5 ·8· · · A· ·Yes.

6 ·9· · · Q· ·Okay· And you elected to proceed with
7 10 purchasing it without a professional mold
8 11 inspection; correct?

9 12· · · A· ·Yes.

10 *Id.* at 216:5-12.

11 36. Despite actual knowledge of these issues, Plaintiff did not elect to have a
12 professional inspection done. 160:17-20.

13 37. Finally, Plaintiff was also acutely aware of the requirement of Nevada law to
14 protect itself by getting an inspection:

15 ·2· · · Q· ·If we go to page 40 --

16 ·3· · · A· ·Mm-hmm.

17 ·4· · · Q· ·--- there's a bunch of Nevada statutes
18 ·5 here.

19 ·6· · · A· ·Mm-hmm.

20 ·7· · · Q· ·If you look at NRS 113.140 --

21 ·8· · · A· ·Mm-hmm.

22 ·9· · · Q· ·--- do you see that at the top of the page?

23 10 "Disclosure of unknown defects not required.· Form
24 11 does not constitute warranty duty of buyer and
25 12 prospective buyer to exercise reasonable care."

26 13· · · · · Do you see that?

27 14· · · A· ·Yes.

28 15· · · Q· ·Okay· So this disclosure form gave Marie
16 16 Zhu, your wife, a copy of the Nevada law that was
17 17 applicable to the sale of the property; correct?

18 18· · · A· ·Yeah.

19 19· · · Q· ·Okay· And under NRS 113.1403, it
20 20 specifies, "Either this chapter or Chapter 645 of
21 21 the NRS relieves a buyer or prospective buyer of the
22 22 duty to exercise reasonable care to protect
23 23 himself."

24 24· · · · · Did I read that correctly?

25 25· · · A· ·Yes.

26 *Id.* at 209:2-25.

27 38. Plaintiff assumed the risk of failing to exercise reasonable care to protect itself.

28 *There Is No Dispute a Professional Inspection Could Have Revealed the Alleged Issues*

39. The alleged defects identified by both parties' experts could have been discovered

1 at the time of the original purchase. As to the ability to inspect, Mr. Miao admitted that he had
2 access to the entire building. *Id.* at 250:22-25. He had access to the attic and looked at it. *Id.* at
3 251:4-14. Mr. Miao admitted that Plaintiff's expert examined the same areas that he did:

4 ·6· · · Q· ·Okay· So you walked through the property
5 ·7 with him at the time he did his inspection; correct?

6 ·8· · · A· ·Right.

7 ·9· · · Q· ·Okay· During that time, did he inspect
8 10 any areas that -- that you did not have access to in
9 11 2017?

10 12· · · A· ·Yes· He didn't go to anything I didn't
11 13 inspect during 2017 too.

12 14· · · Q· ·So he inspected the same areas you
13 15 inspected?

14 16· · · A· ·Yes, yes.

15 *Id.* at 291:6-16.

16 40. Notably, Plaintiff's expert did not do any destructive testing, so the expert's
17 access was exactly the same as Mr. Miao's original inspection. *Id.* at 291:1-5.

18 41. Mr. Miao admitted that Plaintiff's expert's inspection of the HVAC, *Id.* at 292:2-
19 5, 293:18-23, and the plumbing system, *Id.* at 300:19-25-301:1-4, would have been the same as
20 his in 2017.

21 42. Mr. Miao also admitted that the pictures attached to Plaintiff's expert report were
22 areas that he could have inspected in 2017. *Id.* at 302:6-13.

23 43. Additionally, Mr. Miao accompanied Defendants' expert during his inspection.
24 *Id.* at 320:31-25. As before, Mr. Miao had the same access to the Property in 2017 for the areas
25 inspected by Defendants' expert. *Id.* at 321:1-6.

26 44. Mr. Miao agreed with Defendants' expert that the alleged conditions identified by
27 Plaintiff's expert were "open and obvious":

28 22· · · Q· ·And then the second line down, the first
23 sentence begins, "Items complained about in the Sani
24 report were open and obvious in the roof area, attic
25 area, and on the exterior/interior of the property."

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* * *

·3· · · Q· ·Do you agree with this statement?

·4· · · A· ·Yes.

Id. at 318:22-25-319:3-4.

1 45. He also agreed with Defendants' expert's finding that there was no noticeable
2 sagging in the roof. *Id.* at 333:20-24.

3 46. Incredibly, Mr. Miao also recognized the deficiency in Plaintiff's expert's report
4 that failed to differentiate between conditions prior to when TKNR owned the Property, while it
5 owned it, and those afterwards:

6 17 . . . Q. . . -- midway down the first complete sentence
7 18 says, "The Sani report does not recognize prior
8 19 conditions in existence before any work took place
9 20 by defendants."

10 21 Do you agree with this statement?

11 Page 321

12 * * *

13 . 3 Yes, yes.

14 . 4 BY MR. LEE:

15 . 5 . . . Q. . You agree with that? . Okay.

16 . 6 . . . A. . Agree.

17 *Id.* at 321:17-21 – 322:3-6. This would have also included any issues with the dryer vent and
18 ducts, *Id.* at 325:3-20, as he recognized that most rentals do not include washer / dryer units. *Id.*
19 at 326:7-25-327:1-9.

20 *No Permits Required for Cosmetic Work by TKNR*

21 47. No dispute exists that TKNR did not need permits for the interior work it had
22 done to the Property. Mr. Miao admitted the following:

23 . 5 . . . Q. . Number 5 says, "Painting, papering,
24 . 6 tiling, carpeting, cabinets, countertops, interior
25 . 7 wall, floor or ceiling covering, and similar finish
26 . 8 work."

27 . 9 Do you see that?

28 . 10 . . . A. . Yes.

. 11 . . . Q. . So you agree that no permits are required
for any of these types of work; correct?

. 12 . . . A. . Yes.

Id. at 262:5-13.

. 1 Window Replacements where no structural member -- no
structural member is altered or changed," that does
not need a permit either; right?

. 4 . . . A. . Yes.

Id. at 265:1-4.

17 . . . Q. . Okay. . If you turn the page to 82,
18 Plumbing Improvements, no permits required to repair

1 19 or replace the sink; correct?
2 20 · · · A · · Yes.
3 21 · · · Q · · To repair or replace a toilet?
4 22 · · · A · · Yes.
5 23 · · · Q · · To repair or replace a faucet?
6 24 · · · A · · Yes.
7 25 · · · Q · · Resurfacing or replacing countertops?
8 Page 264
9 ·1 · · · A · · Yes.
10 ·2 · · · Q · · Resurfacing shower walls?
11 ·3 · · · A · · Yes.
12 ·4 · · · Q · · Repair or replace shower heads?
13 ·5 · · · A · · Yes.
14 ·6 · · · Q · · Repair or replace rain gutters and down
15 ·7 spouts?
16 ·8 · · · A · · Yes.
17 ·9 · · · Q · · Regrouting tile?
18 10 · · · A · · Yes.
19 11 · · · Q · · And a hose bib, whatever that is.
20 12 · · · A · · Water freezer. It's, like, for the
21 13 filtration of the water.
22 14 · · · Q · · Okay. And then for the mechanical, no
23 15 permits required for portable heating appliances;
24 16 correct.
25 17 · · · A · · Yes.
26 18 · · · Q · · For portable ventilation appliances?
27 19 · · · A · · Yes.
28 20 · · · Q · · Or portable cooling units; correct?
21 21 · · · A · · Yes.
22 22 · · · Q · · And for portable evaporative coolers
23 23 installed in windows; correct?
24 24 · · · A · · Yes.

18 *Id.* at 264:17-25-265:1-24.

19 *Plaintiff Does not Disclose the Alleged Issues to Potential Tenants*

20 48. Since the date it purchased the Property, Plaintiff has always been trying to lease
21 it. *Id.* at 330:19-25-331:1-2. According to Mr. Miao, the landlord must provide safe housing for
22 the tenant:

23 19 · · · · · Then also in according to the law, and
24 20 they said it very clearly, because this is
25 21 residential income property, right, rental income
26 22 property, multi-family, we need -- landlord need
27 23 provide housing and well-being and -- for the
28 24 tenant. The tenant is not going to do all this
25 inspection. They can't. The burden is on the
26 Page 120
27 ·1 landlord to make sure all these building is safe and
28 ·2 in good condition.

1 *Id.* at 120:16-25-121:1-2, 140:10-14. However, they have not done any of the repairs listed by
2 Plaintiff's expert. *Id.* at 331:3-12. This illustrates the lack of merit of Plaintiff that there are
3 underlying conditions with the Property.

4 49. Moreover, Plaintiff does not provide any notice to the tenants about its expert's
5 report or this litigation:

6 ·6· · · Q· ·All right· In terms of tenants -- renting
7 ·7 out the units to any tenants, do you ever provide
8 them with a copy of the Sani report?

