

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

MEI-GSR HOLDINGS, LLC, a Nevada Limited Liability Company, GRAND SIERRA RESORT UNIT OWNERS' ASSOCIATION, a Nevada nonprofit corporation, GAGE VILLAGE COMMERCIAL DEVELOPMENT, LLC, a Nevada Limited Liability Company; AM-GSR HOLDINGS, LLC, a Nevada Limited Liability Company,

Appellants,

vs.

ALBERT THOMAS, individually; JANE DUNLAP, individually; JOHN DUNLAP, individually; BARRY HAY, individually; MARIE-ANNE ALEXANDER, as Trustee of the MARIE-ANNE ALEXANDER LIVING TRUST; MELISSA VAGUJHELYI and GEORGE VAGUJHELYI, as Trustees of the GEORGE VAGUJHELYI AND MELISSA VAGUJHELYI 2001 FAMILY TRUST AGREEMENT, U/T/A APRIL 13, 2001; D' ARCY NUNN, individually; HENRY NUNN, individually; MADELYN VAN DER BOKKE, individually; LEE VAN DER BOKKE, individually; ROBERT R. PEDERSON, individually and as Trustee of the PEDERSON 1990 TRUST; LOU ANN PEDERSON, individually and as Trustee of the PEDERSON 1990 TRUST; LORI ORDOVER, individually; WILLIAM A. HENDERSON, individually; CHRISTINE E. HENDERSON, individually; LOREN D. PARKER, individually; SUZANNE C. PARKER, individually; MICHAEL IZADY, individually; STEVEN TAKAKI, as Trustee of the STEVEN W. TAKAKI & FRANCES S. LEE REVOCABLE TRUSTEE AGREEMENT, UTD

**Supreme Court No. 86092**

District Court Case No. CV12-02222

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JANUARY 11, 2000; FARAD TORABKHAN, individually; SAHAR TAVAKOLI, individually; M&Y HOLDINGS, LLC; JL&YL HOLDINGS, LLC; SANDI RAINES, individually; R. RAGHURAM, as Trustee of the RAJ AND USHA RAGHURAM LIVING TRUST DATED APRIL 25, 2001; USHA RAGHURAM, as Trustee of the RAJ AND USHA RAGHURAM LIVING TRUST DATED APRIL 25, 2001; LORI K. TOKUTOMI, individually; GARRET TOM, as Trustee of THE GARRET AND ANITA TOM TRUST, DATED 5/14/2006; ANITA TOM, as Trustee of THE GARRET AND ANITA TOM TRUST, DATED 5/14/2006; RAMON FADRILAN, individually; FAYE FADRILAN, individually; PETER K. LEE and MONICA L. LEE, as Trustees of the LEE FAMILY 2002 REVOCABLE TRUST; DOMINIC YIN, individually; ELIAS SHAMIEH, individually; JEFFREY QUINN, individually; BARBARA ROSE QUINN individually; KENNETH RICHE, individually; MAXINE RICHE, individually; NORMAN CHANDLER, individually; BENTON WAN, individually; TIMOTHY D. KAPLAN, individually; SILKSCAPE INC.; PETER CHENG, individually; ELISA CHENG, individually; GREG A. CAMERON, individually; TMI PROPERTY GROUP, LLC; RICHARD LUTZ, individually; SANDRA LUTZ, individually; MARY A. KOSSICK, individually; MELVIN CHEAH, individually; DI SHEN, individually; NADINE'S REAL ESTATE INVESTMENTS, LLC; AJIT GUPTA, individually; SEEMA GUPTA, individually; FREDERICK FISH, individually; LISA FISH, individually; ROBERT A. WILLIAMS, individually; JACQUELIN PHAM, as Manager of Condotel 1906 LLC; MAY ANNE HOM, as Trustee of the MAY ANNE HOM TRUST;

MICHAEL HURLEY, individually; DUANE WINDHORST, as Trustee of DUANE H. WINDHORST TRUST U/A dtd. 01/15/2003 and MARILYN L. WINDHORST TRUST U/A/ dtd. 01/15/2003; MARILYN WINDHORST, as Trustee of DUANE H. WINDHORST TRUST U/A dtd. 01/15/2003 and MARILYN L. WINDHORST TRUST U/A/ dtd. 01/15/2003; VINOD BHAN, individually; ANNE BHAN, individually; GUY P. BROWNE, individually; GARTH A. WILLIAMS, individually; PAMELA Y. ARATANI, individually; DARLEEN LINDGREN, individually; LAVERNE ROBERTS, individually; DOUG MECHAM, individually; CHRISTINE MECHAM, individually; KWANG SOON SON, individually; SOO YEU MOON, individually; JOHNSON AKINBODUNSE, individually; IRENE WEISS, as Trustee of the WEISS FAMILY TRUST; PRAVESH CHOPRA, individually; TERRY POPE, individually; NANCY POPE, individually; JAMES TAYLOR, individually; RYAN TAYLOR, individually; KI NAM CHOI, individually; YOUNG JA CHOI, individually; SANG DAE SOHN, individually; KUK HYUN (CONNIE) YOO, individually; SANG SOON (MIKE) YOO, individually; BRETT MENMUIR, as Manager of CARRERA PROPERTIES, LLC; WILLIAM MINER, JR., individually; CHANH TRUONG, individually; ELIZABETH ANDRES MECUA, individually; SHEPHERD MOUNTAIN, LLC; ROBERT BRUNNER, individually; AMY BRUNNER, individually; JEFF RIOPELLE, as Trustee of the RIOPELLE FAMILY TRUST; PATRICIA M. MOLL, individually; DANIEL MOLL, individually,

Respondents.

**APPENDIX TO RESPONDENTS' REPLY TO APPELLANTS' RESPONSE  
TO MAY 8, 2023 ORDER TO SHOW CAUSE**

**VOLUME 4 OF 4**

Submitted for all respondents by:

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## **CERTIFICATE OF SERVICE**

I hereby certify that I am an employee of Robertson, Johnson, Miller & Williamson, over the age of eighteen, and not a party to the within action. I further certify that on July 10, 2023, I electronically filed the foregoing with the Clerk of the Court by using the ECF system which served the following parties electronically:

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/s/ Stefanie Martinez

An Employee of Robertson, Johnson,  
Miller & Williamson



Hon. Elizabeth Gonzalez (Ret.)  
Sr. District Court Judge  
PO Box 35054  
Las Vegas, NV 89133

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA  
IN AND FOR THE COUNTY OF WASHOE

ALBERT THOMAS, et. al.,

Plaintiff,

vs.

MEI-GSR HOLDINGS, LLC., a Nevada  
Limited Liability Company, et al

Defendant.

ORDER

Case#: CV12-02222

Dept. 10 (Senior Judge)<sup>1</sup>

Pursuant to WDCR 12(5) the Court after consideration of the Plaintiffs' November 6, 2015 Motion in Support of Punitive Damages Award ("Punitive Damages Motion"), the Defendants' December 1, 2020 opposition ("Opposition"), Plaintiffs' July 30, 2020 Reply in Support of Award of Punitive Damages ("Punitive Damages Reply"), Plaintiffs' July 6, 2022 Punitive Damages Summary, Defendants' July 6, 2022 Trial Summary, the oral argument and evidence submitted by the parties during the hearing on July 8 and 18, 2022, a review of the briefing, exhibits, testimony of the witness, transcripts of the proceedings as well as the evidence in the record, including but not

<sup>1</sup> On January 21, 2021, Chief District Court Judge Scott Freeman, entered an Order Disqualifying All Judicial Officers of the Second Judicial District Court. On September 19, 2022, the Nevada Supreme Court entered a Memorandum of Temporary Assignment, appointing the undersigned Senior Judge.

1 limited to, evidence submitted during the underlying hearing on compensatory damages, and being  
2 fully informed rules on the Punitive Damages Motion<sup>2</sup>:

3 The Court conducted a prove up hearing on March 23-25, 2015<sup>3</sup> after striking the Defendants  
4 answer for discovery abuses and entering a default. This resulted in an admission as true all  
5 allegations contained in the Second Amended Complaint. An order awarding damages and making  
6 factual findings was entered on October 9, 2015. The Court at that time requested further briefing  
7 on the issue of punitive damages and ordered the parties to contact chambers to schedule a hearing.  
8 Defendants have argued the Unit Maintenance Agreement and Unit Rental Agreement prohibit an  
9 award of punitive damages and limit an award of compensatory damages. These arguments were  
10 already raised and rejected when the Court issued its October 9, 2015 Order.  
11  
12

13 The economic loss doctrine does not apply to limit Plaintiffs' recovery for intentional torts.<sup>4</sup>  
14  
15

---

16 <sup>2</sup> Although no written order finding that punitive damages were warranted was entered after the July 8, 2022 hearing and  
17 prior to the commencement of the July 18, 2022 hearing, it appears that all involved agreed that the July 18 hearing  
18 would not be necessary if Senior Justice Saitta found that punitive damages should not be awarded. The motion was  
19 granted orally during the July 18, 2022 hearing. 7/18/2022 Transcript, p. 10, l. 1-2. The findings stated on the record  
20 were:

21 There were five tort claims set forth by the plaintiffs in an earlier hearing. Number 1, we have a tortious interference  
22 with contract; we have fraud; we have conversion; we have deceptive trade practices -- it appears as if I'm missing one --  
23 oh, tortious breach of the covenant of good faith and fair dealing; fraud and intentional misrepresentation -- let me be  
24 clear on that one -- violation of the Deceptive Trade Practices Act. And I believe that that contains all the necessary  
25 findings that need to be made for us to proceed in our hearing today.

26 7/18/2022 Transcript, p. 10; l. 8-18.

27 <sup>3</sup> Regardless of what an earlier Judge called the proceeding, the March 2015 evidentiary hearing was a bench trial. The  
28 Court has determined that this is a bench trial based upon the USJR definitions.

*According to the definitions in the data dictionary, a bench trial is held when a trial begins and evidence is taken or witnesses are sworn. Accordingly, if you have indicated that the bench trial was held, then a corresponding bench trial disposition should be used to dispose of the case.*

See [https://nvcourts.gov/AOC/Programs\\_and\\_Services/Research\\_and\\_Statistics/FAQs/#civil1](https://nvcourts.gov/AOC/Programs_and_Services/Research_and_Statistics/FAQs/#civil1). The length of time between the first portion of the trial and the conclusion of the trial is one which is unacceptable in the administration of justice in Nevada.

<sup>4</sup> *Halcrow, Inc. v. Eighth Jud. Dist. Ct.*, 129 Nev. 394, 402 fn. 2 (2013).

1 The Nevada Legislature has limited the recovery of punitive damages in NRS 42.005.<sup>5</sup>

2 The Court in the October 9, 2015 Order found that the Defendants had made intentional  
3 misrepresentations(fraud), breached the covenant of good faith and fair dealing, and converted the  
4 property of the Plaintiffs.

5  
6 The Court is tasked, in part, with determining which causes of action support the punitive damages  
7 claim and warrant the award of punitive damages, if any.

8 While it is unclear whether the breach of the implied covenant finding in the October 9, 2015 Order  
9 is sufficient to support a punitive damages award, the conduct related to the conversion and  
10 intentional misrepresentation/fraud claims clearly warrant consideration of such damages.

11 Defendants' officers, including Kent Vaughan, Defendants' Senior Vice President of Operations,  
12 admitted to the tortious scheme.<sup>6</sup>

13  
14  
15 <sup>5</sup> That statute provides in pertinent part:

16 1. Except as otherwise provided in [NRS 42.007](#), in an action for the breach of an obligation not arising from  
17 contract, where it is proven by clear and convincing evidence that the defendant has been guilty of oppression, fraud or  
18 malice, express or implied, the plaintiff, in addition to the compensatory damages, may recover damages for the sake of  
19 example and by way of punishing the defendant. Except as otherwise provided in this section or by specific statute, an  
award of exemplary or punitive damages made pursuant to this section may not exceed:

(a) Three times the amount of compensatory damages awarded to the plaintiff if the amount of compensatory  
damages is \$100,000 or more; or

20 \* \* \*

21 3. If punitive damages are claimed pursuant to this section, the trier of fact shall make a finding of whether such  
22 damages will be assessed. If such damages are to be assessed, a subsequent proceeding must be conducted before the  
same trier of fact to determine the amount of such damages to be assessed. The trier of fact shall make a finding of the  
amount to be assessed according to the provisions of this section...

23 <sup>6</sup> Vaughn testified in deposition on August 26, 2013. Relevant portions of the transcript show the conscious decision by  
24 an officer of Defendants.

25 Q. How did you first come to know in July of 2011 that the Grand Sierra was taking in income for units that  
were not in the unit rental program?

26 A. I authorized the front desk to use non-rental units due to demand, consumer demand.

27 Q. And when you authorized the front desk in was it July of 2011 –

A. Yes.

28 Q. -- to use units that were not in the unit rental program, did you or anyone else that you know of who  
represents the Grand Sierra, contact the Grand Sierra Resort unit rental owners who were not in the program,  
to advise them of this policy?

1 The Court finds the given the prior striking of Defendant's answer, Vaughn's testimony alone is  
2 sufficient to meet the burden of proof of clear and convincing evidence to prove malice, oppression  
3 or fraud related to the tortious scheme.

4 The damages awarded in the October 9, 2015 Order are based in part on contract claims. Damages  
5 for the tort claims were based upon the same calculations and testimony provided by Plaintiffs' sole  
6 witness. This crossover does not preclude an award of punitive damages related to the tort damages  
7 but limits a double recovery.  
8

9 A plaintiff may assert several claims for relief and be awarded damages on different theories.  
10 It is not uncommon to see a plaintiff assert a contractual claim and also a cause of action  
11 asserting fraud based on the facts surrounding the contract's execution and performance. See  
12 Amoroso Constr. v. Lazovich and Lazovich, 107 Nev. 294, 810 P.2d 775 (1991). The  
13 measure of damages on claims of fraud and contract are often the same. However, Marsh is  
14 not permitted to recover more than her total loss plus any punitive damages assessed. She  
15 can execute on the assets of any of the five parties to the extent of the judgments entered  
16 against them until she recovers her full damages.

17 Topaz Mutual Co. v. Marsh, 108 Nev. 845, (1992) at pages 851- 852.

18 After review of all of the available evidence the Court concludes that two categories of damages  
19 from the October 2015 Order warrant and support an award of punitive damages:

20 Damages awarded for underpaid revenues \$442,591.83 fall within the conversion claim<sup>7</sup> and  
21 intentional misrepresentation/fraud<sup>8</sup>;

22  
23 A. No.

24 Q. Why?

25 A. I didn't have authorization to rent them.

26 Q. So it was a conscious decision to rent them without authorization?

27 A. Yes.

28 Vaughan Transcript, Ex. 1 to Reply, at p. 29 l. 3-21.

<sup>7</sup> October 9, 2015 Order, Conclusion of Law C, at p. 16 l. 16 to p. 17 l. 4.

<sup>8</sup> October 9, 2015 Order, Conclusion of Law I, at p. 18 l. 15 to l. 22.

1 Damages awarded for the rental of units of owners who had no rental agreements

2 \$4,152,669.13 falls within the conversion claim<sup>9</sup> and intentional misrepresentation/fraud<sup>10</sup>;

3 The award of punitive damages on these claims would not act as a double recovery for Plaintiffs.

4 The Court finds that the remaining damages awarded in the October 9, 2015 Order are based on  
5 contract claims rather than tort claims and not appropriate for consideration of punitive damages.  
6

7 Given Defendants' tortious scheme and the intentional misconduct of Defendants, punitive  
8 damages in this case are appropriate to set an example.