9 ·9· · · A· ·No.

10 ·10· · · Q· ·Do you ever provide them with any of the
11 pleadings or the first amended complaint, second
12 amended complaint, the complaint itself?

13 ·13· · · A· ·No.

14 * * *

15 ·22· · · Q· ·Okay· So basically, you just tell them,
16 ·23 There's this· You can inspect the unit if you want;
17 ·24 is that it?

18 ·25· · · A· ·Yeah· And also we need to tell is a lot
19 Page 337

20 ·1 of things report that we don't need to go to the
21 ·2 inside the building· It's wall cracking· It's
22 ·3 outside· You can see.

23 ·4· · · Q· ·Okay· So it's open and obvious for them?

24 ·5· · · A· ·Yeah· You can see always outside.

25 *Id.* at 337:6-13, 337:22-25-338:1-5.

26 50. This illustrates the lack of merit of Plaintiff's claims, proven that it has done
27 nothing to correct the allegedly deficient conditions that are clearly not so dangerous as it does
28 not tell prospective tenants about them.

29 *Squatters or Tenants Could Have Damaged the Property*

30 51. Mr. Miao admitted that multiple third parties could have potentially damaged the
31 Property. The Property has a historic problem with squatters during the time that Plaintiff owned
32 it:

33 ·12· · · Q· ·Do you generally have a squatter problem
34 ·13 with the property?

35 ·14· · · A· ·Yes· As a matter of fact, today I just
36 ·15 saw the one text message that said one -- some
37 ·16 people go to my apartment.

38 *Id.* at 110:12-16. He also admitted that tenants could have damaged the Property while they

1 were occupying it:

2 ·4· · · Q· ·Okay· So the tenant in this context would
3 ·5 have damaged the unit at the time that you owned it;
4 ·6 is that fair?

5 ·7· · · A· ·Maybe· Yes.

6 ·8· · · Q· ·Okay· So some of the -- so the damage
7 ·9 that was to the water heater system, could the
8 10 tenant have damaged that as well?

9 11· · · A· ·Yes.

10 12· · · Q· ·And then he could have damaged the cooler
11 13 pump and the valve as well; is that correct?

12 14· · · A· ·Yes.

13 15· · · Q· ·Okay· Then on 122, these are all issues
14 16 that the tenant could have damaged; is that correct?

15 17· · · A· ·Yes.

16 18· · · Q· ·And then the same through for 145; is that
17 19 right?

18 20· · · A· ·Yes.

19 *Id.* at 306:4-20, 330:5-7. This could also account for the cracking on the walls. *Id.* at 310:8-12.

20 Tenants could have also damaged the Property if they hit it with their cars. *Id.* at 332:14-16.

21 *No Evidence That Defendants Knew of Alleged Conditions*

22 52. Plaintiff's case is based on assertions that Defendants knew about the alleged
23 conditions in the Property; however, Mr. Miao admitted that there is no evidence that shows
24 Defendants knew about them. *Id.* at 245:1-13 (speculating that InvestPro made changes).

25 53. The entire case is based on Mr. Miao's personal belief and speculation. *Id.* at
26 253:17-19.

27 54. Mr. Miao admitted that he has no evidence Defendants knew about the alleged
28 moisture conditions. *Id.* at 293:24-25-294:1-3. Additionally, he also admitted that there is no
evidence that Defendants knew about the alleged issues with the plumbing system. *Id.* at
301:21-24. He also admitted that he did not know if Defendants knew about the alleged issues
with the duct work when they owned the Property. *Id.* at 314:5-19. He also recognized the
deficiency in Plaintiff's expert's report that failed to differentiate between conditions prior to
when TKNR owned the Property, while it owned it, and those afterwards. *Id.* at 321:17-21 –
322:3-6.

55. Mr. Miao recognized that a 63-year-old property could have issues that were not
caused by Defendants. *Id.* at 324:6-15. This would have also included any issues with the dryer

vent and ducts, *Id.* at 325:3-20, and when the duct became disconnected. *Id.* at 329:1-16.

56. Plaintiff did not identify any discovery illustrating a genuine issue of material fact that Defendants knew of the alleged issues with the Property that they had not already disclosed on Seller's Disclosures.

57. Notably, during Mr. Miao's due diligence period, he spoke with the tenants of the Property. *Id.* at 163:12-25-164:1-6. This included a conversation with the long-term tenant of Unit A, who still resides in the Property to this day. *Id.* At that time, the tenant reported being very happy with the Property and had no complaints. *Id.* In fact, the tenant reported still being very happy with the Property. *Id.* at 170:7-9. This illustrates that there is no basis that Defendants should have been aware of any of the issues when Mr. Miao, a self-professed expert, did not even know about them following his inspection.

No Basis for Claims for RICO and/or Related to Flipping Fund

58. The Flipping Fund had nothing to do with Plaintiff's decision to purchase the Property. *Id.* at 223:15-25.

20 · · · Q · · Yeah · So there's no way that you relied
21 upon any flipping fund since it would have been
22 closed at this time; right?
23 · · · A · · Yeah.

Id. at 274:20-23. He also admitted that he never received any pro forma, private placement information, calculations of profit and loss, capital contribution requirements, member share or units, or any such information about the Flipping Fund. *Id.* at 277:7-16.

Cost of Repairs

59. Mr. Miao contacted contractors to bid the potential cost of repair for the Property and determined that it would have been \$102,873.00. *Id.* at 307:6-22. However, Plaintiff's expert opined that the cost of repair would have been \$600,000, although he did not provide an itemized cost of repair. *Id.* at 334:17-21.

Allegations in the Second Amended Complaint

60. On November 23, 2020, Plaintiff filed its Second Amended Complaint ("SAC").

1 Based on the admissions of Mr. Miao and the waivers related to the RPA and the 2nd RPA, these
2 allegations illustrate the overall frivolous nature of this action and why Rule 11 sanctions are
3 appropriate:

4 25. TKNR failed to disclose one or more known condition(s)
5 that materially affect(s) the value or use of the Subject Property in
6 an adverse manner, as required by NRS Chapter 113, in a
particular NRS 113.130.

* * *

7 27. Factual statements from the August 7, 2017 Seller Real
8 Property Disclosure Form (SRPDF) are set forth in Paragraph 31
9 and the subsections thereof state whe (sic) the disclosures were
either inadequate or false. The SRPDF states that it was prepared,
presented and initialed by Kenny Lin.

* * *

10 29. Since the Subject Property is a residential rental apartment,
11 to protect tenants and consumers, the applicable local building
12 code requires all renovation, demolition, and construction work
must be done by licensed contractors with permits and inspections
to ensure compliance with the Uniform Building Code [UBC].

* * *

13 31. Defendants Lin, Investpro, as TKNR's agent, TKNR,
14 Wong and INVESTPRO MANAGER LLC, as the true owner of
15 the Subject Property, did not disclose any and all known conditions
and aspects of the property which materially affect the value or use
of residential property in an adverse manner, as itemized below.

16 a. SRPDF stated that Electrical System had no problems
17 or defects. The fact is that many new electric lines were
added and many old electric lines were removed by
Investpro Manager LLC . The swamp coolers that were
removed were supplied by 110 volt power supply lines.
Investpro Manager LLC first added one 220v power supply
line for one new 5 ton heat pump package unit on one roof
top area for the whole building for Unit A. Unit B and Unit
C. Investro (sic) Manager, LLC then removed the one year
old 5 ton heat pump packaged unit from the roof top with
power supply lines and added two new 220v power supply
lines for two new 2 ton heart pump package units, one each
for Unit B and Unit C.

22 Inestpro (sic) Manager, LLC then added one new 110 volt
23 power supply line for two window cooling units for Unit A.
The electrical system load for Unit A was increased due to
24 the installation of two new cooling units and required 100
amp service, but the electrical service was not upgraded to
25 100 amp service from the existing 50 amp service. Failure
to upgrade the electrical service caused the fuses to be
26 blown out multiple times during the cooling seasons of
2018. The tenants in Unit A could not use air conditioning
units in cooling seasons of 2018, causing Unit A to be
27 uninhabitable until the Unit A electrical supply panel was
upgraded to 100 amp service.

28 All the electrical supply line addition and removal work

1 were performed without code required electrical load
2 calculation, permits and inspections. To save money,
3 minimize flipping cost, minimize flipping time, maximize
4 flipping fund profits, Investpro Manager LLC used
unlicensed and unskilled workers to do the electrical work
and used low quality materials used inadequate electrical
supply lines.

5 Further, to save money, minimize flipping cost, minimize
6 flipping time, maximize flipping fund profits, Investpro
7 Manager LLC used unskilled workers who did not know
the UBC requirements to do the electrical work This
substandard work may lead electrical lines to overheat and
cause fires in the attic when tenant electrical load is high.

8 Further, to save money, minimize flipping cost, minimize
9 flipping time, maximize flipping fund profits, Investpro
10 Manager LLC used unskilled workers who did not know
the UBC requirements to do the electrical work. The outlets
near the water faucets in kitchens, bathrooms and laundry
areas were not GFCI outlets as required by the UBC.

11 b. SRPDF stated that Plumbing System had no problems
12 or defects

13 The fact is that that within two years prior to the sale to
14 Plaintiff, Investpro Manager LLC removed and plugged
15 swamp cooler water supply lines without UBC required
16 permits and inspections. To save money, minimize flipping
17 cost, minimize flipping time, and maximize flipping fund
18 profits, Investpro Manager LLC used unlicensed and
unskilled workers who just plugged high pressure water
supply lines at rooftop instead of at ground level and who
did not remove the water supply lines on top of the roof,
inside the attic and behind the drywall. In cold winter, the
high pressure water line which was left inside the building
may freeze and break the copper line and lead flooding in
the whole building.

19 Further, to save money, minimize flipping cost, minimize
20 flipping time, and maximize flipping fund profits, Investpro
21 Manager LLC used unlicensed and unskilled workers to
22 remove and plug natural gas lines for the natural gas wall
23 furnaces without UBC required permits and inspections.

24 Further, to save money, minimize flipping cost, minimize
25 flipping time, and maximize flipping fund profits, Investpro
26 Manager LLC used unlicensed and unskilled workers with
27 little knowledge of natural gas pipe connection
28 requirements. The unlicensed and unskilled workers used
the wrong sealing materials and these sealing materials may
degrade and lead to natural gas leaks and accumulation
inside the drywall and the attic which may cause an
explosion or fire.

Further, to save money, minimize flipping cost, minimize
flipping time, and maximize flipping fund profits, Investpro
Manager LLC used unlicensed and unskilled workers to
completely renovate all three bathrooms in the Subject
Property without UBC required permits and inspections.
Some faucets and connections behind tile walls and drywall

1 leak and are causing moisture conditions behind tile walls
2 and drywalls.

3 c. SRPDF stated that Sewer System and line had no
4 problems or defects.

5 The subject property was built in 1954. Clay pipes were
6 used at that time for sewer lines. Before the sale, within
7 few days after tenants moved into apartment Unit B, they
8 experienced clogged sewer line which caused the
9 bathrooms to be flooded. The tenants called Investpro to
10 ask them to fix the clogged pipes and address the flooding
11 issues. After this report, Investpro asked tenants to pay to
12 hire plumber to snake the sewer line. After tenants
13 threatened to call the Las Vegas code enforcement office,
14 to save money, minimize flipping cost, minimize flipping
15 time, and maximize flipping fund profits, Investpro used
16 unlicensed and unskilled workers to snake the clay sewer
17 pipes. Licensed contractors must be hired to snake sewer
18 pipes as code required. This approach to clearing the clog
19 may break the clay sewer pipes and cause future tree root
20 grown into sewer lines and clogs in sewer lines.

21 d. SRPDF stated that Heating System had problems or
22 defects.

23 No full explanation was provided, as required. Investro
24 (sic) Manager, LLC disabled natural gas heating system
25 without UBC required permits and inspections. To save
26 money, minimize flipping cost, minimize flipping time, and
27 maximize flipping fund profits, Investpro Manager LLC
28 used unlicensed and unskilled workers with little
knowledge about natural gas pipe connection requirements.
They used the wrong sealing materials and these sealing
materials may degrade and lead to a natural gas leak inside
the drywall and the attic and may cause an explosion or
fire.

Further, Investpro Manager LLC installed two electrical
heat pump heating systems without UBC required permits
and inspections for Unit B and Unit C. The Unit A does not
have an electrical heat pump heating system nor a natural
gas wall furnace heating system now. Unit A has to use
portable electrical heaters.

e. SRPDF stated that the Cooling System had problems or
defects

No full explanation was provided, as required. Investro
(sic) Manager, LLC removed old swamp cooler systems
without UBC required permits and inspections. To save
money, minimize flipping cost, minimize flipping time, and
maximize flipping fund profits, Investpro used unlicensed
and unskilled workers to disconnect water supply lines,
cover swamp cooler ducting holes, and disconnect 110V
electrical supply lines.

Further, as early as March of 2016, Investro Manager, LLC
hired Air Supply Cooling to install one five ton new heat
pump package unit with new rooftop ducting systems on

one roof area to supply cooling and heating air to the whole building consisting of Unit A, Unit B and Unit C without UBC required weight load and wind load calculations, permits and inspections. The five ton heat pumps package unit was too big, too heavy and had control problems. To save money, minimize flipping cost, minimize flipping time, and maximize flipping fund profits, Investpro Manager LLC also used unlicensed and unskilled workers to remove the one year old five ton heat pump package unit with ducting system without UBC required permits and inspections. All of this work was done without UBC required structural calculation, permits and inspections. Further, in early June, 2017, Investro Manager, LLC hired The AIRTEAM to install two new two ton heat pump package units, one each for Unit B and Unit C. Invespro (sic) Manager, LLC also used unlicensed and unskilled workers to install two window cooling units in Unit A's exterior walls. All of the above work was done without UBC required permits and inspections. Further, to save money, minimize flipping cost, minimize flipping time, and maximize flipping fund profits, Investro Manager, LLC did not replace the old, uninsulated swamp cooler ducts with new insulated HVAC ducts as the UBC required. This resulted in the heat pump package units being overloaded and damaged during cooling season because cool air was heated by uninsulated attic hot air before delivering the cooled air to the rooms. The old, uninsulated swamp cooler ducts were also rusted and leaked due to high moisture air from the bathroom vent fans and the clothes washer/dryer combination unit exhaust vents. The heat pumps would run all the time but still could not cool the rooms.

f. SRPDF stated that Smoker detector had no problems or defects

During Plaintiff's inspection at August 10, 2017 afternoon, some smoke detectors were missing.

g. SRPDF stated that no Previous or current moisture conditions and or water damage.

To save money, minimize flipping cost, minimize flipping time, and maximize flipping fund profits, Investro Manager, LLC used unlicensed and unskilled workers to vent high moisture bathroom fan exhaust and washer/dryer combination unit exhaust into the ceiling attic area instead of venting outside the building roof without UBC required permits and inspections. The improper ventings caused high moisture conditions in ceiling attic and water damages in ceiling and attic. The high moisture conditions in the ceiling attic destroyed ceiling attic insulations, damaged the roof decking, damaged roof trusses and damaged roof structure supports.

To saving money, minimize flipping cost, minimize flipping time, and maximize flipping fund profits, Investpro Manager LLC used unlicensed and unskilled workers to

complete renovation to all three bathrooms without UBC required permits and inspections. Some faucets and connections behind tile walls and drywall leaks and caused moisture conditions behind tile walls and drywalls.

h. SRPDF stated that there was no structure defect.

Investpro Manager LLC added one new five ton heat pump package unit with ducting systems on the one roof top area for the whole building in early March, 2016 without UBC required weight load and wind load calculation, permits and inspections. Due to the five ton heat pump package unit being too big, too heavy and having control problems to save money, minimize flipping cost, minimize flipping time, and maximize flipping fund profits, Investro (sic) Manager, LLC used unlicensed and unskilled workers to remove the one year old five ton heat pump package unit with part of the ducting system again without UBC required permits and inspections. Investpro Manager LLC added two new two ton heat pump package units on the two roof top areas for Unit B and Unit C with new ducting systems without UBC required weight load and wind loan calculation, permits and inspections.

Further, to save money, minimize flipping cost, minimize flipping time, and maximize flipping fund profits, Investpro Manager LLC used unlicensed and unskilled workers to open two new window holes on

exterior walls for two window cooling units in Unit A without UBC required structure calculation, permits and inspections. This work damaged the building structure.

Further, the moisture condition behind tile walls and drywall due to faucets leaking damaged the building structure.

Further, Investpro Manager LLC's unlicensed and unskilled workers used the space between two building support columns as a duct to vent high moisture exhaust from the washer/dryer combination unit exhaust vent from Unit A without UBC required permits and inspections and this damaged the building structure.

The recent inspection of the exterior wall found multiple cracks which indicates structural problems caused by the heavy load on the roof.

i. SRPDF marked Yes and NO for construction, modification, alterations or repairs made without required state, city or county building permits.

Defendants Lin, Investpro, as TKNR's agent, TKNR, and Wong did not provide detailed explanations. All renovation, demolition, and construction work was done by Investpro Manager LLC using unlicensed, and unskilled workers without UBC required weight load and wind load calculations, permits and inspections.

j. SRPDF stated that there were not any problems with the roof.