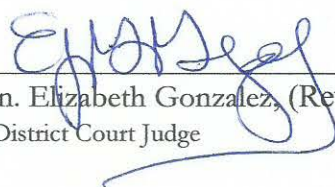
9 The amount of these damages serve to punish and will not destroy Defendants.<sup>11</sup>

10 While the Court recognizes that there is a spectrum of percentages which have been awarded in  
11 various Nevada punitive damages cases, given the nature of the conduct and procedural history of  
12 this case, the Court concludes the appropriate multiplier in this matter is two (2) times the  
13 compensatory award for the conversion claim and intentional misrepresentation/fraud claim.  
14

15 Accordingly based on the compensatory damages for which punitive damages are appropriate  
16 totaling \$4,595,260.96 the Court awards punitive damages in the total amount of \$9,190,521.92  
17

18 Plaintiffs counsel is directed to submit a final judgment consistent with the October 9, 2015 Order  
19 and this Order.  
20

21 Dated this 17th day of January 2023.

22  
23   
24 Hon. Elizabeth Gonzalez, (Ret.)  
25 Sr. District Court Judge

26 <sup>9</sup> October 9, 2015 Order, Conclusion of Law C, at p. 16 l. 16 to p. 17 l. 4.

27 <sup>10</sup> October 9, 2015 Order, Conclusion of Law I, at p. 18 l. 15 to l. 22.

28 <sup>11</sup> See July 18, 2022 transcript (sealed), p. 100 l. 2 to p. 101 l. 5.

1 **CERTIFICATE OF SERVICE**

2 I certify that I am an employee of THE SECOND JUDICIAL DISTRICT COURT;  
3 that on the 17th day of January, 2023, I electronically filed the foregoing with the Clerk  
4 of the Court system which will send a notice of electronic filing to the following:

5 DALE KOTCHKA-ALANES

6 DANIEL POLSENBERG, ESQ.

7 DAVID MCELHINNEY, ESQ.

8 BRIANA COLLINGS, ESQ.

9 ABRAN VIGIL, ESQ.

10 JONATHAN TEW, ESQ.

11 JARRAD MILLER, ESQ.

12 TODD ALEXANDER, ESQ.

13 F. SHARP, ESQ.

14 STEPHANIE SHARP, ESQ.

15 G. DAVID ROBERTSON, ESQ.

16 ROBERT EISENBERG, ESQ.

17 JENNIFER HOSTETLER, ESQ.

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*Gage Village Commercial Development, LLC;*

*and AM-GSR Holdings, LLC*

**IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**

**IN AND FOR THE COUNTY OF WASHOE**

ALBERT THOMAS, individually; JANE  
DUNLAP, individually; JOHN DUNLAP,  
individually; BARRY HAY, individually;  
MARIE-ANNE ALEXANDER, as Trustee of  
the MARIE-ANNIE ALEXANDER LIVING  
TRUST; MELISSA VAGUJHELYI and  
GEORGE VAGUJHELYI, as Trustees of the  
GEORGE VAGUJHELYI AND MELISSA  
VAGUJHELYI 2001 FAMILY TRUST  
AGREEMENT, U/T/A APRIL 13, 2001; D'  
ARCY NUNN, individually; HENRY NUNN,  
individually; MADELYN VAN DER BOKKE,  
individually; LEE VAN DER BOKKE,  
individually; DONALD SCHREIFELS,  
individually; ROBERT R. PEDERSON,  
individually and as Trustee of the PEDERSON  
1990 TRUST; LOU ANN PEDERSON,  
individually and as Trustee of the PEDERSON  
1990 TRUST; LORI ORDOVER, individually;  
WILLIAM A. HENDERSON, individually;  
CHRISTINE E. HENDERSON, individually;  
LOREN D. PARKER, individually; SUZANNE  
C. PARKER, individually; MICHAEL IZADY,  
individually; STEVEN TAKAKI, individually;

Case No.: CV12-0222  
Dept. No.: 10 (Senior Judge)

**FINAL JUDGMENT**

1 FARAD TORABKHAN, individually; SAHAR  
2 TAVAKOL, individually; M&Y HOLDINGS,  
3 LLC; JL&YL HOLDINGS, LLC; SANDI  
4 RAINES, individually; R. RAGHURAM,  
5 individually; USHA RAGHURAM,  
6 individually; LORI K. TOKUTOMI,  
7 individually; GARRET TOM, individually;  
8 ANITA TOM, individually; RAMON  
9 FADRILAN, individually; FAYE FADRILAN,  
10 individually; PETER K. LEE and MONICA L.  
11 LEE, as Trustees of the LEE FAMILY 2002  
12 REVOCABLE TRUST; DOMINIC YIN,  
13 individually; ELIAS SHAMIEH, individually;  
14 JEFFREY QUINN individually; BARBARA  
15 ROSE QUINN individually; KENNETH  
16 RICHE, individually; MAXINE RICHE,  
17 individually; NORMAN CHANDLER,  
18 individually; BENTON WAN, individually;  
19 TIMOTHY D. KAPLAN, individually;  
20 SILKSCAPE INC.; PETER CHENG,  
21 individually; ELISA CHENG, individually;  
22 GREG A. CAMERON, individually; TMI  
23 PROPERTY GROUP, LLC; RICHARD LUTZ,  
24 individually; SANDRA LUTZ, individually;  
25 MARY A. KOSSICK, individually; MELVIN  
26 CHEAH, individually; DI SHEN, individually;  
27 NADINE'S REAL ESTATE INVESTMENTS,  
28 LLC; AJIT GUPTA, individually; SEEMA  
GUPTA, individually; FREDRICK FISH,  
individually; LISA FISH, individually;  
ROBERT A. WILLIAMS, individually;  
JACQUELIN PHAM, individually; MAY ANN  
HOM, as Trustee of the MAY ANN HOM  
TRUST; MICHAEL HURLEY, individually;  
DOMINIC YIN, individually; DUANE  
WINDHORST, individually; MARILYN  
WINDHORST, individually; VINOD BHAN,  
individually; ANNE BHAN, individually; GUY  
P. BROWNE, individually; GARTH A.  
WILLIAMS, individually; PAMELA Y.  
ARATANI, individually; DARLENE  
LINDGREN, individually; LAVERNE  
ROBERTS, individually; DOUG MECHAM,  
individually; CHRISINE MECHAM,  
individually; KWANGSOO SON, individually;  
SOO YEUN MOON, individually; JOHNSON  
AKINDODUNSE, individually; IRENE  
WEISS, as Trustee of the WEISS FAMILY  
TRUST; PRAVESH CHOPRA, individually;  
TERRY POPE, individually; NANCY POPE,  
individually; JAMES TAYLOR, individually;  
RYAN TAYLOR, individually; KI HAM,  
individually; YOUNG JA CHOI, individually;  
SANG DAE SOHN, individually; KUK  
HYUNG (CONNIE), individually; SANG



(MIKE) YOO, individually; BRETT  
MENMUIR, as Trustee of the CAYENNE  
TRUST; WILLIAM MINER, JR., individually;  
CHANH TRUONG, individually; ELIZABETH  
ANDERS MECUA, individually; SHEPHERD  
MOUNTAIN, LLC; ROBERT BRUNNER,  
individually; AMY BRUNNER, individually;  
JEFF RIOPELLE, individually; PATRICIA M.  
MOLL, individually; DANIEL MOLL,  
individually; and DOE PLAINTIFFS 1  
THROUGH 10, inclusive ,

Plaintiff(s),

v.

MEI-GSR HOLDINGS, LLC, a Nevada  
Limited Liability Company, AM-GSR  
HOLDINGS, LLC, a Nevada Limited Liability  
Company, GRAND SIERRA RESORT UNIT  
OWNERS' ASSOCIATION, a Nevada  
Nonprofit Corporation, GAGE VILLAGE  
COMMERCIAL DEVELOPMENT, LLC., a  
Nevada Limited Liability Company, and DOES  
I-X inclusive,

Defendant(s).

This matter having come before the Court for a default prove-up hearing from March 23, 2015 to March 25, 2015, with Findings of Fact and Conclusions of Law and Judgment entered October 9, 2015, and again before the Court on July 8, 2022 and July 18, 2022 on Plaintiffs' November 6, 2015 Motion in Support of Punitive Damages Award, with an Order entered on January 17, 2023,

IT IS HEREBY ORDERED AND ADJUDGED that judgment is entered in favor of Plaintiffs and against Defendants as follows:

1. Against MEI-GSR in the amount of \$442,591.83 for underpaid revenues to Unit owners;
2. Against MEI-GSR in the amount of \$4,152,669.13 for the rental of units of owners who had no rental agreement;
3. Against MEI-GSR in the amount of \$1,399,630.44 for discounting owner's rooms without credits;
4. Against MEI-GSR in the amount of \$31,269.44 for discounted rooms with credits;
5. Against MEI-GSR in the amount of \$96,084.96 for "comp'd" or free rooms;

1 6. Against MEI-GSR in the amount of \$411,833.40 for damages associated with the bad  
2 faith "preferential rotation system";

3 7. Against MEI-GSR in the amount of \$1,706,798.04 for improperly calculated and  
4 assessed contracted hotel fees;

5 8. Against MEI-GSR in the amount of \$77,338.31 for improperly collected assessments;

6 **TOTAL COMPENSATORY DAMAGES.....\$8,318,215.54**

7 IT IS FURTHER ORDERED AND ADJUDGED that Plaintiffs be given and granted  
8 punitive damages against Defendants in the total amount of **\$9,190,521.92**.

9 This Judgment shall accrue pre- and post-judgment at the applicable legal rate as provided  
10 by Nevada law until fully satisfied. No pre-judgment interest shall accrue on the punitive damages  
11 award.

12 IT IS FURTHER ORDERED AND ADJUDGED that Defendants shall take nothing by  
13 way of their counterclaims which were previously stricken by the Court.

14  
15 Dated this 2nd day of February, 2023

16  
17   
18 THE HONORABLE ELIZABETH G. GONZALEZ  
(RET.)

19 Respectfully submitted by:

20 PISANELLI BICE PLLC  
21

22 By: /s/ Jordan T. Smith  
23 Jordan T. Smith, Esq., #12097  
24 400 South 7th Street, Suite 300  
25 Las Vegas, Nevada 89101

26 *Attorneys for Defendants/Appellants*  
27 *MEI-GSR Holdings, LLC;*  
28 *Gage Village Commercial Development, LLC;*  
*and AM-GSR Holdings, LLC*





Hon. Elizabeth Gonzalez (Ret.)  
Sr. District Court Judge  
PO Box 35054  
Las Vegas, NV 89133

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA  
IN AND FOR THE COUNTY OF WASHOE

ALBERT THOMAS, et. al.,

Plaintiff,

vs.

MEI-GSR HOLDINGS, LLC., a Nevada  
Limited Liability Company, et al

Defendant.

ORDER

Case#: CV12-02222

Dept. 10 (Senior Judge)

AMENDED FINAL JUDGMENT

This matter having come before the Court for a default prove-up hearing from March 23, 2015 to March 25, 2015, with Findings of Fact and Conclusions of Law and Judgment entered October 9, 2015, and again before the Court on July 8, 2022 and July 18, 2022 on Plaintiffs' November 6, 2015 Motion in Support of Punitive Damages Award, with an Order entered on January 17, 2023,  
IT IS HEREBY ORDERED AND ADJUDGED that judgment is entered in favor of Plaintiffs and against Defendants as follows:

1. Against MEI-GSR Holdings, LLC ("MEI-GSR") and AM-GSR Holdings, LLC ("AM-GSR") in the amount of \$442,591.83 for underpaid revenues to Unit owners;

2. Against MEI-GSR, AM-GSR, and Gage Village Development, LLC in the amount of \$4,152,669.13 for the rental of units of owners who had no rental agreement;

1 3. Against MEI-GSR and AM-GSR in the amount of \$1,399,630.44 for discounting owner's rooms  
2 without credits;

3 4. Against MEI-GSR and AM-GSR in the amount of \$31,269.44 for discounted rooms with credits;

4 5. Against MEI-GSR and AM-GSR in the amount of \$96,084.96 for "comp'd" or free rooms;

5 6. Against MEI-GSR and AM-GSR in the amount of \$411,833.40 for damages associated with the  
6 bad faith "preferential rotation system";

7 7. Against MEI-GSR and AM-GSR in the amount of \$1,706,798.04 for improperly calculated and  
8 assessed contracted hotel fees;

9 8. Against MEI-GSR and AM-GSR in the amount of \$77,338.31 for improperly collected  
10 assessments;

11 TOTAL COMPENSATORY DAMAGES \$8,318,215.54

12 IT IS FURTHER ORDERED AND ADJUDGED that Defendant AM-GSR Holdings, LLC is  
13 jointly and severally liable with MEI-GSR, for these compensatory damages, only.

14 IT IS FURTHER ORDERED AND ADJUDGED that Defendant Gage Village Development is  
15 jointly and severally liable with MEI-GSR for the sum of \$4,152,669.13 in compensatory damages,  
16 only.

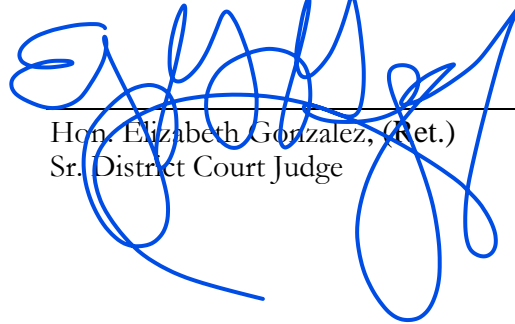
17 IT IS FURTHER ORDERED AND ADJUDGED that Plaintiffs be given and granted punitive  
18 damages against Defendants MEI-GSR in the total amount of \$9,190,521.92.

19 This Judgment shall accrue pre- and post-judgment interest at the applicable legal rate as provided  
20 by Nevada law until fully satisfied. No pre-judgment interest shall accrue on the punitive damages  
21 award.

1 IT IS FURTHER ORDERED AND ADJUDGED that Defendants shall take nothing by way of  
2 their counterclaims which were previously stricken by the Court.

3 Dated this 10th day April, 2023.

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Hon. Elizabeth Gonzalez, (Ret.)  
Sr. District Court Judge

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DALE KOTCHKA-ALANES  
DANIEL POLSENBERG, ESQ.  
DAVID MCELHINNEY, ESQ.  
BRIANA COLLINGS, ESQ.  
ABRAN VIGIL, ESQ.  
JONATHAN TEW, ESQ.  
JARRAD MILLER, ESQ.  
TODD ALEXANDER, ESQ.  
F. DEARMOND SHARP, ESQ.  
STEPHANIE SHARP, ESQ.  
G. DAVID ROBERTSON, ESQ.  
ROBERT EISENBERG, ESQ.  
JENNIFER HOSTETLER, ESQ.  
ANN HALL, ESQ.  
JAMES PROCTOR, ESQ.  
JORDAN SMITH, ESQ.

Holly W. Lange



CODE: 1105

**SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**  
**IN AND FOR THE COUNTY OF WASHOE**

ALBERT THOMAS, individually; *et al.*,

Plaintiffs,

vs.