The roof of the Subject Property was damaged by changing

1 roof top HVAC units and ducting systems multiple times
2 from October, 2015 to June, 2017. Investpro Manager LLC
3 removed the existing swamp coolers from roof top and
4 covered the swamp coolers ducting holes. Investpro
5 Manager LLC added a five ton heat pump package unit
6 with a new ducting system on one roof top area in March,
7 2016. Investpro the removed the one year old five ton heat
8 pump package unit with part of the ducting system from the
9 one roof top area in June, 2017. Then Investpro Manager
10 LLC added two two ton heat pump package units on the
11 two roof top areas in June, 2017. The work damaged the
12 roof of the Subject Property to such an extent that when it
13 rains the roof leaks. All of this renovation, demolition, and
14 construction work was done without UBC required weight
15 load and wind load calculations, permits and inspections
16 and this damaged the building roof structure.

17 k. SRPDF stated that no there were not any fungus or
18 mold problems.

19 To save money, minimize flipping cost, minimize flipping
20 time, and maximize flipping fund profits, Investpro
21 Manager LLC vented the bathroom high moisture fans and
22 the washer/dryer combination unit exhaust vents into the
23 ceiling and attic without venting outside of the roof. All of
24 this renovation, demolition, and construction work was
25 done without UBC required permits and inspections and
26 this damaged the building structure. After the purchase of
27 the Subject Property, Plaintiff discovered black color
28 fungus mold was found inside ceiling and attic.

l. SRPDF stated that there were not any other conditions
or aspects of the property which materially affect its value
or use in an adverse manner.

i. Problems with flooring.

To save money, minimize flipping cost, minimize
flipping time, and maximize flipping fund profits,
Investpro Manager LLC used unlicensed and
unskilled workers to lay low quality cheap ceramic
tiles on the loose sandy ground rather than on a
strong, smooth, concrete floor base. Within few
months after tenants moving into the Subject
Property, mass quantities of floor ceramic tiles
cracked and the floor buckled. These cracked
ceramic tiles may cut tenants' toes and create a trip
and fall hazard. These are code violations had to be
repaired before the units could be rented to tenants.
The plaintiff has to spend lot money to replace all
ceramic tile floor in Unit C with vinyl tile floor.

ii. Problems with the land/foundation.

Within few months after tenants moved into the
Subject Property in 2017, large quantities of floor
tiles cracked and the floor buckled. This indicated
that there may have foundation problems likely due
to heavy loads by the new HVAC systems and the
venting of moisture into the ceiling and attic. Too
much weight loads on the walls caused exterior wall

1 cracking.

2 iii. Problems with closet doors.

3 To save money, minimize flipping cost, minimize
4 flipping time, and maximize flipping fund profits,
5 Investpro Manager LLC used unlicensed and
6 unskilled workers to install closet doors with poor
7 quality for Unit C, all closet doors fell down in
8 three months after tenant move into Unit C.

9
10 61. As to 31(a), Mr. Miao admitted that the Seller's Disclosures disclosed issues with
11 the heating and cooling systems, the use of a handyman, and the lack of permits. Additionally,
12 he specified that he noted issues with the electrical system and items not up to code at the time
13 that he did his inspection and/or that any issues with the electrical system were "open and
14 obvious" that a reasonable, professional inspection could have discovered in 2017. Despite these
15 issues, Plaintiff chose not to have a professional inspection. Incredibly, Mr. Miao admitted that
16 he was the person who asked for TKNR to install the GFCI outlets, so he was clearly aware of
17 this issue as well. Moreover, Mr. Miao specified that this was a condition that Plaintiff could
18 have inspected at or before the time it had originally purchased the Property. Notably, Mr. Miao
19 admitted that no evidence showed that Defendants were aware of any of these issues.

20 62. As to 31(b), Mr. Miao admitted that the Seller's Disclosures disclosed issues with
21 the heating and cooling systems, the use of a handyman, the lack of permits, and issues with the
22 sprinklers. Additionally, he specified that he noted issues with the plumbing system were "open
23 and obvious" that a reasonable, professional inspection could have discovered in 2017. Despite
24 these issues, Plaintiff chose not to have a professional inspection. Moreover, Mr. Miao specified
25 that this was a condition that Plaintiff could have inspected at or before the time it had originally
26 purchased the Property. Notably, Mr. Miao admitted that no evidence showed that Defendants
27 were aware of any of these issues.

28 63. As to 31(c), Mr. Miao admitted that the Seller's Disclosures disclosed the use of a
handyman, the lack of permits, and issues with the sprinklers. Additionally, he specified that he
noted issues with the sewer system were "open and obvious" that a reasonable, professional
inspection could have discovered in 2017. Despite these issues, Plaintiff chose not to have a
professional inspection. Moreover, Mr. Miao specified that this was a condition that Plaintiff

1 could have inspected at or before the time it had originally purchased the Property. Notably, Mr.
2 Miao admitted that no evidence showed that Defendants were aware of any of these issues.

3 64. As to 31(d), Mr. Miao admitted that the Seller's Disclosures disclosed issues with
4 the heating and cooling systems, the use of a handyman, and the lack of permits. Additionally,
5 he specified that he did his inspection and/or that any issues with the heating system were "open
6 and obvious" that a reasonable, professional inspection could have discovered in 2017. Despite
7 these issues, Plaintiff chose not to have a professional inspection. Moreover, Mr. Miao specified
8 that this was a condition that Plaintiff could have inspected at or before the time it had originally
9 purchased the Property. Notably, Mr. Miao admitted that no evidence showed that Defendants
10 were aware of any of these issues.

11 65. As to 31(e), Mr. Miao admitted that the Seller's Disclosures disclosed issues with
12 the heating and cooling systems, the use of a handyman, and the lack of permits. Additionally,
13 he specified that he noted issues with the heating and cooling system and items not up to code at
14 the time that he did his inspection and/or that any issues with the heating and cooling system
15 were "open and obvious" that a reasonable, professional inspection could have discovered in
16 2017. Despite these issues, Plaintiff chose not to have a professional inspection. Moreover, Mr.
17 Miao specified that this was a condition that Plaintiff could have inspected at or before the time
18 it had originally purchased the Property. Notably, Mr. Miao admitted that no evidence showed
19 that Defendants were aware of any of these issues.

20 66. As to 31(f), this allegation illustrates that Plaintiff had knowledge before
21 purchasing the Property, and the overall emphasis on the failure to obtain a professional
22 inspection of the Property prior to purchasing it.

23 67. As to 31(g), (k), Mr. Miao admitted Plaintiff executed the mold and moisture
24 waiver, and understood its affirmative duty to have an inspection done prior to the purchase of
25 the Property. He also admitted that that the Seller's Disclosures disclosed the use of a
26 handyman, installation of the cabinetry, bathrooms, and the lack of permits. Additionally, he
27 specified that he personally inspected the attic and the dryer vent before Plaintiff purchased the
28 Property. Despite these issues, Plaintiff chose not to have a professional inspection. Moreover,

1 Mr. Miao specified that this was a condition that Plaintiff could have inspected at or before the
2 time it had originally purchased the Property. Notably, Mr. Miao admitted that no evidence
3 showed that Defendants were aware of any of these issues.

4 68. As to 31(h), Mr. Miao admitted that the Seller's Disclosures disclosed issues with
5 the heating and cooling systems, the use of a handyman, and the lack of permits. Mr. Miao
6 admitted that there was visible cracking on the foundation, walls, and the tiles that were open and
7 obvious at the time that Plaintiff purchased the Property in 2017. Moreover, Mr. Miao specified
8 that this was a condition that Plaintiff could have inspected at or before the time it had originally
9 purchased the Property. Notably, Mr. Miao admitted that no evidence showed that Defendants
10 were aware of any of these issues.

11 69. As to 31(i), this allegation illustrates the prior knowledge that Plaintiff had before
12 purchasing the Property, and the overall emphasis on the failure to obtain a professional
13 inspection of the Property prior to purchasing it. Mr. Miao admitted that he should have
14 followed up related to the permit issue prior to Plaintiff purchasing the Property.

15 70. As to 31(j), Mr. Miao admitted that the Seller's Disclosures disclosed issues with
16 the heating and cooling systems, the use of a handyman, and the lack of permits. Additionally,
17 he specified that he noted issues were "open and obvious" that a reasonable, professional
18 inspection could have discovered in 2017. Mr. Miao agreed that there was no noticeable sagging
19 on the roof. Despite these issues, Plaintiff chose not to have a professional inspection.
20 Moreover, Mr. Miao specified that this was a condition that Plaintiff could have inspected at or
21 before the time it had originally purchased the Property. Notably, Mr. Miao admitted that no
22 evidence showed that Defendants were aware of any of these issues.

23 71. As to 31(l), Mr. Miao admitted that the Seller's Disclosures disclosed issues with
24 the heating and cooling systems, the use of a handyman, and the lack of permits. Mr. Miao
25 admitted that there was visible cracking on the foundation, walls, and the tiles that were open and
26 obvious at the time that Plaintiff purchased the Property in 2017. Mr. Miao noted that this
27 condition could have been inspected at or prior to the Property's purchase. Mr. Miao
28 acknowledged there was no evidence that Defendants were aware of these issues.

Plaintiffs Did Not Reply on Broker Agents

72. As to the Broker Defendants, Ms. Zhu agreed that she was not relying upon any representations made by Brokers or Broker's agent. Ms. Zhu agreed to purchase the Property AS-IS, WHERE-IS, without any representations or warranties. Ms. Zhu waived all claims against Brokers or their agents for (a) defects in the Property . . . (h) factors related to Ms. Zhu's failure to conduct walk-throughs or inspections. Ms. Zhu assumed full responsibility and agreed to conduct such tests, walk-throughs, inspections and research, as she deemed necessary. In any event, Broker's liability was limited, under any and all circumstances, to the amount of that Broker's commission/fee received in the transaction.

Mr. Miao Agreed with Defendants' Expert

73. On November 17, 2020, Defendants' expert, Neil D. Opfer, an Associate Professor of Construction Management at UNLV and overqualified expert, conducted an inspection of the Property. At that time, as noted earlier, Mr. Miao walked the Property with Professor Opfer. Supplement at 320:31-25.

74. Mr. Miao agreed with Professor Opfer that the alleged conditions identified by Plaintiff's alleged expert were open and obvious:

[n]ote that the Plaintiff could have hired an inspector or contractor to evaluate this real-estate purchase beforehand but did not. Items complained about in the Sani Report were open and obvious at the roof area, attic area, and on the exterior and interior areas of the Property.

Id. at 318:22-25-319:3-4.

75. Mr. Miao agreed with Professor Opfer that Plaintiff's expert did not conduct destructive testing, so the same alleged conditions that the expert noted would have been made by an inspector at the time of the purchase. *Id.* at 291:1-5.

76. Mr. Miao agreed with Professor Opfer that Plaintiff's expert did "not recognize prior conditions in existence before any work took place by the Defendants." *Id.* at 321:17-21 – 322:3-6.

Conclusions of Law

1. Summary judgment is appropriate when the pleadings, depositions, answers to

1 interrogatories, admissions, and affidavits, if any, that are properly before the Court demonstrate
2 that no genuine issue of material fact exist, and the moving party is entitled to judgment as a
3 matter of law. *Pegasus v. Reno Newspapers, Inc.*, 118 Nev. 706, 713, 57 P.3d 82, 87 (2002).
4 Substantive law controls whether factual disputes are material and will preclude summary
5 judgment; other factual disputes are irrelevant. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242,
6 106 S. Ct. 2505, 91 L.Ed.2d 202 (1986). A genuine issue of material fact is one where the
7 evidence is such that a reasonable jury could return a verdict for the non-moving party. *Valley*
8 *Bank v. Marble*, 105 Nev. 366, 367, 775 P.2d 1278, 1282 (1989).

9 2. The Nevada Supreme Court has held that the non-moving party may not defeat a
10 motion for summary judgment by relying “on gossamer threads of whimsy, speculation and
11 conjecture.” *Wood v. Safeway*, 121 Nev. 724, 732, 121 P.3d 1026, 1031 (2005). The Nevada
12 Supreme Court has also made it abundantly clear when a motion for summary judgment is made
13 and supported as required by Nevada Rule of Civil Procedure 56, the non-moving party must not
14 rest upon general allegations and conclusions, but must by affidavit or otherwise set forth
15 specific facts demonstrating the existence of a genuine factual issue. *Id.*

16 3. Under Nevada Rule of Civil Procedure 56(a), a party may move for summary
17 judgment, or partial summary judgment. “The court shall grant summary judgment if the movant
18 shows that there is no genuine dispute as to any material fact and the movant is entitled to
19 judgment as a matter of law.” The court may rely upon the admissible evidence cited in the
20 moving papers and may also consider other materials in the record as well. *Id.* at 56(c). “If the
21 court does not grant all the relief requested by the motion, it may enter an order stating any
22 material fact — including an item of damages or other relief — that is not genuinely in dispute
23 and treating the fact as established in the case.” *Id.* at 56(g).

24 4. The pleadings and proof offered in a Motion for Summary Judgment are
25 construed in the light most favorable to the non-moving party. *Hoopes v. Hammargren*, 102
26 Nev. 425, 429, 725 P.2d 238, 241 (1986). However, the non-moving party still “bears the
27 burden to ‘do more than simply show that there is some metaphysical doubt’ as to the operative
28 facts in order to avoid summary judgment being entered.” *Wood*, 121 Nev. at 732, 121 P.3d at

1 1031. “To successfully defend against a summary judgment motion, ‘the nonmoving party must
2 transcend the pleadings and, by affidavit or other admissible evidence, introduce specific facts
3 that show a genuine issue of material fact.’” *Torrealba v. Kesmetis*, 178 P.3d 716, 720 (Nev.
4 2008) (quoting *Cuzze v. Univ. & Cmty. Coll. Sys. of Nev.*, 172 P.3d 131, 134 (Nev. 2007)).

5 5. The non-moving party bears the burden to set forth specific facts demonstrating
6 the existence of a “genuine” issue for trial or have summary judgment entered against him.
7 *Collins v. Union Federal Savings & Loan*, 99 Nev. 284, 294, 662 P.2d 610, 618-619 (1983).
8 When there is no genuine issue of material fact and the non-moving party provides no admissible
9 evidence to the contrary, summary judgment is “mandated.” *Celotex Corp. v. Catrett*, 477 US
10 317, 322 (1986). When a motion for summary judgment is made and supported, an adversary
11 party who does not set forth specific facts showing a genuine issue to be resolved at trial may
12 have a summary judgment entered against him. *Collins v. Union Federal Sav. & Loan Ass’n*, 99
13 Nev. 284, 294, 662 P.2d 610, 616 (1983) (citing *Van Cleave v. Kietz-Mill Minit Mart*, 97 Nev.
14 414, 633 P.2d 1220 (1981); *Bird v. Casa Royale West*, 97 Nev. 67, 624 P.2d 17 (1981)).

15 6. “Under NRS Chapter 113, residential property sellers are required to disclose any
16 defects to buyers within a specified time before the property is conveyed.” *Nelson v. Heer*, 163
17 P.3d 420, 425 (Nev. 2007) (citing NRS 113.140(1)). “NRS 113.140(1), however, provides that a
18 seller is not required to ‘disclose a defect in residential property of which [she] is not aware.’ A
19 ‘defect’ is defined as “a condition that materially affects the value or use of residential property
20 in an adverse manner.” *Id.* (citing NRS 113.100(1)). The Nevada Supreme Court clarified that:

21 [a]scribing to the term “aware” its plain meaning, we determine
22 that the seller of residential real property does not have a duty to
23 disclose a defect or condition that “materially affects the value or
24 use of residential property in an adverse manner,” if the seller does
25 not realize, perceive, or have knowledge of that defect or
26 condition. Any other interpretation of the statute would be
unworkable, as it is impossible for a seller to disclose conditions in
the property of which he or she has no realization, perception, or
knowledge. The determination of whether a seller is aware of a
defect, however, is a question of fact to be decided by the trier of
fact.

27 *Id.* at 425 (citations omitted). Thus, in the context where the plaintiff cannot demonstrate an
28 omitted disclosure that caused damage, the seller is entitled to summary judgment as a matter of

1 law. *Id.* at 426.

2 7. Generally, “[n]ondisclosure by the seller of adverse information concerning real
3 property . . . will not provide the basis for an action by the buyer to rescind or for damages when
4 property is sold ‘as is.’ ” *Mackintosh v. Jack Matthews & Co.*, 109 Nev. 628, 633, 855 P.2d 549,
5 552 (1993). Moreover, “[l]iability for nondisclosure is generally not imposed where the buyer
6 either knew of or could have discovered the defects prior to the purchase.” *Land Baron Invs.,*
7 *Inc. v. Bonnie Springs Family LP*, 131 Nev. 686, 696, 356 P.3d 511, 518 (2015). The general
8 rule foreclosing liability for nondisclosure when property is purchased as-is does not apply when
9 the seller knows of facts materially affecting the value or desirability of the property which are
10 known or accessible only to [the seller] and also knows that such facts are not known to, or
11 within the reach of the diligent attention and observation of the buyer. *Mackintosh*, 109 Nev. at
12 633, 855 P.2d at 552 (alteration in original) (internal quotation marks omitted).

13 8. A buyer waives its common law claims of negligent misrepresentation, fraudulent
14 or intentional misrepresentation, and/or unjust enrichment when it expressly agreed that it would
15 carry the duty to inspect the property and ensure that all aspects of it were suitable prior to close
16 of escrow, and the information was reasonably accessible to the buyer. *Frederic and Barbara*
17 *Rosenberg Living Tr. v. MacDonald Highlands Realty, LLC*, 427 P.3d 104, 111 (Nev. 2018).
18 Accordingly, the Nevada Supreme Court concluded that an agreement to purchase property as-is
19 foreclosed the buyer’s common law claims, justifying the granting of summary judgment on
20 common law claims. *Id.* (citation omitted).