Case No. CV12-02222  
Dept. No. OJ41

MEI-GSR HOLDINGS, LLC, a Nevada  
limited liability company, GRAND SIERRA  
RESORT UNIT OWNERS' ASSOCIATION,  
a Nevada nonprofit corporation, GAGE  
VILLAGE COMMERCIAL  
DEVELOPMENT, LLC, a Nevada limited  
liability company; AM-GSR HOLDINGS,  
LLC, a Nevada limited liability company; and  
DOE DEFENDANTS 1 THROUGH 10,  
inclusive,

Defendants.

**SECOND AMENDED FINAL MONETARY JUDGMENT**

This matter having come before the Court for a default prove-up hearing from March 23, 2015 to March 25, 2015, with Findings of Fact and Conclusions of Law and Judgment entered October 9, 2015, and again before the Court on July 8, 2022 and July 18, 2022 on Plaintiffs' November 6, 2015 Motion in Support of Punitive Damages Award, with an Order entered on January 17, 2023.

IT IS HEREBY ORDERED AND ADJUDGED that judgment is entered in favor of Plaintiffs and against Defendants as follows:

1. Against MEI-GSR Holdings, LLC (“MEI-GSR”) and AM-GSR Holdings, LLC (“AM-GSR”) in the amount of \$442,591.83 for underpaid revenues to Unit owners;
2. Against MEI-GSR, AM-GSR, and Gage Village Development, LLC in the amount of \$4,152,669.13 for the rental of units of owners who had no rental agreement;
3. Against MEI-GSR and AM-GSR in the amount of \$1,399,630.44 for discounting owner’s rooms without credits;
4. Against MEI-GSR and AM-GSR in the amount of \$31,269.44 for discounted rooms with credits;
5. Against MEI-GSR and AM-GSR in the amount of \$96,084.96 for “comp’d” or free rooms;
6. Against MEI-GSR and AM-GSR in the amount of \$411,833.40 for damages associated with the bad faith “preferential rotation system”;
7. Against MEI-GSR and AM-GSR in the amount of \$1,706,798.04 for improperly calculated and assessed contracted hotel fees;
8. Against MEI-GSR and AM-GSR in the amount of \$77,338.31 for improperly collected assessments;

**TOTAL COMPENSATORY DAMAGES.....\$8,318,215.54**

Prejudgment interest on the compensatory damages portion of the Judgment is awarded.

IT IS FURTHER ORDERED AND ADJUDGED that Defendant Gage Village Development is jointly and severally liable with MEI-GSR for the sum of \$4,152,669.13 in compensatory damages, only.

IT IS FURTHER ORDERED AND ADJUDGED that Plaintiffs be given and granted punitive damages against Defendants in the total amount of **\$9,190,521.92**.

IT IS FURTHER ORDERED AND ADJUDGED that Plaintiffs be given and granted their legal fees against Defendants in the total amount of **\$3,637,682.25**.

1 IT IS FURTHER ORDERED AND ADJUDGED that Plaintiffs be given and granted  
2 their costs against Defendants in the total amount of **\$855,525.33**, broken down as follows:

3 Pursuant to Plaintiffs' Verified Memorandum of Costs, filed October 16, 2015, Plaintiffs  
4 shall be awarded

5	Court and Recorder Fees.....	\$3,876.00
6	Hearing Transcript Fees.....	\$2,612.60
7	Witness Fees .....	\$359.00
8	Service Fees .....	\$525.5
9	Deposition Transcript Fees .....	\$21,619.56
10	Expert Fees.....	\$456,041.00
11	Messenger/Shipping Fees .....	\$228.91
12	Travel .....	\$3,647.82
13	Supplies.....	\$1,863.21
14	Computerized Research .....	\$1,430.86
15	Copies .....	\$29,118.53
16	Facsimile.....	\$83.40
17	Postage .....	\$229.57
18	Long Distance .....	\$88.49
19	<b>Total .....</b>	<b>\$521,451.45</b>

20 Pursuant to Plaintiffs' Supplemental Verified Memorandum of Costs, filed January 20,  
21 2023, Plaintiffs shall be awarded

22	Court and Recorder Fees.....	\$51,721.00
23	Hearing Transcript Fees.....	\$8,934.97
24	Service Fees .....	\$110.00
25	Expert Fees.....	\$226,462.60
26	Miscellaneous .....	\$23,161.88
27	Computerized Legal Research .....	\$5,086.90
28	Photocopies .....	\$18,117.80


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Postage .....\$229.12  
Long Distance Phone .....\$23.52  
**Total .....\$333,847.79**

This Judgment shall accrue post-judgment interest at the applicable legal rate as provided by Nevada law until fully satisfied.

IT IS FURTHER ORDERED AND ADJUDGED that Defendants shall take nothing by way of their counterclaims which were previously stricken by the Court.

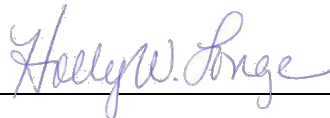
DATED this 29th day of June, 2023.

  
\_\_\_\_\_  
HON. ELIZABETH GONZALEZ  
Sr. District Court Judge

1 **CERTIFICATE OF SERVICE**

2 I certify that I am an employee of THE SECOND JUDICIAL DISTRICT COURT;  
3 that on the 29th day of June, 2023, I electronically filed the foregoing with the Clerk of  
4 the Court system which will send a notice of electronic filing to the following:

5 DALE KOTCHKA-ALANES  
6 DANIEL POLSENBERG, ESQ.  
7 DAVID MCELHINNEY, ESQ.  
8 BRIANA COLLINGS, ESQ.  
9 ABRAN VIGIL, ESQ.  
10 JONATHAN TEW, ESQ.  
11 JARRAD MILLER, ESQ.  
12 TODD ALEXANDER, ESQ.  
13 F. DEARMOND SHARP, ESQ.  
14 STEPHANIE SHARP, ESQ.  
15 G. DAVID ROBERTSON, ESQ.  
16 ROBERT EISENBERG, ESQ.  
17 JENNIFER HOSTETLER, ESQ.  
18 ANN HALL, ESQ.  
19 JAMES PROCTOR, ESQ.  
20 JORDAN SMITH, ESQ.

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CODE: 2222

Jarrad C. Miller, Esq. (NV Bar No. 7093)  
Jonathan J. Tew, Esq. (NV Bar No. 11874)  
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Attorneys for Plaintiffs

**SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**  
**IN AND FOR THE COUNTY OF WASHOE**

ALBERT THOMAS, individually; *et al.*,

Plaintiffs,

vs.

Case No. CV12-02222  
Dept. No. OJ37

MEI-GSR Holdings, LLC, a Nevada limited  
liability company, GRAND SIERRA  
RESORT UNIT OWNERS' ASSOCIATION,  
a Nevada nonprofit corporation, GAGE  
VILLAGE COMMERCIAL  
DEVELOPMENT, LLC, a Nevada limited  
liability company; AM-GSR HOLDINGS,  
LLC, a Nevada limited liability company; and  
DOE DEFENDANTS 1 THROUGH 10,  
inclusive,

Defendants.

**APPLICATION FOR TEMPORARY RESTRAINING ORDER, AND MOTION FOR  
PRELIMINARY INJUNCTION**

1 Plaintiffs Albert Thomas *et al.*, by and through their counsel of record, the law firms of  
2 Robertson, Johnson, Miller & Williamson, and Lemons, Grundy & Eisenberg, hereby submit this  
3 Application for Temporary Restraining Order, and Motion for Preliminary Injunction  
4 (“Application”). This Application is supported by the attached memorandum of points and  
5 authorities, and the entire record of this case.

6 RESPECTFULLY SUBMITTED this 1st day of March, 2022.

7 ROBERTSON, JOHNSON,  
8 MILLER & WILLIAMSON

9 By: /s/ Jonathan Joel Tew  
10 Jarrad C. Miller, Esq.  
Jonathan J. Tew, Esq.  
Attorneys for Plaintiffs

11 **MEMORANDUM OF POINTS AND AUTHORITIES**

12 **I. INTRODUCTION**

13 No situation cries out for a temporary restraining order and injunction more than this one.  
14 As a result of the Defendants’ nefarious actions which include blatant fraud, this Court has  
15 appointed a receiver to implement compliance with the Governing Documents and preserve the  
16 Plaintiffs’ property during the pendency of this litigation. Further, the Court has ordered that the  
17 Defendants shall not do “**any act which will, or which will tend to, impair, defeat, divert,**  
18 **prevent or prejudice the preservation of the Property or the interest of the Plaintiffs in the**  
19 **Property.**” (January 15, 2015 Order at 8:2-11 (emphasis supplied).) Despite *knowing* that their  
20 conduct will irreparably harm the Plaintiffs and violate the Court’s Orders, the Defendants have  
21 noticed a meeting for March 14, 2022 to hold a vote on whether the GSRUOA should be  
22 dissolved, and by consequence, terminate the Receivership. Worse the vote – which the  
23 Defendants’ have a supermajority over – will direct the sale of Plaintiffs’ units which will be  
24 purchased by the Defendant entities controlled by Alex Meruelo (“Alex”), the principal owner of  
25 the Defendant entities.

26 Unfortunately, the plan to terminate the GSRUOA and sell Plaintiffs’ units is yet another  
27 flagrant indication to this Court that its orders mean nothing to the Defendants and that they hold  
28 no respect for Nevada law or the judicial process – the same pattern that has now continued for a

1 decade. The Defendants are rogue actors that have be caught red-handed committing literally  
2 thousands of separate acts of blatant fraud by renting Plaintiff owned units and not reporting  
3 and/or under reporting the revenue—**simple disgraceful theft**. (See October 9, 2015 Findings of  
4 Fact, Conclusion of Law and Judgment (“FFCLJ”) at 15:3-4 and 21:24-22:6.)

5 The Court should enter an immediate, temporary restraining order and hold a hearing on  
6 whether an injunction should issue. Given the intent of the Defendants to dissolve the GSRUOA  
7 **and sell the Plaintiffs’ units, this irreparable harm warrants an immediate restraining**  
8 **order**. The Defendants cannot simply take the property of the Plaintiffs through a unilaterally  
9 imposed sale to entities with the same common ownership and control as the Defendants. Such a  
10 result would give no meaning to the Court’s orders and the FFCLJ. Since the Plaintiffs’ property  
11 interests are unique, and there is no other remedy to stop the Defendants’ rogue actions, a TRO  
12 and injunction stopping the Defendants and the GSRUOA from violating the Court’s orders  
13 without authority and selling the Plaintiffs’ property should issue as soon as possible.

## 14 **II. FACTS**

15 On January 7, 2015 the Court issued the Order Appointing Receiver and Directing  
16 Defendants’ Compliance (“Receiver Order”). Thereunder, “[t]he Receiver is appointed for the  
17 purpose of implementing compliance, among all condominium units, including units owned by  
18 any Defendant in this action (collectively, “the Property”), with the Covenants Codes and  
19 Restrictions recorded against the condominium units, the Unit Maintenance Agreements and the  
20 original Unit Rental Agreements (“Governing Documents”). (*Id.* at 1:27 to 2:3.) The Receiver  
21 Order further dictates that the Defendants shall not do “**any act which will, or which will tend**  
22 **to, impair, defeat, divert, prevent or prejudice the preservation of the Property or the**  
23 **interest of the Plaintiffs in the Property.**” (*Id.* at 8:2-11 (emphasis supplied).)

24 The October 9, 2015 FFCLJ further dictates that “[t]he receiver will remain in place with  
25 his current authority **until this Court rules otherwise . . .**” (*Id.* at 22:22 (emphasis supplied).)  
26 The FFCLJ states that the Defendants “intend to purchase the devalued units at nominal,  
27 distressed prices when Individual Unit Owners decide to, or are effectively forced to, sell their  
28 units . . .” (*Id.* at 15:10-13.) The FFCLJ further states that: “The Court concludes that



1 [Defendants] have operated the Unit Owner's Association in a way inconsistent with the best  
2 interests of all of the unit owners. The continued management of the Unit Owner's Association  
3 by the receiver is appropriate under the circumstances of this case and will remain in effect  
4 absent additional direction from the Court." (*Id.* at 16:9-15.) The Court determined to be fact that  
5 there is one voting member for each unit of ownership under the CC&Rs and that because  
6 Defendants control more units of ownership than any other owner, other owners effectively have  
7 no control or input of the GSRUOA. (*Id.* at 11:24 to 12:8.) Defendants as a matter of fact "have  
8 used, and continue to use, their control over the Unit Owners' Association to advance the . . .  
9 [Defendants'] economic objectives to the detriment of the Individual Unit Owners." (*Id.* at 12:9-  
10 11.)

11 On or about February 28, 2022 numerous Plaintiffs received via U.S. mail the attached  
12 Agreement to Terminate Condominium Hotel, Condominium Hotel Association, and Declaration  
13 of Covenants, Conditions, Restrictions and Reservation of Easements ("Agreement to  
14 Terminate"); Agreement for Sale of Condominium Hotel Interests ("Agreement for Sale"); and  
15 Meeting of the Members ("Meeting Notice"). (*See* Exhibits 1, 2 and 3.)

16 The Meeting Notice states that "[t]he purpose is to vote on the proposed Termination and  
17 Sale of the Property . . . ." (*Id.* at 1.) The Meeting is set for March 14, 2022. (*Id.* at 1, ¶ 1.)  
18 Under New Business, the Meeting Notice states that "[i]f the hotel unit owner and at least eighty  
19 percent (80%) of the owners entitled to vote (whether in person or by proxy), vote yes, the  
20 condominium hotel shall be terminated." (*Id.* at 1 § 3(a).) Further, "[i]f the hotel unit owner and  
21 at least eighty percent (80%) of the owners entitled to vote (whether in person or by proxy), vote  
22 yes, the Declaration shall be terminated." (*Id.* at 1 § 3(b).) Further, "[i]f the hotel unit owner  
23 and at least eighty percent (80%) of the owners entitled to vote (whether in person or by proxy),  
24 vote yes, the sale is approved. Upon the sale of the units, the Association will be terminated  
25 . . . ." (*Id.* at 1 § 3(c).)

26 Under the Agreement for Sale, the condominium units would be sold to Summit Units  
27 Acquisition LLC. (*Id.* at 1.) Summit Unit Acquisitions LLC is apparently owned and control  
28 by Alex - the principal owner of the Defendant entities in this action. (*See* Exhibit 4.) Thus, the

1 Defendants' actions as demonstrated by the Agreement to Terminate, Agreement for Sale and  
2 Meeting Notice seek to violate the FFCLJ and the Receiver Order by selling the Plaintiffs'  
3 property and terminating the Unit Owners' Association.

### 4 **III. LEGAL ARGUMENT**

#### 5 **A. Issuance of a Temporary Restraining Order Against Defendants is Necessary**

6 This Court is constitutionally empowered to issue injunctive relief. Nev. Const. Art 6,  
7 Sec. 6. The decision to issue this equitable remedy is within the Court's sound discretion.  
8 *Number One Rent-A-Car v. Ramada Inns, Inc.*, 94 Nev. 779, 780, 587 P.2d 1329 (1978). Under  
9 the facts of this case, the Court should award immediate injunctive relief.