21 The terms and conditions of the purchase agreement do not create
22 a duty to disclose. Rather, these disclosures are required by NRS
23 Chapter 113, which sets forth specific statutory duties imposed by
24 law independent of the purchase agreement's terms and conditions.
Additionally, the terms of the purchase agreement do not require
[the seller] to do anything other than provide the listed disclosures.

25 *Anderson v. Ford Ranch, LLC*, 78684-COA, 2020 WL 6955438, at *5 (Nev. App. Nov. 25,
26 2020).

27 9. Nevada Revised Statute § 113.140 clearly provides that the Seller Disclosures
28 does not constitute a warranty of the Subject Property and that the Buyer still has a duty to

1 exercise reasonable care to protect himself. Nevada Revised Statute § 113.140 also provides that
2 the Seller does not have to disclose any defect that he is unaware of. Similarly, Nevada Revised
3 Statute § 113.130 does not require a seller to disclose a defect in residential property of which
4 the seller is not aware. A completed disclosure form does not constitute an express or implied
5 warranty regarding any condition of residential property. Nevada Revised Statute § 113.140(2).
6 Chapters 113 and “645 of Nevada Revised Statutes do not relieve a buyer or prospective buyer of
7 the duty to exercise reasonable care to protect himself or herself.” *Id.* at § 113.140(2).

8 10. Summary Judgment is appropriate as a matter of law on all of Plaintiff’s claims.
9 It is undisputed that the alleged deficiencies were either disclosed by Defendants, could have
10 been discovered by an inspection, were open and obvious whereby Plaintiff / Ms. Zhu / Mr.
11 Miao had notice of them at the time Plaintiff purchased the Property, or were unknown to
12 Defendants at the time of the sale.

13 11. On August 2, 2017, TKNR submitted its Seller Disclosures timely indicating all
14 known conditions of the Subject Property. TKNR disclosed that “3 units has (sic) brand new AC
15 installed within 3 months,” and further that the “owner never resided in the property and never
16 visited the property.” Plaintiff was also aware that the minor renovations, such as painting, was
17 conducted by the Seller’s “handyman” as disclosed in the Seller’s Disclosures. TKNR also
18 disclosed that it was aware of issues with the heating and cooling systems, there was
19 construction, modification, alterations, or repairs done without permits, and lead-based paints.

20 12. On August 11, 2020, through the original RPA, Ms. Zhu waived her due
21 diligence, although she had a right to conduct inspections:

22 During such Period, Buyer shall have the right to conduct, non-
23 invasive/non-destructive inspections of all structural, roofing,
24 mechanical, electrical, plumbing, heating/air conditioning,
25 water/well/septic, pool/spa, survey, square footage, and any other
property or systems, through licensed and bonded contractors or
other qualified professionals.

26 13. Section II(B)(1) lists the disclosures by TKNR. Despite these disclosures,
27 Plaintiff did not inspect the Subject Property, request additional information and/or conduct any
28 reasonable inquiries. Ms. Zhu cancelled the original RPA, Ex. E, because of an issue related to

1 her financing, unrelated to the Seller's Disclosures. Notably, she included the explicit waiver of
2 the inspections, which included her initialing the provision that she had not done in the original
3 RPA. Ms. Zhu informed her agent to waive all inspections. Although Ms. Zhu had actual
4 knowledge of the Seller's Disclosures from August 11, 2017, and the Parties agreed to extend the
5 COE to January 5, 2018, Ms. Zhu still never did any professional inspections. Instead, she put
6 down an additional \$60,000 as a non-refundable deposit to the TNKR. Moreover, she also
7 agreed to pay rent in the amount of \$650 per month for one of the units, and to also pay the
8 property manager \$800 for the tenant placement fee. Through Addendum 2 to the 2nd RPA, Ms.
9 Zhu later changed the purchaser to Plaintiff.

10 14. Ms. Zhu agreed that she was not relying upon any representations made by
11 Brokers or Broker's agent. Ms. Zhu agreed to purchase the Property AS-IS, WHERE-IS,
12 without any representations or warranties. Thus, Ms. Zhu waived all claims against Brokers or
13 their agents for (a) defects in the Property . . . (h) factors related to Ms. Zhu's failure to conduct
14 walk-throughs or inspections. Ms. Zhu assumed full responsibility and agreed to conduct such
15 tests, walk-throughs, inspections and research, as she deemed necessary. In any event, Broker's
16 liability was limited, under any and all circumstances, to the amount of that Broker's
17 commission/fee received in the transaction.

18 15. As to the waivers, Paragraph 7(D) of the both the RPA and 2nd RPA expressly
19 provided:

20 *It is strongly recommended that Buyer retain licensed Nevada*
21 *professionals to conduct inspections.* If any inspection is not
22 completed and requested repairs are not delivered to Seller within
23 the Due Diligence Period, Buyer is deemed to have waived the
24 right to that inspection and Seller's liability for the cost of all
25 repairs that inspection would have reasonably identified had it
26 been conducted, except as otherwise provided by law.

27 Nevertheless, Ms. Zhu waived her inspection related to the original RPA and the 2nd RPA,
28 reinforced further by actually initialing next to the waiver in the 2nd RPA. Ms. Zhu also waived
the energy audit, pest inspection, roof inspection, septic lid removal inspection, mechanical
inspection, soil inspection, and structural inspection. Thereby, Ms. Zhu waived any liability of

1 Defendants for the cost of all repairs that inspection would have reasonably identified had it been
2 conducted. The RPA and the 2nd RPA clearly indicated that Ms. Zhu was purchasing the
3 Property “AS-IS, WHERE-IS without any representations or warranties.”

4 16. Additionally, Ms. Zhu also agreed that the Brokers Defendants had “no
5 responsibility to assist in the payment of any repair, correction or deferred maintenance on the
6 Property which may have been revealed by the above inspections, agreed upon by the Buyer and
7 Seller or requested by one party.” Paragraph 7(D) of the RPA.

8 17. Since 2008, Mr. Miao, Ms. Zhu, and/or Plaintiff have been involved in the
9 purchase of approximately twenty residential properties. In Clark County alone, Ms. Zhu and
10 Mr. Miao were involved with the purchase of at least eight rental properties starting in 2014.

11 18. Mr. Miao understood the importance to check public records when conducting
12 due diligence.

13 19. Plaintiff was a sophisticated buyer aware of the necessity of property inspection.

14 20. At all times relevant prior to the purchase of the Property, Plaintiff had access to
15 inspect the entire property and conduct non-invasive, non-destructive inspections.

16 21. Prior to the purchase, Mr. Miao was aware that the Seller “strongly recommended
17 that buyer retain licensed Nevada professionals to conduct inspections”.

18 22. Plaintiff was also aware of the language in the RPA under Paragraph 7(D) that
19 limited potential damages that could have been discovered by an inspection.

20 23. As to the RPA, Mr. Miao agreed that all the terms in it were conspicuous and
21 understandable, and it was a standard agreement similar to the other agreements he had used in
22 purchasing the other properties in Clark County, Nevada.

23 24. On or about August 10, 2017, Mr. Miao inspected Property. During that time,
24 Mr. Miao noted issues with the Property that were not up to code, finishing issues, GFCI outlets¹,
25 and electrical issues.

26 25. Mr. Miao acknowledged there was an issue with exposed electrical in Unit C as

27 ¹ The Second Amended Complaint references GFCI at Paragraph 31(a). This illustrates the frivolous nature
28 of the pleading since Mr. Miao requested TKNR to install these for Plaintiff.

1 well as possible asbestos.

2 26. Mr. Miao noted that there were cracks in the ceramic floor tiles and visible cracks
3 in the concrete foundation, which were open and obvious.

4 27. Mr. Miao admitted that he could also have seen the dryer vent during his
5 inspection.

6 28. Mr. Miao admitted that he could have followed up on the issues identified in the
7 SRPDF that included the HVAC and the permits.

8 29. Similarly, Mr. Miao should have contacted the local building department as part
9 of his due diligence.

10 30. Plaintiff was also on notice of the potential for mold and the requirement to get a
11 mold inspection.

12 31. Despite actual knowledge of these issues, Plaintiff did not elect to have a
13 professional inspection done.

14 32. Finally, Plaintiff was also acutely aware of the requirement of Nevada law to
15 protect itself by getting an inspection.

16 33. Plaintiff assumed the risk of failing to exercise reasonable care to protect itself.

17 34. The alleged defects identified by both parties' experts could have been discovered
18 at the time of the original purchase as they were "open and obvious".

19 35. Plaintiff failed to differentiate between conditions prior to when TKNR owned the
20 Property, while it owned it, and those afterwards.

21 36. No dispute exists that TKNR did not need permits for the interior work it had
22 done to the Property.

23 37. Plaintiff has always been trying to lease the Property despite not doing any of the
24 repairs listed by Plaintiff's expert. This illustrates the lack of merit of Plaintiff that there are
25 underlying conditions with the Property.

26 38. Moreover, Plaintiff does not provide any notice to the tenants about its expert's
27 report or this litigation. This illustrates the lack of merit of Plaintiff's claims and proves that it
28 has done nothing to correct the allegedly deficient conditions that are clearly not so dangerous as

1 it does not tell prospective tenants about them.

2 39. Mr. Miao admitted that multiple third parties could have potentially damaged the
3 Property.

4 40. Plaintiff did not present any evidence related to Defendants' alleged knowledge
5 other than his personal belief and speculation.

6 41. Mr. Miao admitted that he has no evidence Defendants knew about the alleged
7 moisture conditions. Additionally, he also admitted that there is no evidence that Defendants
8 knew about the alleged issues with the plumbing system. He also admitted that he did not know
9 if Defendants knew about the alleged issues with the duct work when they owned the Property.
10 He also recognized the deficiency in Plaintiff's expert's report that failed to differentiate between
11 conditions prior to when TKNR owned the Property, while it owned it, and those afterwards.

12 42. Mr. Miao also recognized that a 63-year-old property could have issues that were
13 not caused by Defendants.

14 43. The Flipping Fund had nothing to do with Plaintiff's decision to purchase the
15 Property.

16 44. Plaintiff admittedly amplified its alleged damages by more than 6x, and then
17 trebled the damages, and have run up egregious attorneys' fees for this frivolous action. These
18 are undisputed facts that prove abuse of process as a matter of law given the known issues with
19 the Property and Plaintiff's waivers related to the inspections. Plaintiff waived the inspections
20 and purchased the property "as is". This shows that Plaintiff had no interest in having a
21 professional inspection done. It shows the behavior of the Plaintiff related to the entire case.

22 45. Plaintiff was encouraged to inspect the property, and they did not do it. It was a
23 63-year-old property. There were specific disclosures that were made by the Seller, and Plaintiff
24 was strongly encouraged to conduct the inspection, and they did not want to.

25 46. This is a 2018 case. Plaintiff has not been diligent in conducting discovery.

26 Rule 56(f) is not a shield that can be raised to block a motion for
27 summary judgment without even the slightest showing by the
28 opposing party that his opposition is meritorious. A party invoking
its protections must do so in good faith by affirmatively
demonstrating why he cannot respond to a movant's affidavits as

1 otherwise required by Rule 56(e) and how postponement of a
2 ruling on the motion will enable him, by discovery or other means,
3 to rebut the movant's showing of the absence of a genuine issue of
4 fact. Where, as here, a party fails to carry his burden under Rule
5 56(f), postponement of a ruling on a motion for summary judgment
6 is unjustified.

7 See *Bakerink v. Orthopaedic Associates, Ltd.*, 581 P.2d 9, 11 (Nev. 1978) (quoting *Willmar*
8 *Poultry Co. v. Morton-Norwich Products*, 520 F.2d 289, 297 (8th Cir. 1975), Cert. denied, 424
9 U.S. 915, 96 S.Ct. 1116, 47 L.Ed.2d 320 (1975).

10 47. Plaintiff failed to articulate the alleged discovery that it would likely have.
11 Additionally, Plaintiff already opposed enlarging discovery by specifying that any extension of
12 discovery would prejudice it, indicating that it had no need for additional discovery and that
13 Plaintiff would largely rest upon the findings of its expert. See Plaintiff's Opposition to Motion
14 to Enlarge Discovery. Also, Plaintiff's counsel's declaration in the Opposition illustrated that he
15 had additional discussions with Plaintiff's expert related to the MSJ, but Plaintiff's expert did not
16 proffer any additional opinions to counter the Motion. See *Opp.* at p. 18:7-9.

17 48. As a matter of law, Plaintiff is precluded from seeking damages from Defendants
18 because of her failure to inspect. "Nondisclosure by the seller of adverse information concerning
19 real property . . . will not provide the basis for an action by the buyer to rescind or for damages
20 when property is sold 'as is.' " *Mackintosh v. Jack Matthews & Co.*, 109 Nev. 628, 633, 855
21 P.2d 549, 552 (1993). Moreover, "[l]iability for nondisclosure is generally not imposed where
22 the buyer either knew of or could have discovered the defects prior to the purchase." *Land*
23 *Baron Invs., Inc. v. Bonnie Springs Family LP*, 131 Nev. 686, 696, 356 P.3d 511, 518 (2015).

24 49. Defendants also do not have liability as Ms. Zhu / Plaintiff purchased the Property
25 "as-is" within the reach of the diligent attention and observation of the buyer. *Mackintosh*, 109
26 Nev. at 633, 855 P.2d at 552. NRS § 113.140 clearly provides that the disclosures do not
27 constitute a warranty of the Property and that the purchaser still has a duty to exercise reasonable
28 care to protect himself. A completed disclosure form does not constitute an express or implied
warranty regarding any condition of residential property. NRS § 113.140(2). Chapters 113 and
"645 of Nevada Revised Statutes do not relieve a buyer or prospective buyer of the duty to
exercise reasonable care to protect himself or herself." *Id.* at § 113.140(2).

1 50. Plaintiff waived its common law claims of negligent misrepresentation, fraudulent
2 or intentional misrepresentation, and/or unjust enrichment when it expressly agreed that it would
3 carry the duty to inspect the property and ensure that all aspects of it were suitable prior to close
4 of escrow, and the information regarding Property was reasonably accessible to the buyer.
5 *Frederic and Barbara Rosenberg Living Tr. v. MacDonald Highlands Realty, LLC*, 427 P.3d
6 104, 111 (Nev. 2018).

7 51. Summary judgment is appropriate under NRS § 113.140(1) (seller is not required
8 to disclose a defect in residential property of which she is not aware). Under this statute,
9 “[a]scribing to the term ‘aware’ its plain meaning, . . . the seller of residential real property does
10 not have a duty to disclose a defect or condition that ‘materially affects the value or use of
11 residential property in an adverse manner,’ if the seller does not realize, perceive, or have
12 knowledge of that defect or condition.” *Nelson v. Heer*, 163 P.3d 420, 425 (Nev. 2007). Thus,
13 as Plaintiff cannot demonstrate an omitted disclosure that caused damage, Defendants are
14 entitled to summary judgment as a matter of law. *Id.* at 426.

15 52. Under NRS § 113.140(1) (seller is not required to disclose a defect in residential
16 property of which she is not aware), *Nelson v. Heer*, 163 P.3d 420, 425 (Nev. 2007), and NRS §
17 645.259(2), Defendants are entitled to Summary Judgment on Plaintiff’s claims for (1) Recovery
18 Under NRS Chapter 113, (2) Constructive Fraud, (3) Common Law Fraud, (4) Fraudulent
19 Inducement, (5) Fraudulent Concealment, (6) Breach Of Fiduciary Duty, (8) Damages Under
20 NRS 645.257(1), (9) Failure To Supervise, Inadequate training and Education, (12) Civil
21 Conspiracy, (13) Breach Of Contract, and (14) Breach Of Implied Covenant of Good Faith and
22 Fair Dealing]. It also eliminates the causes of action for (7) RICO, (10) Fraudulent Conveyance,
23 (11) Fraudulent Conveyance, and (15) Abuse of Process since they have no basis in fact or law.

24 53. Eighth Judicial District Court Rule 2.20(e) provides that, “[f]ailure of the
25 opposing party to serve and file written opposition may be construed as an admission that the
26 motion and/or joinder is meritorious and a consent to granting the same.” Simply filing an
27 opposition does not relieve a party of its duty to actually oppose the issues raised in the motion.
28 See *Benjamin v. Frias Transportation Mgt. Sys., Inc.*, 433 P.3d 1257 (Nev. 2019) (unpublished

1 disposition).

2 54. The Opposition failed to address the Motion’s arguments related to summary
3 judgment in favor of Defendants on Plaintiff’s claims for: (7) RICO; (10) Fraudulent
4 Conveyance; (11) Fraudulent Conveyance; (12) Civil Conspiracy; and (15) Abuse of Process.
5 Additionally, Plaintiff fails to provide any meaningful or competent opposition to the Motion’s
6 argument for summary judgment as to Plaintiff’s claims against the Broker Defendants. As there
7 is no Opposition provided to those arguments made in the Motion, this court should find that
8 those arguments are meritorious and grant the request as to those unopposed issues.