10 This Court may enter an *ex parte* temporary restraining order ("TRO") without written or  
11 oral notice to the adverse party where:

- 12 (A) specific facts in an affidavit or a verified complaint clearly show that
- 13 immediate and irreparable injury, loss, or damage will result to the movant before
- 14 the adverse party can be heard in opposition; and
- 15 (B) the movant's attorney certifies in writing any efforts made to give notice and
- 16 the reasons why it should not be required.

17 NRCP 65(b)(1). In every TRO granted without notice, the Court shall file it with the Clerk's  
18 Office, indicate the date and hour of issuance, define the irreparable injury, and state why the  
19 order was granted without notice. *Id.* Any TRO granted without notice must expire by its terms  
20 in 14 days, unless the Court extends the TRO for good cause, or unless the enjoined party  
21 consents to an extension. *Id.* When a TRO is granted without notice, the motion for a  
22 preliminary injunction shall be set for hearing at the earliest possible time and take precedence  
23 over all matters except older matters of the same character. *Id.*

24 "[R]eal property and its attributes are considered unique and loss of real property rights  
25 generally results in irreparable harm." *Dixon v. Thatcher*, 103 Nev. 414, 416, 742 P.2d 1029,  
26 1030 (1987). While temporary restraining orders are extraordinary remedies, they should be  
27 granted upon such terms as are just and when the circumstances justify them. This case  
28 unquestionably justifies a temporary restraining order to stop the sale of the Plaintiffs real  
property, condominium units.

1 Here, the Plaintiffs will suffer irreparable injury, loss, or damage of the Plaintiff owned  
2 real property, condominium units.

3 **B. Issuance of a Preliminary Injunction Against Defendants is Warranted**

4 “A preliminary injunction is available if an applicant can show a likelihood of success on  
5 the merits,” and that the nonmoving party’s conduct, should it continue, “will  
6 cause irreparable harm for which compensatory damage is an inadequate remedy.” *Dangberg*  
7 *Holdings v. Douglas Co.*, 115 Nev. 129, 142, 978 P.2d 311, 319 (1999) (citing *Pickett v.*  
8 *Comanche Construction, Inc.*, 108 Nev. 422, 426, 836 P.2d 42, 44 (1992)). Injunctive relief is  
9 an extraordinary remedy, and the irreparable harm must be articulated in specific terms by the  
10 issuing order or be readily apparent elsewhere in the record. *Id.* at 144, 978 P.2d at 320.

11 The standard guiding the District Court in the exercise of its discretion can be found in  
12 NRS 33.010. *See id.* at 142, 978 P.2d at 319. Under the statute, an injunction may be granted in  
13 any one of the following cases:

- 14 1. When it shall appear by the complaint that the plaintiff is entitled to the relief  
15 demanded, and such relief or any part thereof consists in restraining the  
16 commission or continuance of the act complained of, either for a limited period or  
perpetually.
- 17 2. When it shall appear by the complaint or affidavit that the commission or  
18 continuance of some act, during the litigation, would produce great or irreparable  
19 injury to the plaintiff.
- 20 3. When it shall appear, during the litigation, that the defendant is doing or  
threatens, or is about to do, or is procuring or suffering to be done, some act in  
violation of the plaintiff's rights respecting the subject of the action, and tending  
to render the judgment ineffectual.

21 NRS 33.010; *accord* Nev. Const. art. 6, § 6 (granting district courts power to issue injunctions).  
22 Even though SSM need only satisfy one of these circumstances, it can satisfy all three.

23 **1. An Injunction Under NRS 33.010(1)**

24 “When it shall appear by the complaint that the plaintiff is entitled to the relief demanded,  
25 and such relief or any part thereof consists in restraining the commission or continuance of the  
26 act complained of, either for a limited period or perpetually” then it is appropriate to issue an  
27 injunction. NRS 33.010(1). Thus, the two elements are (a) it shall appear by the complaint that  
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1 the plaintiff is entitled to the relief demanded, and (b) the requested relief involves restraining the  
2 commission or continuance of the complained acts.

3 Plaintiffs already prevailed on their cause of action for a Receiver given the Defendants'  
4 attempts to usurp Plaintiffs' property, so the Plaintiffs automatically prevail here and an  
5 injunction must be issued. (*See* FFCLJ and Receiver Order.)

6 **2. *An Injunction Under NRS 33.010(2)***

7 An injunction may also be issued “[w]hen it shall appear by the complaint or affidavit  
8 that the commission or continuance of some act, during the litigation, would produce great or  
9 irreparable injury to the plaintiff.” NRS 33.010(2).

10 As noted above, many of the Defendants' actions are causing Plaintiffs irreparable harm  
11 and the Defendants' recent actions aim to do worse. (*See* FFCLJ, Receiver Order and Exhibits 1,  
12 2 and 3; *see also* *Dixon v. Thatcher*, 103 Nev. 414, 416, 742 P.2d 1029, 1030 (1987) (holding  
13 that “real property and its attributes are considered unique and loss of real property rights  
14 generally results in irreparable harm”); *Sobol v. Capital Mgmt. Consultants, Inc.*, 102 Nev. 444,  
15 446, 726 P.2d 335, 337 (1986) (determining that “acts committed without just cause which  
16 unreasonably interfere with a business or destroy its credit or profits, may do an irreparable  
17 injury and thus authorize issuance of an injunction”).

18 Therefore, Plaintiffs are also entitled to an injunction under NRS 33.010(2).

19 **3. *An Injunction Under NRS 33.010(3)***

20 An injunction should be issued “[w]hen it shall appear, during the litigation, that the  
21 defendant is doing or threatens, or is about to do, or is procuring or suffering to be done, some  
22 act in violation of the plaintiff's rights respecting the subject of the action, and tending to render  
23 the judgment ineffectual.” NRS 33.010(3).

24 The Defendants are actively and willfully violating this Court's January 4, 2022 Orders,  
25 the FFCLJ, and the Receivership Order. They are therefore violating the Plaintiffs' rights and the  
26 Receiver's rights. The Court should therefore issue an injunction and sanction the Defendants  
27 with an enormous monetary sanction since they are already in default and subject to case-  
28 terminating sanctions.

1                   **4.    Plaintiffs are Suffering Irreparable Harm Without Adequate Remedy at**  
2                   **Law**

3           The Nevada Supreme Court recognizes that “real property and its attributes are  
4 considered unique and loss of real property rights generally results in irreparable harm,” *Dixon*,  
5 103 Nev. at 416, 742 P.2d at 1030, and further that “acts committed without just cause which  
6 unreasonably interfere with a business or destroy its credit or profits, may do an irreparable  
7 injury and thus authorize issuance of an injunction.” *Sobol*, 102 Nev. at 446, 726 P.2d at 337.  
8 Notably, the Court should issue an injunction if injunctive relief is “far superior” to an  
9 inadequate legal remedy. *Nev. Escrow Serv. v. Crockett*, 91 Nev. 201, 203, 533 P.2d 471, 472  
10 (1975). Finally, injunctive relief is appropriate even when the adequacy of a legal remedy is  
11 unclear. *Ripps v. Las Vegas*, 72 Nev. 135, 139, 297 P.2d 258, 259 (1956). There can be no  
12 doubt that destroying the GSRUOA and selling Plaintiffs’ real property require injunctive relief.

13           In sum, given the allegations in the Complaint which have been established as true, the  
14 Defendants’ violation of the Court’s Receiver Order, the FFCLJ, and the Court’s January 4, 2022  
15 Orders, an injunction must issue. ***The Court Need Not Weigh the Relative Hardships based on***  
16 ***Defendants’ Ongoing and Improper Conduct***

17           The equitable principle of relative hardship is only available to innocent parties who  
18 proceed without knowledge or warning that they are acting contrary to others’ rights; it does not  
19 apply to defendants who have knowledge or warning that they are acting improperly. *Gladstone*  
20 *v. Gregory*, 95 Nev. 474, 480, 596 P.2d 491, 495 (1979)

21           Here, the Court need not weigh the relative hardships of the parties should an injunction  
22 issue because Defendants have acted with full knowledge of their wrongful actions and violation  
23 of Court orders.

24           But, even if the Court were to consider the relative hardships on the parties, the relative  
25 hardships and interests clearly weigh heavily in favor of Plaintiffs and the granting of an  
26 injunction. *See Ottenheimer v. Real Estate Division*, 91 Nev. 338, 342, 535 P.2d 1284, 1285-86  
27 (1975) (holding that the district court should have granted injunctive relief because “maintaining  
28

1 the status quo pending final judgment will impose small burden on the [adverse party]”). The  
2 relative interests of the parties in this case also weigh heavily in favor of granting an injunction.

3 Defendants will not suffer any harm because as the Court-appointed receiver is charged  
4 with operating the units under the Governing Documents. (Receiver Order at 1:27 to 2:3.)

5 Indeed, the only hardships to consider are those that Plaintiffs will continue to suffer if  
6 Defendants are allowed to move forward with their inappropriate and contemptuous misconduct.

7 And those hardships are imminent.

### 8 **5. The Court Should Require a Nominal Bond**

9 NRCP 65(c) requires the posting of security as a prerequisite to granting a preliminary  
10 injunction “in such sum as the court deems proper.” “Despite the seemingly mandatory  
11 language, Rule 65(c) invests the district court with discretion as to the amount of security  
12 required, if any.” *Johnson v. Couturier*, 572 F.3d 1067, 1086 (9th Cir. 2009) (citations omitted).

13 The Court may waive the bond or order a nominal bond amount where, as here, the  
14 balance of hardships overwhelmingly favors the party seeking the injunction, *e.g.*, *Elliott v.*  
15 *Kiesewetter*, 98 F.3d 47, 60 (3d Cir. 1996), where there is a particularly strong likelihood that the  
16 moving party will prevail on the merits, *e.g.*, *Ticketmaster L.L.C. v. RMG Techs., Inc.*, 507 F.  
17 Supp. 2d 1096, 1116 (C.D. Cal. 2007), or where the enjoined party will suffer only minimal  
18 injury. *See, e.g., id.; Behymer-Smith v. Coral Acad. of Sci.*, 427 F. Supp. 2d 969, 974 (D. Nev.  
19 2006) (requiring a \$100 bond). All three of these factors support a nominal bond here – if any.

20 In any event, the hardships and merits analyses greatly favor Plaintiffs, thus warranting a  
21 nominal bond. Moreover, “the purpose underlying the bond requirement is to protect those  
22 enjoined from damages associated with the wrongful issuance of injunctions . . . .” *Dangberg*  
23 *Holdings Nev., LLC v. Douglas County*, 115 Nev. 129, 145, 978 P.2d 311, 321 (1999). In this  
24 case, there is little threat that an injunction will unreasonably harm or otherwise damage  
25 Defendants, monetarily or otherwise.

1 **IV. CONCLUSION**

2 For all of the above reasons, the Court should issue the proposed Temporary Restraining  
3 Order attached as Exhibit 5, and set an expedited briefing schedule for a hearing on the  
4 preliminary injunction.

5 **AFFIRMATION**

6 Pursuant to NRS § 239B.030, the undersigned does hereby affirm that the preceding  
7 document does not contain the social security number of any person.

8 RESPECTFULLY SUBMITTED this 1st day of March, 2022.

9 ROBERTSON, JOHNSON,  
10 MILLER & WILLIAMSON

11 By: /s/ Jonathan Joel Tew  
12 Jarrad C. Miller, Esq.  
13 Jonathan Joel Tew, Esq.  
14 [jarrad@nvlawyers.com](mailto:jarrad@nvlawyers.com)  
15 [jon@nvlawyers.com](mailto:jon@nvlawyers.com)  
16 Attorneys for Plaintiffs  
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1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCP 5(b), I hereby certify that I am an employee of Robertson, Johnson,  
3 Miller & Williamson, 50 West Liberty Street, Suite 600, Reno, Nevada 89501, over the age of  
4 18, and not a party within this action. I further certify that on the 1st day of March, 2022, I  
5 electronically filed the foregoing **APPLICATION FOR TEMPORARY RESTRAINING**  
6 **ORDER, AND MOTION FOR PRELIMINARY INJUNCTION** with the Clerk of the Court  
7 by using the ECF system which served the following parties electronically:

8 Daniel F. Polsenberg, Esq.  
9 Jennifer K. Hostetler, Esq.  
10 Dale Kotchka-Alanes, Esq.  
11 Lewis Roca Rothgerber Christie, LLP  
12 One East Liberty Street Suite 300  
13 Reno, NV 89501  
14 *Attorneys for Defendants*

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Reno, NV 89503  
*Attorneys for Receiver*  
*Richard M. Teichner*

13 Abran Vigil, Esq.  
14 David C. McElhinney, Esq.  
15 Meruelo Group, LLC  
16 Legal Services Department  
17 5<sup>th</sup> Floor Executive Offices  
18 2535 Las Vegas Boulevard South  
19 Las Vegas, NV 89109  
20 *Attorneys for Defendants*

21 /s/ Teresa W. Stovak  
22 An Employee of Robertson, Johnson,  
23 Miller & Williamson



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**Index of Exhibits**

<b><u>Exhibit</u></b>	<b><u>Description</u></b>	<b><u>Pages</u></b>
1	Agreement to Terminate Condominium Hotel, Condominium Hotel Association, and Declaration of Covenants, Conditions, Restrictions and Reservation of Easements	5
2	Agreement for Sale of Condominium Hotel Interests	11
3	Meeting of the Members	4
4	Nevada Secretary of State business information for Summit Units Acquisition LLC and Meruelo Investment Partners LLC	4
5	Affidavit of Jarrad C. Miller, Esq.	3
6	Proposed Temporary Restraining Order	3

EXHIBIT “1”

EXHIBIT “1”

EXHIBIT “1”

APNS: 012-211-24; 012-211-28; 012-211-36;  
012-491-01; 012-491-02; 012-491-04;  
012-491-05; 012-491-08; 012-491-12;  
012-491-13; 012-492-01 through 012-492-06;  
012-492-08; 012-492-08; 012-492-14 through  
012-492-16; 012-492-18; 012-493-01; 012-493-02;  
012-493-04 through 012-493-06

When recorded please mail to:  
Grand Sierra Resort Unit Owners Association  
c/o Associa Sierra North  
10509 Professional Circle #200  
Reno, NV 89521

The undersigned hereby affirms that this document, including any exhibits, submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)

**AGREEMENT TO TERMINATE CONDOMINIUM HOTEL, CONDOMINIUM HOTEL  
ASSOCIATION, AND DECLARATION OF COVENANTS, CONDITIONS,  
RESTRICTIONS AND RESERVATION OF EASEMENTS**

Condominium Hotel : Hotel-Condominiums At Grand Sierra Resort

Association : Grand Sierra Resort Unit – Owner’s Association

Declaration : Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Hotel-Condominiums at Grand Sierra Resort recorded December 15, 2006 as Document No. 3475705, Official records Washoe County, Nevada and all amendments thereto, including but not limited to the Seventh Amendment to Condominium Declaration of Covenants, Conditions, Restrictions and Easements for Hotel-Condominiums at Grand Sierra Resort recorded June 27, 2007 as Document No. 3548504 and the Ninth Amendment to Condominium Declaration of Covenants, Conditions, Restrictions and Easements for Hotel-Condominiums at Grand Sierra Resort re-recorded November 30, 2021 as Document No. 5253317.

Real Property : The legal description is included in Exhibit A attached hereto. This legal description is Exhibit A from the Declaration.

The undersigned Hotel Unit Owner and the owners of units at the Condominium Hotel representing at least eighty percent (80%) of the votes in the Association defined above (the “80% Units’ Owners”) hereby agree as follows:

1. Termination of Condominium Hotel. At a meeting conducted by the Association on March 14, 2022 (the "Meeting"), Hotel Unit Owner and 80% Units' Owners approved the termination of the Condominium Hotel. The Condominium Hotel is terminated effective upon the filing of this Agreement in the records of the Office of the County Recorder of Washoe County, State of Nevada.

2. Sale of Common Elements, Shared Components, and Units. Following termination of the Condominium Hotel, all of the common elements, shared components, and units of the Condominium Hotel shall be sold pursuant to the terms of the Agreement for Sale of Condominium Hotel Interests set forth as Exhibit B to this Agreement (the "Purchase Agreement") a copy of which was provided to all owners of units of the Condominium Hotel (collectively, the "Units' Owners") in connection with the Meeting. The Hotel Unit Owner has all powers necessary and appropriate to effect the sale and until the sale has been concluded and proceeds distributed, the Hotel Unit Owner continues in existence with all powers it had before termination.

3. Approval of Purchase Agreement. At the Meeting, Hotel Unit Owner and 80% Units' Owners approved the Purchase Agreement at the and authorized the Hotel Unit Owner, on behalf of the Units' Owners, to contract for the sale of real estate owned by the Units' Owners in the Condominium Hotel. As long as the Units' Owners hold title to the real estate, each of the Unit's Owners shall have a right of occupancy as provided in the Declaration and during that period of occupancy, each of the Units' Owners shall remain liable for all assessments, shared expenses and other obligations imposed on Units' Owners by applicable Nevada law or the Declaration.

4. Termination of Association. At the Meeting, Hotel Unit Owner and 80% of Units' Owners approved the termination of the Association. The Association defined above is terminated effective upon the filing of this Agreement in the records of the Office of the County Recorder of Washoe County, State of Nevada.

5. Termination of Declaration. The Declaration is terminated effective upon the filing of this Agreement in the records of the Office of the County Recorder of Washoe County, State of Nevada. A Rescission and Notice of Termination of the Declaration shall also be recorded on or before the date identified in Section 8 below.

6. Severability. If any provision of this Agreement is held to be invalid or unenforceable to any extent, the invalidity or unenforceability of that provision shall not affect any other provision of this Agreement so long as the essential terms of the transactions contemplated by this Agreement remain enforceable. The stricken provision or part shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision or part as is legally possible so as to effect the original intent of the parties as closely as possible. If modifying or disregarding the unenforceable provision would result in failure of an essential purpose of this Agreement, the entire Agreement is to be held unenforceable.

7. Compliance. To the extent that any provisions of this Agreement, should be deleted, modified, or amended in order to comply with the provisions of the Declaration or Nevada

Revised Statutes, those provisions shall be deleted, modified, or amended accordingly in a self-executing manner to the same extent necessary to achieve compliance and achieve the essential purposes of this Agreement. All other terms of this Agreement shall remain in full force and effect.

8. Effectiveness of Agreement. This Agreement will be void unless it is recorded on or before December 1, 2025.

9. General Provisions. This Agreement may be executed in counterparts.

[End of Page – Signatures Follow]

## EXECUTION

The parties executed this Agreement as of the date first written above.

**HOTEL UNIT OWNER:**

MEI-GSR HOLDINGS, LLC,  
a Nevada limited liability company

By: \_\_\_\_\_  
Alex Meruelo  
Manager

**80% of UNITS' OWNERS:**

AM-GSR HOLDINGS LLC  
a Nevada limited liability company

By: \_\_\_\_\_  
Alex Meruelo  
Manager

GAGE VILLAGE COMMERCIAL  
DEVELOPMENT, LLC, a California  
limited liability company

By: \_\_\_\_\_  
Alex Meruelo  
Manager

**CERTIFICATION ON NEXT PAGE**

### **Certification**

The undersigned, hereby certifies, under penalty of perjury, that this Agreement to Terminate (a) was provided to its members for action and that at least eighty percent (80%) voted in favor of termination of the Association and termination of the Declaration; (b) that the affirmative action was taken by those members whose votes are recorded in the official records of the Association, and (c) that such affirmative vote conforms with the requirements found in the Declaration.

### **ASSOCIATION:**

Grand Sierra Resort Unit-Owners Association, A  
Nevada Nonprofit Corporation

By: \_\_\_\_\_  
Richard M. Teichner, Receiver

**LOOSE NOTARIES FOLLOW EXHIBIT B**

EXHIBIT “2”

EXHIBIT “2”

EXHIBIT “2”



## AGREEMENT FOR SALE OF CONDOMINIUM HOTEL INTERESTS

This Agreement for Sale of Condominium Hotel Interests ("Agreement") is made on January 6, 2022 between:

MEI-GSR Holdings LLC ("Seller"), a Nevada limited liability company, as the Hotel Unit Owner on behalf of all owners of units (individually a "Unit's Owner" and collectively, the "Units' Owners") of the Hotel-Condominiums at Grand Sierra Resort (the "Condominium Hotel"),

and

Summit Units Acquisition LLC ("Buyer"), a Nevada limited liability company, or assignee.

### RECITALS

A. The Condominium Hotel is a "condominium hotel" as defined in the Declaration and applicable Nevada law. Seller is the Hotel Unit Owner of the Condominium Hotel and has been authorized to enter into this Agreement by affirmative vote of not less than 80% of the Units' Owners and the Hotel Unit Owner.

B. The Condominium Hotel is subject to the terms of the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Hotel-Condominiums at Grand Sierra Resort recorded December 15, 2006 as Document No. 3475705, Official records Washoe County, Nevada and all amendments thereto, including but not limited to the Seventh Amendment to Condominium Declaration of Covenants, Conditions, Restrictions and Easements for Hotel-Condominiums at Grand Sierra Resort recorded June 27, 2007 as Document No. 3548504 and the Ninth Amendment to Condominium Declaration of Covenants, Conditions, Restrictions and Easements for Hotel-Condominiums at Grand Sierra Resort re-recorded November 30, 2021 as Document No. 5253317 (as amended and restated, "Declaration").

C. The Condominium Hotel consists of approximately six-hundred and seventy-six hotel units and referred to herein as "Hotel Units" and more particularly described in Exhibit A to this Agreement) together with an undivided interest in common elements appurtenant and non-severable to each Hotel Unit (referred to herein as "Common Elements") and easements in shared components or facilities (referred to herein as "Shared Facilities") and other property incident to the Hotel Condominium ("Incidental Property"). The Hotel Units, Common Elements, Shared Facilities, and Incidental Property (collectively, the "Real Property Interests") are more particularly defined in the Declaration.

D. The Declaration provides for the creation, management, and operation of Grand Sierra Resort Unit – Owner's Association ("Association").

E. On January 6, 2022, by affirmative vote of the Hotel Unit Owner and not less than 80% of the Units' Owners, the Condominium Hotel, the Association, and the Declaration were terminated pursuant to the terms of the Agreement To Terminate Condominium Hotel, Condominium Hotel Association, And Declaration Of Covenants, Conditions, Restrictions And Reservation Of Easements dated January 6, 2022, recorded as instrument number \_\_\_\_\_ in the Office of the County Recorder of Washoe County, State of Nevada, on January, \_\_\_\_\_ 2022 ("Termination Agreement").

F. The Termination Agreement provided for the sale, pursuant to the terms of this Agreement, of all of the Real Property Interests of the Condominium Hotel following termination.

G. Upon recording of the Termination Agreement, title to the Real Estate Interests owned by Units' Owners vested, respectively, in the Hotel Unit Owner, as Trustee.

H. Upon termination:

- (1) Seller as the Hotel Unit Owner, on behalf of the Units' Owners, may contract for the sale of the Real Estate Interests owned by Units' Owners of the Condominium Hotel, (2) the contract is binding on the Units' Owners and Seller as Hotel Unit Owner once approved by Units' Owners representing at least 80 percent of the votes in the Association allocated to the residential unit owners in the Condominium Hotel and the Hotel Unit Owner, (3) title to the Real Estate Interests owned by the Units' Owners of the Condominium Hotel vests in Seller as the Hotel Unit Owner, as trustee for the Unit Owners, (4) Seller as the Hotel Unit Owner has all powers necessary and appropriate to effect the sale, and (5) proceeds of the sale must be distributed to Units' Owners and lienholders as their interests may appear;
- The interests of a Unit's Owner are the fair market values of the unit, allocated interests, and any limited Common Elements immediately before the termination, as determined by independent appraisal; and
- The proportion of interest of a Unit's Owner to that of all Units' Owners is determined by dividing the fair market value of the individual Unit and its allocated interests by the total fair market values of all the Units and their allocated interests.

H. The Seller wishes to sell, and the Buyer wishes to purchase, the Real Property Interests owned by the Units' Owners under the terms and conditions set forth in this Agreement and in compliance with applicable Nevada law.

In consideration of the mutual promises included in this Agreement, the parties agree as follows:

## SECTION 1 SALE OF REAL PROPERTY

All of the interests described below in this SECTION 1 are sometimes hereinafter collectively referred to as the "Property".

1.1. Sale of Real Property. The Seller agrees to sell, and the Buyer agrees to purchase, the Real Property, together with all structures, and fixtures ("Improvements") situated on the Real Property, and all rights, privileges, interests, and easements incident to the Real Property, including the Real Estate Interests.

1.2. Tangible Personal Property. The Seller agrees to sell, and the Buyer agrees to purchase, the Owner's right, title, and interest in the furniture, fixtures, equipment, and other tangible personal property of every kind and nature now installed, situated, or used in, on, about, or in connection with the operation and use of the Real Property and Improvements (the "Personal Property"), including, without limitation, all furniture, ranges, refrigerators, signs, draperies, carpeting, and maintenance equipment.

1.3. Intangible Personal Property. The Seller agrees to sell, and the Buyer agrees to purchase, all intangible personal property owned by the Owners and used in connection with the ownership, operation, and maintenance, of the Real Property, Improvements, and Personal Property (the "Intangible Personal Property").

## SECTION 2 PURCHASE PRICE

### 2.1. Purchase Price.

2.1.1 As consideration for the sale of the Property, the Buyer shall pay to the Seller at the Closing the total amount of seventeen million, three hundred fifty-two thousand dollars (\$17,352,000.00) (the "*Purchase Price*"). The Purchase Price is the result of an independent appraisal.

2.1.2 The Purchase Price will be allocated by APN among each Unit Owner as set forth on Exhibit B to this Agreement and as offset by any amount due any lienholders of record.

### 2.2. Earnest Money.

2.2.1 Upon the execution of this Agreement by the Seller and Buyer, the Buyer shall deliver to First Centennial Title Company (the "Title Company") one hundred thousand dollars (\$100,000.00) (the "*Earnest Money*").

2.2.2 If the sale contemplated by this Agreement is completed, the Earnest Money shall be applied against the Purchase Price. If the sale is not completed, the Earnest Money shall be paid to the Seller or refunded to the Buyer in accordance with the terms of this Agreement.

2.2.3 If any litigation arises between the Seller and Buyer regarding the Earnest Money, the Seller and Buyer shall indemnify and hold harmless the Title Company against any cost or expense that the Title Company incurs in such litigation. The Title Company's only obligation in the event of litigation is to retain the Earnest Money until a final determination of ownership has been made by a court of competent jurisdiction.

### 2.3 Special Situation Fund.

2.3.1 As consideration for those creditors holding liens on the Units, which were recorded before termination and to ensure the Buyer takes title to all Units without any encumbrances, the Buyer reserves the right to set aside an amount at the Buyer's sole discretion to satisfy remaining balances owed to creditors after appraised cost of Unit is transferred.

2.3.2 The Buyer reserves the right to deposit additional funds into the Special Situation Fund, if deemed necessary by the Buyer and to further separate the Special Situation Fund into separate identified categories to address lienholders.

2.3.3 Any proceeds left in the Special Situation Fund once all Units are conveyed to the Buyer will be returned to the Buyer.

### SECTION 3 TITLE

3.1. Title Commitment. Within five days after the date that this Agreement is executed, the Seller, at the Seller's own expense, shall deliver or cause to be delivered to the Buyer a commitment for title insurance (the "Title Commitment") issued by the Title Company and accurate, complete, and legible copies of all documents referred to in the Title Commitment. The Title Commitment shall set forth the status of the title of the Real Property and Improvements and show all liens, security interests, claims, encumbrances, easements, rights of way, encroachments, reservations, restrictions, and any other matters affecting the Real Property and Improvements (the "Encumbrances").

3.2. Uniform Commercial Code. Within five days after the date of this Agreement, the Seller, at the Seller's own expense, shall deliver or cause to be delivered to the Buyer searches of the Uniform Commercial Code records showing title to the Tangible Personal Property to be free and clear of all security interests, liens, and encumbrances.

3.3. Buyer's Objections to Title Defects. Within five days after receiving the Title Commitment and copies of documents referred in the Title Commitment, the Buyer shall give the Seller a written notice (the "Buyer's Objection Notice") of all exceptions to title to which the Buyer objects, including liens on any Hotel Unit in excess of the appraised fair market value of the Hotel Unit (the "Title Defects"). If the Buyer's Objection Notice is not timely delivered, all items reflected on the Title Commitment shall be considered to be permitted encumbrances.

3.4. Removal of Title Defects. Upon receipt by the Seller of Buyer's Objection Notice, the Seller shall immediately and diligently pursue the removal of the Title Defects. The Seller shall have thirty (30) days after receipt of notice in which to cure the Title Defects or, if the Title Defects are not readily curable within the 30-day period, then the Seller may have such additional time as the Buyer may permit in writing, in which case, the Closing Date shall, at the Buyer's option, be extended accordingly (the thirty 30-day period, as the same may be extended, referred to as the "Cure Period"). If some or all of the Title Defects can only reasonably be cured at Closing, then Seller may covenant to cure the Title Defects at Closing, subject to Buyer's reasonable consent. If Seller is unable to cure the Title Defects within the Cure Period, the Seller shall notify the Buyer of that fact prior to the expiration of the Cure Period, and the Buyer shall have the option to: (a) accept the Property subject to the Title Defects, except for those Title Defects which can be cured by the payment of money only or, with the Buyer's consent, insured through by the Title Company (which Title Defects the Seller shall discharge or insure through with the Buyer's consent prior to Closing); (b) close the transactions on those Hotel Units that are not subject to Title Defects and this Agreement shall remain in effect with respect to any Hotel Units that are subject to Title Defects until the Title Defects are discharged or insured or this Agreement is otherwise terminated by Buyer in Buyer's sole discretion or (c) declare this Agreement to be null and void and of no further force or effect, in which case, all sums paid or deposited by the Buyer shall be returned to the Buyer, and the Seller shall pay all title and escrow costs incurred under this Agreement.

### SECTION 4 INSPECTION OF PROPERTY

Buyer, having been advised of the benefits of inspections, waives the right to examine all documents relevant to the operation of the Property and physically inspect the Property to determine the feasibility, suitability, and desirability of purchasing the Property.