9 55. Pursuant to Nevada Rule of Civil Procedure 11(b), by presenting to the court a
10 pleading or other paper, an attorney or unrepresented party certifies: (1) it is not being presented
11 for any improper purpose, such as to harass, cause unnecessary delay, or needlessly increase the
12 cost of litigation, (2) the claims and other legal contentions are warranted by existing law or by a
13 nonfrivolous argument for extending, modifying, or reversing existing law or for establishing
14 new law, (3) the factual contentions have evidentiary support, and (4) the denials of factual
15 contentions are warranted on the evidence or.

16 56. “If, after notice and a reasonable opportunity to respond, the court determines that
17 Rule 11(b) has been violated, the court may impose an appropriate sanction on any attorney, law
18 firm, or party that violated the rule or is responsible for the violation. Absent exceptional
19 circumstances, a law firm must be held jointly responsible for a violation committed by its
20 partner, associate, or employee.” NEV. R. CIV. PRO. 11(c).

21 57. “On its own, the court may order an attorney, law firm, or party to show cause
22 why conduct specifically described in the order has not violated Rule 11(b).” *Id.* at 11(c)(3). “A
23 sanction imposed under this rule must be limited to what suffices to deter repetition of the
24 conduct or comparable conduct by others similarly situated. The sanction may include
25 nonmonetary directives; an order to pay a penalty into court; or, if imposed on motion and
26 warranted for effective deterrence, an order directing payment to the movant of part or all of the
27 reasonable attorney fees and other expenses directly resulting from the violation.” *Id.* at
28 11(c)(4).

1 58. Rule 11 prevents a party from bringing a lawsuit for an improper purpose, which
2 includes: (1) harassment, causing unnecessary delay, or needless increasing the cost of litigation;
3 or (2) making frivolous claims. NEV. R. CIV. PRO. 11(b)(1)-(2). Rule 11 sanctions should be
4 imposed for frivolous actions. *Marshall v. District Court*, 108 Nev. 459, 465, 836 P.2d 47, 52.

5 59. A frivolous claim is one that is “both baseless and made without a reasonable and
6 competent inquiry.” *Bergmann v. Boyce*, 109 Nev. 670, 676, 856 P.2d 560, 564 (1993) (quoting
7 *Townsend v. Holman Consulting Corp.*, 929 F.2d 1358, 1362 (9th Cir.1990); *Golden Eagle*
8 *Distrib. Corp. v. Burroughs Corp.*, 801 F.2d 1531, 1537 (9th Cir.1986)). A determination of
9 whether a claim is frivolous involves a two-pronged analysis: (1) the court must determine
10 whether the pleading is “well grounded in fact and is warranted by existing law or a good faith
11 argument for the extension, modification or reversal of existing law”; and (2) whether the
12 attorney made a reasonable and competent inquiry. *Bergmann*, 109 Nev. at 676, 856 P.2d at 564.
13 A sanction imposed for violation of Rule 11 shall be limited to what is sufficient to deter
14 repetition of such conduct or comparable conduct by others similarly situated. *Id.* at 11(c)(2).

15 60. Furthermore, a court may award attorneys’ fees to a prevailing party when it finds
16 that the claim was brought or maintained without reasonable ground or to harass the prevailing
17 party. NEV. REV. STAT. § 18.010(2)(b). In other cases, a court may award attorneys’ fees “when
18 it finds that the opposing party brought or maintained a claim without reasonable grounds.”
19 *Rodriguez v. Primadonna Co., LLC*, 216 P.3d 793, 800 (Nev. 2009). “The court shall liberally
20 construe the provisions of this paragraph in favor of awarding attorney's fees in all appropriate
21 situations.” *Id.* The Nevada Legislature explained that:

22 [i]t is the intent of the Legislature that the court award attorney's
23 fees pursuant to this paragraph and impose sanctions pursuant to
24 Rule 11 of the Nevada Rules of Civil Procedure in all appropriate
25 situations to punish for and deter frivolous or vexatious claims and
26 defenses because such claims and defenses overburden limited
judicial resources, hinder the timely resolution of meritorious
claims and increase the costs of engaging in business and
providing professional services to the public.

27 *Id.* “A claim is groundless if ‘the allegations in the complaint . . . are not supported by any
28 credible evidence at trial.’” *Barozzi v. Benna*, 112 Nev. 635, 639, 918 P.2d 301, 303 (1996)

1 (quoting *Western United Realty, Inc. v. Isaacs*, 679 P.2d 1063, 1069 (Colo.1984)).

2 77. The overwhelming facts and law illustrate that Plaintiff's claim is frivolous. The
3 findings of fact are incorporated by reference.

4 78. Plaintiff's claim is clearly frivolous: (1) where the pleading was not "well
5 grounded in fact and is warranted by existing law or a good faith argument for the extension,
6 modification or reversal of existing law", and (2) Plaintiff's attorney continued to make frivolous
7 claims. *Bergmann*, 109 Nev. at 676, 856 P.2d at 564. Sanctions are warranted against Plaintiff
8 and its counsel, which includes an award attorneys' fees to Defendants.

9 79. Alternatively, the elements of an abuse of process claim are: "(1) an ulterior
10 purpose by the defendants other than resolving a legal dispute, and (2) a willful act in the use of
11 the legal process not proper in the regular conduct of the proceeding." *Posadas v. City of Reno*,
12 109 Nev. 448, 452, 851 P.2d 438, 441-42 (1993). Abuse of process can arise from both civil and
13 criminal proceedings. *LaMantia v. Redisi*, 118 Nev. 27, 30, 38 P.3d 877, 879 (2002). Malice,
14 want of probable cause, and termination in favor of the person initiating or instituting
15 proceedings are not necessary elements for a prima facie abuse of process claim. *Nevada Credit*
16 *Rating Bur. v. Williams*, 88 Nev. 601, 606, 503 P.2d 9, 12 (1972); Restatement (Second) of Torts
17 § 682 cmt. a (1977). The mere filing of a complaint is insufficient to establish the tort of abuse
18 of process. *Laxalt v. McClatchy*, 622 F. Supp. 737, 751 (1985).

19 80. Under either Rule 11, Plaintiff brought and maintained this action without
20 reasonable ground. NEV. REV. STAT. § 18.010(2)(b). The overwhelming facts and law illustrate
21 that Plaintiff brought or maintained this claim without reasonable grounds, which justifies an
22 award of attorneys' fees. *Rodriguez v. Primadonna Co., LLC*, 216 P.3d 793, 800 (Nev. 2009).

23 81. The court intends to award to the Defendants the reasonable expenses, including
24 attorneys' fees and costs, incurred for defending this lawsuit under Rule 11. This sanction is
25 limited to what suffices to deter repetition of the conduct or comparable conduct by others
26 similarly situated.

27 Based on the foregoing, the Court GRANTS Defendants Motion, DENIES the
28 Counterclaim, and GRANTS attorneys' fees and costs to Defendants pursuant to Nevada Rule of

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Civil Procedure 11.

IT IS HEREBY ORDERED, ADJUDICATED, AND DECREED that the Motion is **GRANTED**.

IT IS FURTHER ORDERED, ADJUDICATED, AND DECREED that the Countermotion, including the 56(f) Countermotion, is **DENIED**. This is a 2018 case. Discovery ended October 30, 2020. This Court will not agree to enlarge discovery.

IT IS FURTHER ORDERED, ADJUDICATED, AND DECREED that Defendants are awarded attorneys' fees and costs pursuant to Rule 11. Defendants may file an affidavit in support of requested attorney's fees and costs within 10 days of the entry of Order.

IT IS FURTHER ORDERED, ADJUDICATED, AND DECREED that this is a final order related to the claims and counterclaim. This Court directs entry of a final judgment of all claims.

IT IS FURTHER ORDERED, ADJUDICATED, AND DECREED that any outstanding or pending discovery is quashed as moot.

IT IS FURTHER ORDERED, ADJUDICATED, AND DECREED that any trial dates and/or calendar calls are vacated as moot.

Dated this 7th day of April, 2021



THE HON. ADRIANA ESCOBAR
DISTRICT COURT JUDGE

158 436 3E2D 40F2
Adriana Escobar
District Court Judge

1 **CSERV**

2
3 DISTRICT COURT
CLARK COUNTY, NEVADA

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5
6 W L A B Investment LLC,
Plaintiff(s)

CASE NO: A-18-785917-C

7 vs.

DEPT. NO. Department 14

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9 TKNR Inc, Defendant(s)

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11 **AUTOMATED CERTIFICATE OF SERVICE**

12 This automated certificate of service was generated by the Eighth Judicial District
13 Court. The foregoing Amended Order was served via the court's electronic eFile system to
all recipients registered for e-Service on the above entitled case as listed below:

14 Service Date: 4/7/2021

15 Brinley Richeson

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24
25 If indicated below, a copy of the above mentioned filings were also served by mail
26 via United States Postal Service, postage prepaid, to the parties listed below at their last
known addresses on 4/8/2021

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