SECTION 5  
SELLER'S OBLIGATIONS PRIOR TO CLOSING

5.1. Operation and Maintenance of Property. During the period beginning the date this Agreement is executed and ending on the date of the Closing, the Seller shall:

5.1.1 Operate and manage the Real Property and Improvements in the usual and customary manner.

5.1.2 Keep the Real Property, Improvements, and Tangible Personal Property in good repair and condition and make any necessary repairs.

5.1.3 Notify the Buyer promptly in writing if there is any material change in the occupancy or conditions affecting the Real Property and Improvements.

5.2. Contractual Obligations. During the period beginning the date this Agreement is executed and ending on the date of the Closing, the Seller shall:

5.2.1 Comply with all mortgages, leases, and other contractual arrangements relating to the Real Property, Improvements, and Tangible Personal Property and make all payments required by such contractual arrangements; provided, however, and for avoidance of doubt, unless expressly required under applicable provisions of Nevada law, Seller does not assume obligations of Unit Owners related to any of the foregoing arrangements and nothing herein shall be construed as to restrict or abrogate in any manner the rights of creditors or lienholders of the Association or the Unit Owners under applicable Nevada law.

5.2.2 Unless the Seller has the Buyer's written permission, not negotiate or enter into any new contract or modify any existing contract that affects the use or operation of the Real Property and Improvements unless the contract can be terminated without penalty on or before the Closing.

5.2.3 Unless the Seller has the Buyer's written permission, not enter into, amend, or terminate any lease or institute any legal proceeding to enforce any lease.

5.3. Compliance with Applicable Law. During the period beginning the date this Agreement is executed and ending on the date of the Closing, the Seller shall comply with all federal, state, and local laws, ordinances, and regulations relating to the Real Property and Improvements, including the provisions of applicable Nevada law.

5.4. Buyer's Access to Real Property and Improvements. During the period beginning the date this Agreement is executed and ending on the date of the Closing, the Seller provide the Buyer and the Buyer's representatives, employees, and agents full and complete access (subject to the rights of tenants) to the Real Property and Improvements during normal business hours.

5.5. Material Changes. Seller shall notify the Buyer immediately of any material change with respect to the Property or any information furnished to the Buyer with respect to the Property.

SECTION 6  
WARRANTIES AND REPRESENTATIONS

6.1. Seller's Representations and Warranties. The Seller represents and warrants as follows:

6.1.1 Seller is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Nevada and has the power and authority to execute and carry out the terms of this Agreement.

6.1.2 The location, construction, occupancy, operation, and use of the Real Property and Improvements do not violate any applicable law or regulation of any governmental authority.

6.2. Buyer's Representations and Warranties. The Buyer represents and warrants that it is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Nevada and has the power and authority to execute and carry out the terms of this Agreement.

6.3. Survival of Representations and Warranties. The representations and warranties set forth in this SECTION 6 shall survive the Closing.

## SECTION 7 CLOSING

7.1. Time of Closing. The Seller shall convey title to the Real Property, Improvements, Tangible Personal Property, and Intangible Personal Property to the Buyer within thirty days of the recording of the Agreement to Terminate Condominium Hotel, Condominium Hotel Association and Declaration of Covenants, Conditions, Restrictions and Reservation of Easements or otherwise by agreement of the parties ("Closing"); provided, however, that the parties may mutually extend the Closing as to all or a portion of the Hotel Units, including to give effect to Buyer's election pursuant to Section 3.4 to close the transactions on those Hotel Units that are not subject to Title Defects and maintaining this Agreement in effect with respect to any Hotel Units that are subject to Title Defects until the Title Defects are discharged or insured or this Agreement is otherwise terminated by Buyer.

7.2. Instruments To Be Delivered to Buyer. At the Closing, the Seller shall deliver to the Buyer the following instruments, properly executed and acknowledged and in a form reasonably acceptable to the Buyer and Seller:

7.2.1 A General Grant Bargain Sale Deed in proper form for recording to convey to the Buyer good and indefeasible fee simple title in and to the Real Property and Improvements, subject only to permitted encumbrances.

7.2.2 A Bill of Sale conveying to the Buyer good and indefeasible title in and to the Tangible Personal Property and Intangible Personal Property free and clear of all security interest, liens, and other encumbrances.

7.2.3 An Owner's Policy of Title Insurance (the "Owner's Title Policy") issued by the Title Company. The Owner's Title Policy shall be for the amount of the Purchase Price and shall insure the Buyer's fee simple title to the Real Property, subject only to permitted encumbrances and the printed exceptions contained in the standard form of Owner's Title Policy other than the survey exception, which shall be deleted, the exception as to restrictive covenants, which shall include only permitted encumbrances.

7.2.4 The Seller's assignment of the Seller's interest in all warranties and guarantees regarding the Real Property, Improvements, Tangible Personal Property, and Intangible Personal Property.

7.2.5 Evidence satisfactory to the Buyer and the Title Company that the person or persons executing the documents at the Closing on behalf of the Seller has the power and authority to do so.

7.2.6 A Certification of Non-Foreign Status for purposes of Section 1445 of the Internal Revenue Code of 1986, as amended.

7.2.7 Such other instruments as are necessary to transfer the Real Property, Improvements, Tangible Personal Property, and Intangible Personal Property to the Buyer.

7.3. Payment of Purchase Price. At the Closing, the Buyer shall deliver the Purchase Price to the Seller for distribution to the Unit Owners in cash or immediately available funds.

7.4. Delivery of Possession of Property. At the Closing upon payment of the Purchase Price, the Seller shall deliver possession of the Real Property, Improvements, Tangible Personal Property, and Intangible Personal Property to the Buyer.

7.5. Closing Costs.

7.5.1 At the Closing, the Buyer shall pay all charges for recording the instruments conveying title to the Real Property, fifty percent (50%) of the escrow fees charged by the Title Company, and the Buyer's attorneys' fees.

7.5.2 At the Closing, the Seller shall pay the premium for the Owner's Title Policy, all charges for tax certificates, fifty percent (50%) of the escrow fees charged by the Title Company, all charges for preparing and recording any instruments required to clear the Seller's title for conveyance to the Buyer, and the Seller's attorneys' fees.

7.6. Prorated Costs. All real and personal property taxes shall be prorated to the Closing date based on the latest available tax rate and assessed valuation. All other items customarily prorated in transactions similar to the transaction contemplated by this Agreement shall be prorated to the Closing date.

## SECTION 8 RISK OF LOSS

Risk of loss until the Closing shall be borne exclusively by the Seller.

## SECTION 9 REMEDIES FOR BREACH OF AGREEMENT

9.1. Breach by Buyer. If the Buyer fails to complete the purchase contemplated by this Agreement for any reason other than pursuant to a right of termination granted to the Buyer by this Agreement, the Seller, as the Seller's exclusive remedy, may terminate this Agreement by giving the Buyer written notice, in which case the Title Company shall pay the Earnest Money to the Seller.

9.2. Breach by Seller. If the Seller fails to complete the sale contemplated by this Agreement for any reason other than a breach of this Agreement by the Buyer, the Buyer, as the Buyer's exclusive remedy, may enforce specific performance of the Seller's obligations or may terminate this Agreement by giving the Seller written notice, in which case the Title Company shall refund the Earnest Money to the Buyer.

## SECTION 10 ASSIGNMENTS

The Buyer shall have full right to assign this Agreement to any other party or parties and, upon assumption of this Agreement by the party or parties, the Buyer shall be released from all liability hereunder. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

## SECTION 11 NO THIRD PARTY BENEFICIARIES

Except for the indemnity provisions of Section 2.2.3 (which are intended to be for the benefit of the Title Company identified therein), the terms of this Agreement, whether express or implied, are intended solely for the benefit of the Seller and Buyer, and it is not the intention of the Seller and Buyer to confer third-party beneficiary rights upon any other person including other Unit Owners. Nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third parties to any party to this Agreement.

## SECTION 12 NOTICES

Any notice required or permitted to be given under this Agreement must be in writing and must be delivered in person or mailed by certified mail, return receipt requested, postage prepaid, addressed to the Seller or Buyer at the following address:

Seller: MEI-GSR Holdings, LLC

2500 East Second

Reno, NV 89595

Buyer: Summit Units Acquisition LLC

2500 East Second

Reno, NV 89595

All notices personally delivered shall be effective upon receipt. All notices mailed shall be deemed to be given three (3) days after the date of mailing. The Seller or Buyer may change the address for notices by giving the other party a notice complying with this Section.

## SECTION 13 TIME OF ESSENCE

Time is of the essence of this Agreement.



SECTION 14  
BROKERAGE FEES

The Buyer and Seller agree that the sale contemplated by this Agreement was not brought about by the efforts of any broker and neither party dealt with any broker. There shall be no brokerage fees due or paid.

SECTION 15  
ATTORNEY'S FEES

If the Seller or Buyer files a suit to enforce this Agreement or any provision included in this Agreement, the party prevailing in the action shall be entitled to recover reasonable attorney's fees fixed by a court of competent jurisdiction in addition to all other available remedies or damages.

SECTION 16  
SEVERABILITY OF PROVISIONS; COMPLIANCE

16.1. If any provision of this Agreement is held to be invalid or unenforceable to any extent, the invalidity or unenforceability of that provision shall not affect any other provision of this Agreement so long as the essential terms of the transactions contemplated by this Agreement remain enforceable. The stricken provision or part shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision or part as is legally possible so as to effect the original intent of the parties as closely as possible. If modifying or disregarding the unenforceable provision would result in failure of an essential purpose of this Agreement, the entire Agreement is to be held unenforceable.

16.2. To the extent that any provisions of this Agreement should be deleted, modified, or amended in order to comply with the provisions of applicable Nevada law or the Declaration, those provisions shall be deleted, modified, or amended accordingly in a self-executing manner to the same extent necessary to achieve compliance and achieve the essential purposes of this Agreement. All other terms of this Agreement shall remain in full force and effect.

SECTION 17  
ENTIRE AGREEMENT

This Agreement is the entire agreement between the Seller and Buyer with respect to the sale of the Real Property, Improvements, Tangible Personal Property, and Intangible Personal Property. The Seller and Buyer have not entered into any agreements or made any representations or warranties with respect to the matters covered by this Agreement other than those made in this Agreement.

SECTION 18  
BINDING EFFECT

This Agreement shall be binding upon, and shall inure to the benefit of, the Seller and Buyer and their respective heirs, personal representatives, successors, and assigns.

SECTION 19  
AMENDMENTS

This Agreement may not be amended or modified except in a writing signed by both the Seller and the Buyer.

SECTION 20  
WAIVER OF PROVISIONS

No term, condition, or covenant of this Agreement may be deemed waived by the Seller or Buyer unless the waiver is in a writing signed by the other party. A waiver of any breach of any term, condition, or covenant of this Agreement shall not be deemed to be a waiver of any subsequent breach of that term, condition, or covenant or any breach of any other term, condition, or covenant.

SECTION 21  
GOVERNING LAW

This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Nevada without reference to the state's conflicts of laws principles.

EXECUTION

The Seller and Buyer execute this Agreement as of the date first written above.

**SELLER:**

MEI-GSR HOLDINGS, LLC,  
a Nevada limited liability company

**BUYER:**

SUMMIT UNITS ACQUISITION LLC,  
a Nevada limited liability company

By: \_\_\_\_\_  
Alex Meruelo  
Manager

By: \_\_\_\_\_  
Alex Meruelo  
Manager

EXHIBIT A  
CONDOMINIUM HOTEL

EXHIBIT “3”

EXHIBIT “3”

EXHIBIT “3”

## **MEETING OF THE MEMBERS**

The purpose of this notice and agenda is to inform you of the date, time, place and action items of the upcoming scheduled Grand Sierra Resort (GSR) Meeting of the Unit Owners Members. This Notice and Agenda has been prepared and mailed by the Hotel Unit Owner. The purpose is to vote on the proposed Termination and Sale of the Property and to talk about any items that unit owners wish to discuss. Drafted minutes of this meeting will be available to homeowners upon request 30 days after the meeting date (in electronic format at no charge to the unit's owner or, in paper format at a cost not to exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter). Any unit owner may speak to the Association or executive board, unless the executive board is meeting in executive session.

**Date & Time: Thursday, March 14, 2022 | 9:30 a.m. | Zoom**

Zoom Invite:

<https://us06web.zoom.us/j/87354371405?pwd=Z3IxeHk4L3g3OWM2SHlvdzhjSjJsdz09>

Call in via phone: 1 669 900 6833

Find your local number (<https://us06web.zoom.us/j/87354371405?pwd=Z3IxeHk4L3g3OWM2SHlvdzhjSjJsdz09>)

Meeting ID: 873 5437 1405

Passcode: 845527

## **MEMBERS' MEETING AGENDA**

### **ACTION MAY TAKEN ON ALL ITEMS LISTED**

1. Call to Order, Introductions and Determination of Quorum - A unit's owner may record on audiotape or any other means of sound reproduction a meeting of the units' owners if the unit's owner, before recording the meeting, provides notice of his or her intent to record the meeting to the other units' owners who are in attendance at the meeting. The quorum will be determined, whether in person or by proxy. All proxies will be identified.
2. Homeowner Comments: This period is devoted to comments by units' owners regarding any matter affecting the association and discussion of those comments. Except in emergencies, no action may be taken upon a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken. A time limit per owner may be implemented.
3. New Business
  - a) Should the condominium hotel be terminated? If the hotel unit owner and at least eighty percent (80%) of the owners entitled to vote (whether in person or by proxy), vote yes, the condominium hotel shall be terminated.
  - b) Upon termination of the condominium hotel, should the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Hotel-Condominiums at Grand Sierra Resort recorded December 15, 2006 as Document No. 3475705, Official records Washoe County, Nevada and all amendments thereto, including but not limited to the Seventh Amendment to Condominium Declaration of Covenants, Conditions, Restrictions and Easements for Hotel-Condominiums at Grand Sierra Resort and the Ninth Amendment to Condominium Declaration of Covenants, Conditions, Restrictions and Easements for Hotel-Condominiums at Grand Sierra Resort (collectively "Declaration") be terminated? If the hotel unit owner and at least eighty percent (80%) of the owners entitled to vote (whether in person or by proxy), vote yes, the Declaration shall be terminated.

- c) Upon termination of the condominium hotel, should six-hundred and seventy-six Hotel Units together with an undivided interest in the Common Elements appurtenant and non-severable to each Unit as set forth and defined in the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Hotel-Condominiums at Grand Sierra Resort recorded December 15, 2006 as Document No. 3475705, Official records Washoe County, Nevada and amendments thereto, the Shared Facilities Unit and all other property incident to the hotel be sold at fair market value, as determined by an independent appraiser and as detailed in the sales contract attached to the proxy. If the hotel unit owner and at least eighty percent (80%) of the owners entitled to vote (whether in person or by proxy), vote yes, the sale is approved. Upon the sale of the units, the Association will be terminated pursuant to applicable law as required.
- d) Upon termination of the condominium hotel, should the Association be terminated? If the hotel unit owner and at least eighty percent (80%) of the owners entitled to vote (whether in person or by proxy), vote yes, the Association shall be terminated.

4. Adjournment

**GRAND SIERRA RESORT UNIT OWNERS ASSOCIATION  
SPECIAL MEMBERSHIP MEETING – March 14, 2022 at 9:30 a.m.**

**LOCATION:**

**Reno, NV**

**REVOCABLE PROXY**

The undersigned member(s) of the Grand Sierra Resort Unit Owners Association (the "Association") hereby revoke(s) all previous proxies, acknowledges receipt of the notice of the Special Membership Meeting to be held via Zoom on March 14, 2022 at 9:30 a.m., and appoints \_\_\_\_\_ as proxy holder of the member. **(Please write the name of the person to whom you wish to assign your proxy and provide the proxy to that person so it can be used at the meeting. Your proxy may only be assigned to a member of your immediate family, a tenant of the unit's owner who resides in the condominium hotel, another unit owner, or the hotel unit owner. If your unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through an executed proxy.)** By this proxy, the proxy holder shall have the power of substitution and revocation and power to use this proxy and otherwise represent the member at said meeting and any adjournment thereof in the same manner set out below. Any act the proxy holder shall take pursuant to this proxy shall have the same effect as if the member were present and so acting. This proxy shall be used for the purpose of establishing a quorum. In addition, in regard to voting on the matters specifically set forth below or on other matters not set forth below which may come before the meeting, the proxy holder is to use this proxy as follows:

The proxy holder is hereby instructed to: **(check only one)**

- ☐ ABSTAIN FROM VOTING  
☐ VOTE AND CAST THE MEMBER'S VOTE AS FOLLOWS:

1. Should the condominium hotel be terminated? If the hotel unit owner and at least eighty percent (80%) of the owners of units at the Condominium Hotel entitled to vote, vote yes, the condominium hotel shall be terminated.

\_\_\_\_\_  
YES

\_\_\_\_\_  
NO

2. Upon termination of the condominium hotel, should the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Hotel-Condominiums at Grand Sierra Resort recorded December 15, 2006 as Document No. 3475705, Official records Washoe County, Nevada and all amendments thereto, including but not limited to the Seventh Amendment to Condominium Declaration of Covenants, Conditions, Restrictions and Easements for Hotel-Condominiums at Grand Sierra Resort and the Ninth Amendment to Condominium Declaration of Covenants, Conditions, Restrictions and Easements for Hotel-Condominiums at Grand Sierra Resort (collectively "Declaration") be terminated? If the hotel unit owner and at least eighty percent (80%) of the owners entitled to vote, vote yes, the Declaration shall be terminated.

\_\_\_\_\_  
YES

\_\_\_\_\_  
NO

3. Upon termination of the hotel condominium, should six-hundred and seventy Hotel Units together with an undivided interest in the Common Elements appurtenant and non-severable to each Unit as set forth and defined in the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Hotel-Condominiums at Grand Sierra Resort recorded December 15, 2006 as Document No. 3475705, Official records Washoe County, Nevada and amendments thereto, the Shared Facilities Unit and all other property incident to the hotel be sold at fair market value, as determined by an independent appraiser and as detailed in the sales contract attached to this proxy? If the hotel unit owner and at least eighty percent (80%) of the owners entitled to vote, vote yes, the sale is approved. Upon the sale of the units, the Association will be terminated pursuant to applicable law as required.

\_\_\_\_\_  
YES

\_\_\_\_\_  
NO

4. Upon termination of the hotel Condominium, should the Association be terminated? If the hotel unit owner and at least eighty percent (80%) of the owners entitled to vote, vote yes, the Association shall be terminated.

\_\_\_\_\_  
YES

\_\_\_\_\_  
NO

**The Special Membership Meeting may be adjourned or continued from time to time to allow the Members to cast their votes. The ballots and proxies returned for the March 14, 2022 Special Membership Meeting will be considered valid at any adjourned or continued meetings.**

\_\_\_\_\_  
Member's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Member's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
Property Address in Association if Different from Mailing Address



EXHIBIT “4”

EXHIBIT “4”

EXHIBIT “4”

**ENTITY INFORMATION****ENTITY INFORMATION****Entity Name:**

SUMMIT UNITS ACQUISITION LLC

**Entity Number:**

E17902142021-3

**Entity Type:**

Domestic Limited-Liability Company (86)

**Entity Status:**

Active

**Formation Date:**

09/30/2021

**NV Business ID:**

NV20212240719

**Termination Date:**

Perpetual

**Annual Report Due Date:**

9/30/2022

**Series LLC:****Restricted LLC:****REGISTERED AGENT INFORMATION**

R.App. 000781

**Name of Individual or Legal Entity:**

C T CORPORATION SYSTEM

**Status:**

Active

**CRA Agent Entity Type:****Registered Agent Type:**

Commercial Registered Agent

**NV Business ID:**

NV20191497453

**Office or Position:****Jurisdiction:**

DELAWARE

**Street Address:**

701 S CARSON ST STE 200, Carson City, NV, 89701, USA

**Mailing Address:****Individual with Authority to Act:**

MATTHEW TAYLOR

**Fictitious Website or Domain Name:****OFFICER INFORMATION**☐ **VIEW HISTORICAL DATA**

Title	Name	Address	Last Updated	Status
Manager	Meruelo Investment Partners LLC	2500 E. 2nd Street, Reno, NV, 89595, USA	09/30/2021	Active

Page 1 of 1, records 1 to 1 of 1

[Filing History](#)[Name History](#)[Mergers/Conversions](#)

R.App. 000782

**ENTITY INFORMATION****ENTITY INFORMATION****Entity Name:**

MERUELO INVESTMENT PARTNERS LLC

**Entity Number:**

E0245472014-0

**Entity Type:**

Domestic Limited-Liability Company (86)

**Entity Status:**

Active

**Formation Date:**

05/08/2014

**NV Business ID:**

NV20141314366

**Termination Date:**

Perpetual

**Annual Report Due Date:**

5/31/2022

**Series LLC:****Restricted LLC:****REGISTERED AGENT INFORMATION**

R.App. 000783

**Name of Individual or Legal Entity:**

C T CORPORATION SYSTEM

**Status:**

Active

**CRA Agent Entity Type:****Registered Agent Type:**

Commercial Registered Agent

**NV Business ID:**

NV20191497453

**Office or Position:****Jurisdiction:**

DELAWARE

**Street Address:**

701 S CARSON ST STE 200, Carson City, NV, 89701, USA

**Mailing Address:****Individual with Authority to Act:**

MATTHEW TAYLOR

**Fictitious Website or Domain Name:****OFFICER INFORMATION**☐ VIEW HISTORICAL DATA

Title	Name	Address	Last Updated	Status
Other/	Alex Meruelo	2500 E. 2nd Street, Reno, NV, 89595, USA	05/14/2021	Active

Page 1 of 1, records 1 to 1 of 1

[Filing History](#)[Name History](#)[Mergers/Conversions](#)

EXHIBIT “5”

EXHIBIT “5”

EXHIBIT “5”

1 CODE: **1520**

2 Jarrad C. Miller, Esq. (NV Bar No. 7093)  
3 Jonathan J. Tew, Esq. (NV Bar No. 11874)  
4 Briana N. Collings, Esq. (NV Bar No. 14694)  
5 Robertson, Johnson, Miller & Williamson  
6 50 West Liberty Street, Suite 600  
7 Reno, Nevada 89501  
8 (775) 329-5600  
9 [jarrad@nvlawyers.com](mailto:jarrad@nvlawyers.com)  
10 [jon@nvlawyers.com](mailto:jon@nvlawyers.com)  
11 [briana@nvlawyers.com](mailto:briana@nvlawyers.com)

12 Robert L. Eisenberg, Esq., (NV Bar No. 0950)  
13 Lemons, Grundy & Eisenberg  
14 6005 Plumas Street, Third Floor  
15 Reno, Nevada 89519  
16 Telephone: (775) 786-6868  
17 Facsimile: (775) 786-9716  
18 [rle@lge.net](mailto:rle@lge.net)

19 Attorneys for Plaintiffs

20 **SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**

21 **IN AND FOR THE COUNTY OF WASHOE**

22 ALBERT THOMAS, individually; *et al.*,

23 Plaintiffs,

24 vs.

Case No. CV12-02222  
Dept. No. OJ37

25 MEI-GSR Holdings, LLC, a Nevada limited  
26 liability company, GRAND SIERRA  
27 RESORT UNIT OWNERS' ASSOCIATION,  
28 a Nevada nonprofit corporation, GAGE  
VILLAGE COMMERCIAL  
DEVELOPMENT, LLC, a Nevada limited  
liability company; AM-GSR HOLDINGS,  
LLC, a Nevada limited liability company; and  
DOE DEFENDANTS 1 THROUGH 10,  
inclusive,

Defendants.

**AFFIDAVIT OF JARRAD MILLER**  
**IN SUPPORT OF PLAINTIFFS' EX PARTE APPLICATION FOR TEMPORARY**  
**RESTRAINING ORDER, AND MOTION FOR PRELIMINARY INJUNCTION**

1 STATE OF NEVADA            )  
  : ss.  
2 COUNTY OF WASHOE        )

3 I, JARRAD C. MILLER, do hereby declare as follows:

4 1. Except as otherwise stated, all matters herein are based upon my personal  
5 knowledge.

6 2. I am over the age of 18, competent to make this Affidavit, and if called to testify,  
7 my testimony will be consistent with the statements contained herein.

8 3. I am an attorney licensed to practice law in the State of Nevada.

9 4. I am a shareholder with the law firm of Robertson, Johnson, Miller & Williamson  
10 and counsel for the Plaintiffs herein.

11 5. I have read the *Ex Parte* Application for Temporary Restraining Order, and  
12 Motion for Preliminary Injunction (“TRO Application”), and know the contents thereof.

13 6. The statements made in the TRO Application are true of my own personal  
14 knowledge, except as to those matters based upon information and belief, and that as to those  
15 matters I believe them to be true.

16 7. The proposed actions of the Defendants that are the subject of the TRO  
17 Application, based upon information and belief, violates Court orders and Instructions and will  
18 cause irreparable harm for which compensatory damage is an inadequate remedy as a result of  
19 the contemplated transfer of Plaintiffs’ real property interests.

20 8. The presently proposed and unauthorized meeting conflicts with numerous  
21 Receivership Orders and Instructions and is scheduled to take place in less than two weeks.  
22 Accordingly, I certify that a TRO must be issued before the Defendants have an opportunity to  
23 be heard. Notice of the TRO Application will be provided concurrently via Eflex and via email  
24 to counsel and Justice Saitta.

25 9. Attached to the TRO Application as **Exhibit 1** is a true and correct copy of the  
26 Agreement to Terminate Condominium Hotel, Condominium Hotel Association, and Declaration  
27 of Covenants, Conditions, Restrictions and Reservation of Easements.



10. Attached to the TRO Application as **Exhibit 2** is a true and correct copy of the Agreement for Sale of Condominium Hotel Interests.

11. Attached to the TRO Application as **Exhibit 3** is a true and correct copy of the Meeting of the Members.

12. Attached to the TRO Application as **Exhibit 4** is a true and correct copy of certain pages from the Nevada Secretary of State website concerning the stated business entities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my personal knowledge.

## AFFIRMATION

Pursuant to NRS § 239B.030, the undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

Executed this 1<sup>st</sup> day of March, 2022, at Reno, Nevada.

~~Jarrad C. Miller, Esq.~~

Subscribed and sworn to before me  
this 1st day of March, 2022.

Notary Public

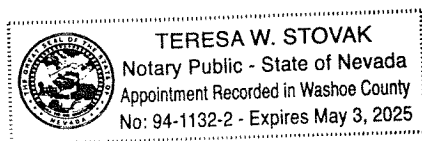


EXHIBIT “6”

EXHIBIT “6”

EXHIBIT “6”

1 CODE: 4170  
Jarrad C. Miller, Esq. (NV Bar No. 7093)  
2 Jonathan J. Tew, Esq. (NV Bar No. 11874)  
Briana N. Collings, Esq. (NV Bar No. 14694)  
3 Robertson, Johnson, Miller & Williamson  
50 West Liberty Street, Suite 600  
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(775) 329-5600  
5 [jarrad@nvlawyers.com](mailto:jarrad@nvlawyers.com)  
[jon@nvlawyers.com](mailto:jon@nvlawyers.com)  
6 [briana@nvlawyers.com](mailto:briana@nvlawyers.com)

7 Robert L. Eisenberg, Esq., (NV Bar No. 0950)  
Lemons, Grundy & Eisenberg  
8 6005 Plumas Street, Third Floor  
Reno, Nevada 89519  
9 Telephone: (775) 786-6868  
Facsimile: (775) 786-9716  
10 [rle@lge.net](mailto:rle@lge.net)

11 Attorneys for Plaintiffs

12  
13 **SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**  
14 **IN AND FOR THE COUNTY OF WASHOE**  
15

16 ALBERT THOMAS, individually; *et al.*,

17 Plaintiffs,

18 vs.

Case No. CV12-02222  
Dept. No. OJ37

19 MEI-GSR Holdings, LLC, a Nevada limited  
liability company, GRAND SIERRA  
20 RESORT UNIT OWNERS' ASSOCIATION,  
a Nevada nonprofit corporation, GAGE  
21 VILLAGE COMMERCIAL  
DEVELOPMENT, LLC, a Nevada limited  
22 liability company; AM-GSR HOLDINGS,  
LLC, a Nevada limited liability company; and  
23 DOE DEFENDANTS 1 THROUGH 10,  
inclusive,

24 Defendants.  
25

26 **[Proposed] TEMPORARY RESTRAINING ORDER**

27 The Court has read and considered the legal memoranda and exhibits in support of the *Ex*  
28 *Parte* Application for Temporary Restraining Order and Motion for Preliminary Injunction

1 (“TRO Application”). Pursuant to N.R.S. 33.010 and N.R.C.P. 65, and for good cause  
2 appearing, the Court hereby finds as follows:

3 1. Plaintiffs own certain condominium units with the Grand Sierra Resort Unit  
4 Owners’ Association (“GSRUOA”).

5 2. A receiver has been appointed over the GSRUOA. “The Receiver is appointed  
6 for the purpose of implementing compliance, among all condominium units, including units  
7 owned by any Defendant in this action (collectively, “the Property”), with the Covenants Codes  
8 and Restrictions recorded against the condominium units, the Unit Maintenance Agreements and  
9 the original Unit Rental Agreements (“Governing Documents”).” (January 7, 2015 Order at 1:27  
10 to 2:3.) The Order further dictates that the Defendants shall not do “any act which will, or  
11 which will tend to, impair, defeat, divert, prevent or prejudice the preservation of the Property or  
12 the interest of the Plaintiffs in the Property.” (Id. at 8:2-11.)

13 3. On or about February 28, 2022, numerous Plaintiffs received via U.S. mail sent  
14 from the Defendants an Agreement to Terminate Condominium Hotel, Condominium Hotel  
15 Association, and Declaration of Covenants, Conditions, Restrictions and Reservation of  
16 Easements (“Agreement to Terminate”); Agreement for Sale of Condominium Hotel Interests  
17 (“Agreement for Sale”); Meeting of the Members (“Meeting Notice”). The Meeting Notice states  
18 that “[t]he purpose is to vote on the proposed Termination and Sale of the Property . . . .” (Id. at  
19 1.) The Meeting is set for March 14, 2022. (Id. at 1 ¶ 1.) Under New Business, the Meeting  
20 Notice states that “[i]f the hotel unit owner and at least eighty percent (80%) of the owners  
21 entitled to vote (whether in person or by proxy), vote yes, the condominium hotel shall be  
22 terminated.” (Id. at 1 § 3(a).) Further, “[i]f the hotel unit owner and at least eighty percent (80%)  
23 of the owners entitled to vote (whether in person or by proxy), vote yes, the Declaration shall be  
24 terminated.” (Id. at 1 § 3(b).) Further, “[i]f the hotel unit owner and at least eighty percent  
25 (80%) of the owners entitled to vote (whether in person or by proxy), vote yes, the sale is  
26 approved. Upon the sale of the units, the Association will be terminated . . . .” (Id. at 1 § 3(c).)

27 4. Defendants’ proposed action under the Agreement to Terminate, Agreement for  
28 Sale and/or Meeting Notice would harm the Plaintiffs’ real property interest and conflicts with

1 this Court's appointment of a receiver, orders concerning the receivership (including the Court's  
2 January 4, 2022 Orders), and this Court's October 9, 2015 Findings of Fact, Conclusion of Law  
3 and Judgment ("FFCLJ").

4 5. Given that this dispute involves alleged harm to real property and to the rights of  
5 certain parties under the Governing Documents which is threatened by the Defendants' proposed  
6 actions, the law deems these injuries to be irreparable. *See, e.g., Dixon v. Thatcher*, 103 Nev.  
7 414, 416, 742 P.2d 1029, 1030 (1987); *Dangberg Holdings, L.L.C. v. Douglas County and its*  
8 *Bd. of County Com'rs*, 115 Nev. 129, 143, 978 P.2d 311, 319 (1999).

9 6. Because the Application was filed via the Court's eFlex filing system, the  
10 Defendants were in fact provided with immediate notice of the TRO Application and thus this  
11 Order is being issued only after prior notice to the Defendants.

12 Therefore, IT IS HEREBY ORDERED THAT the Defendants are directed to refrain  
13 from proceeding with the meeting scheduled for March 14, 2022 and/or seeking to terminate the  
14 GSRUOA or sell or transfer the subject condominium units.

15 IT IS FURTHER ORDERED THAT this Temporary Restraining Order will expire upon  
16 the conclusion of the hearing for a preliminary injunction, which the parties shall schedule with  
17 this Court to occur no later than fourteen (14) days after the Court issues the requested  
18 Temporary Restraining Order.

19 IT IS FURTHER ORDERED THAT this Temporary Restraining Order shall be effective  
20 upon the Plaintiffs' filing of a surety bond in the amount of \_\_\_\_\_.

21 DATED: This \_\_\_\_\_ day of March, 2022, at \_\_\_\_:\_\_\_\_.m.

22  
23 \_\_\_\_\_  
24 DISTRICT JUDGE  
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Hon. Elizabeth Gonzalez (Ret.)  
Sr. District Court Judge  
PO Box 35054  
Las Vegas, NV 89133

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA  
IN AND FOR THE COUNTY OF WASHOE

ALBERT THOMAS, et. al.,

Plaintiff,

vs.

MEI-GSR HOLDINGS, LLC., a Nevada  
Limited Liability Company, et al

Defendant.

ORDER

Case#: CV12-02222

Dept. 10 (Senior Judge)

Pursuant to WDCR 12(5) the Court after a review of the briefing and related documents and being fully informed rules on Defendants' Motion to Modify and Terminate Receivership ("Motion").<sup>1</sup> After consideration of the briefing, the Court denies the motion.

The Motion is premature given the status of Defendants compliance with the Court's prior order.

The Court has overruled the Objection by order of this date and Defendants are to deposit funds consistent with the Order entered on January 26, 2023. Once those funds are deposited, the Receiver shall file a motion for payment of expenses including his fees and the fees of his attorney;

<sup>1</sup> The court has also reviewed the Opposition filed March 2, 2023, Notice of Errata filed March 3, 2023, and the Reply filed on March 10, 2023..

1 After payment of those funds, the Receiver shall provide accurate rental information<sup>2</sup> as well as the  
2 recalculated fees. Once that information is provided to Plaintiffs' counsel, Plaintiffs' have 30 days to  
3 provide their appraisal.

4 Defendants may file a subsequent motion once they have complied with the Court's prior orders.

5 Dated this 27th day March, 2023.

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9 Hon. Elizabeth Gonzalez, (Ret.)  
10 Sr. District Court Judge

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27 \_\_\_\_\_  
28 <sup>2</sup> The Court notes that Defendants are in control of this information and there providing of this information to the Receiver may expedite the process. If Defendants do not cooperate with the Receiver in providing this information, the process may take much longer than necessary.

**CERTIFICATE OF SERVICE**

I certify that I am an employee of THE SECOND JUDICIAL DISTRICT COURT; that on the 27th day of March, 2023, I electronically filed the foregoing with the Clerk of the Court system which will send a notice of electronic filing to the following:

DALE KOTCHKA-ALANES  
DANIEL POLSENBERG, ESQ.  
DAVID MCELHINNEY, ESQ.  
BRIANA COLLINGS, ESQ.  
ABRAN VIGIL, ESQ.  
JONATHAN TEW, ESQ.  
JARRAD MILLER, ESQ.  
TODD ALEXANDER, ESQ.  
F. DEARMOND SHARP, ESQ.  
STEPHANIE SHARP, ESQ.  
G.DAVID ROBERTSON, ESQ.  
ROBERT EISENBERG, ESQ.  
JENNIFER HOSTETLER, ESQ.  
ANN HALL, ESQ.  
JAMES PROCTOR, ESQ.  
JORDAN SMITH, ESQ.

  
\_\_\_\_\_



Hon. Elizabeth Gonzalez (Ret.)  
Sr. District Court Judge  
PO Box 35054  
Las Vegas, NV 89133

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA  
IN AND FOR THE COUNTY OF WASHOE

ALBERT THOMAS, et. al.,

Plaintiff,

vs.

MEI-GSR HOLDINGS, LLC., a Nevada  
Limited Liability Company, et al

Defendant.

ORDER

Case#: CV12-02222

Dept. 10 (Senior Judge)

Pursuant to the request made by counsel for Defendant to accommodate a family medical emergency and the discussions on the conference call on March 28, 2023, the commencement of the contempt trial is continued from April 3 to June 6, 2023. Parties to submit prehearing statements on June 1, 2023 with an electronic courtesy copy to [srsrgonzalez@nvcourts.nv.gov](mailto:srsrgonzalez@nvcourts.nv.gov).

Dated this 28th day March, 2023.

  
\_\_\_\_\_  
Hon. Elizabeth Gonzalez, (Ret.)  
Sr. District Court Judge

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ANN HALL, ESQ.  
JAMES PROCTOR, ESQ.  
JORDAN SMITH, ESQ.

Holly W. Lange

\*\*\* ROUGH DRAFT \*\*\*

1           RENO, NEVADA, FRIDAY, JUNE 9, 2023, 3:00 P.M.

2                               -o0o-

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4           THE COURT: Thank you. So let me get through the  
5 whole thing, and then if you want to ask questions or ask me  
6 for clarification, please do. But I want to get through the  
7 whole thing and I have been typing on it all week, so it's  
8 four pages long single spaced.

9           Okay. Counsel, I want to thank all of you for the  
10 professional and competent way in which you have all  
11 participated in this difficult proceeding. As we all know,  
12 I am the most recent in a long succession of Judicial  
13 Officers assigned or making decisions in this matter. Those  
14 include Discovery Commissioner Ayers, Judge Sattler,  
15 Judge Sigurdson, Chief Judge Freeman, Senior Judge Kosach,  
16 Senior Judge Maddox, Senior Justice Saitta, and Chief Judge  
17 Simons.

18           I am not in a position to second-guess the  
19 decisions of the Judicial Officers who have made decisions  
20 before my assignment or to modify the decision that those  
21 Officers have made.

22           Senior Judges assigned to a case under the Senior  
23 Judge Program do not have a dedicated staff to rely upon to

24 assist with the necessary judicial tasks and do not have the

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\*\*\* ROUGH DRAFT \*\*\*

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1 same electronic access as Judges in the Judicial District.

2 This creates substantial difficulty for any Senior who takes

3 on a case through the AOC under a CR10.

4 Regardless of the difficulties, my responsibility

5 in this matter is to get this case to the finish line, which

6 in this stage includes resolving the pending issues relating

7 to contempt before me, the dissolution plan detailed in the

8 December 5th, 2022 order, and the wind-up of the

9 receivership.

10 In addition to Gracie Dawson and the officers who

11 have assisted us during this contempt trial, I would like to

12 thank the administration of the Second Judicial District, in

13 particular Chief Judge Lynne Simons, Court Administrator

14 Alicia Lerud, and Judge Simons' JA Holly Longe who were

15 critical in providing the resources for my assignment.

16 With respect to this contempt trial, the order

17 appointing Receiver and directing Defendants' compliance

18 filed January 7th, 2015, which I will refer to as the

19 Appointment Order, is critical to my analysis. The

20 Appointment Order governs the conduct of the parties in this

21 matter.

22                   The Appointment Order provides in pertinent part,  
23    "It is further ordered that to enforce compliance with the  
24    Governing Documents the Receiver shall have the following

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\*\*\* ROUGH DRAFT \*\*\*

1    powers and responsibilities and shall be authorized and  
2    empowered to pay and discharge out of the Property's rents  
3    and/or GSRUOA monthly dues collections all the reasonable  
4    and necessary expenses of the receivership, and the costs  
5    and expenses of operation and maintenance of the Property,  
6    including all of the Receiver's and related fees, taxes,  
7    governmental assessments and charges and the nature thereof  
8    lawfully imposed upon the Property."

9                   "It is further ordered that Defendants and any  
10   other person or entity who may have possession, custody or  
11   control of any property, including any of their agents,  
12   representatives, assignees, and employees shall do the  
13   following: Turn over to the Receiver all rents, dues,  
14   reserves and revenues derived from the Property wherever and  
15   in whatsoever mode maintained."

16                  Regardless of the terms of the Appointment Order,  
17   the Defendant chose not to pay any of the rents, dues,  
18   reserves and revenues to the receivership estate. As a  
19   result, the receivership estate was not funded. Therefore,

20 the Receiver was not paid for his ongoing work, and as a  
21 result the Receiver made a decision not to continue with  
22 those tasks which were assigned to him after the last  
23 payment of his fees in October of 2019.

24 Despite repeated requests to the Court and the

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\*\*\* ROUGH DRAFT \*\*\*

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1 parties over several years, the Defendants did not pay any  
2 portion of the rents regardless of whatever interpretations  
3 Defendants believed the definition of rents to be. This  
4 failure to pay rents of any sort is the genesis of the  
5 problems which have plagued the receivership estate and the  
6 Receiver's work for many years.

7 Merely because Defendants believed the orders to  
8 be wrong and the analysis of the Judicial Officers  
9 misplaced, disobedience to these orders is not the  
10 appropriate path. The correct path is an appeal under  
11 NRAP 3(A) which is related to injunctive relief orders or  
12 appointment of a receiver or failure to terminate the  
13 receivership or a petition for extraordinary relief under  
14 NRAP 21 and any associated motion to stay.

15 Instead, here the Defendant substituted their own  
16 judgment for the judgment of the Receiver and the Court,  
17 because Defendants disagreed with the assessment of

18 appropriate expenses by the Court and the Receiver.

19           The Defendants' dissatisfaction with the Court's  
20 analysis is not a basis for the Defendants to replace those  
21 determinations with their own preferred analysis. Simply,  
22 disobedience of the orders is not the appropriate approach.

23           As a result of the multiple Judicial Officers that  
24 have been assigned to this matter, at times different words

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\*\*\* ROUGH DRAFT \*\*\*

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1 and phrases have been used in orders. The Judicial turnover  
2 is relevant in this contempt trial.

3           In order to hold a party in contempt under the  
4 Nevada statutory process set forth under NRS 22.090, the  
5 Presiding Judicial Officer must find by clear and convincing  
6 evidence that there has been a knowing and willful violation  
7 of a clear and unambiguous order. In this matter, ambiguity  
8 exists because of the language in multiple orders related to  
9 the term rent.

10           The Court is very critical of both the Defendants'  
11 substitution of its own judgment and the Defendants' failure  
12 to pay the undisputed amounts to the receivership estate  
13 during the pendency of the receivership. During this trial,  
14 for the first time Defendants submitted an undisputed amount  
15 of rents to the receivership estate in the amount of

16 \$274,679.44.

17           Given the ambiguity in the orders, the Court  
18 concludes that these failures do not rise to the level of  
19 contempt for four of the seven applications for OSC.  
20 Defendants are to prepare an order reflecting this decision  
21 on the applications filed September 27, 2021, November 19th,  
22 2021, April 25th, 2022, and December 28th, 2022.

23           With respect to the May 23rd, 2023, Application  
24 for Order to Show Cause, the Court recognizes the concerns

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\*\*\* ROUGH DRAFT \*\*\*

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1 expressed by all parties and the Receiver about his ability  
2 to rent the units during the period of the implementation of  
3 the dissolution plan. As such, the Court declines to hold  
4 the Defendants in contempt for failure to rent the units  
5 during the limited period which is the subject of that  
6 motion.

7           The Court modifies its March 14th, 2023, Order  
8 filed at 12:42 p.m. to accommodate those issues. As those  
9 units are now being rented through Defendants, the Court  
10 orders that, one, Defendants will rent the units in a fair  
11 rotation; two, rather than providing the gross rents or  
12 revenue for the 95 units beneficially owned by the  
13 Plaintiffs and 560 units beneficially owned by entities



14 affiliated with any of the Defendants as outlined in the  
15 Appointment Order, GSR will pay its pro rata share of all  
16 expenses of the receivership on a monthly basis as submitted  
17 by the Receiver.

18           The amount of gross rents or revenue for the  
19 95 units beneficially owned by the Plaintiffs will be  
20 provided to the Receiver on a monthly basis after the  
21 internal accounting controls by Defendants' Finance  
22 Department have been completed.

23           Within 10 business days of receipt, the Receiver  
24 will calculate the estimated expenses previously approved by

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\*\*\* ROUGH DRAFT \*\*\*

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1 the Court as set forth in the January 26, 2023, order filed  
2 at 8:31 a.m. and the pro rata share of expenses of the  
3 receivership for the 95 units beneficially owned by the  
4 Plaintiffs to be deducted from the gross rents and forward a  
5 spreadsheet to all counsel by electronic mail calculating  
6 the net rents to be paid to each unit owner, including those  
7 entities affiliated with the Defendants.

8           Any objection to the calculation of the net rents  
9 to be paid to each unit owner shall be filed within three  
10 business days with an Application for Order Shortening Time  
11 concurrently submitted to the Court. If no objection is

12 filed, or after a ruling by the Court on any objection, the  
13 net rents will be distributed for the 95 units beneficially  
14 owned by Plaintiffs.

15 Defendants will forward the pro rata share of  
16 expenses of the receivership for the 95 units beneficially  
17 owned by Plaintiffs after deduction from the gross rents of  
18 the 95 units beneficially owned by Plaintiffs. If the  
19 Receiver and MEI-GSR finance agree, the Receiver may provide  
20 the spreadsheet with net rents to be paid to each unit  
21 owner, including those entities affiliated with the  
22 Defendants. Defendants may then process those payments.

23 If the Receiver and MEI-GSR finance do not agree  
24 to the Defendants processing the payments, the Receiver



1 shall process those payments and charge that work as an  
2 expense of the receivership estate. The Court upon  
3 application of the parties will true up the actual expenses  
4 prior to the wind-up of the receivership. Plaintiffs are to  
5 prepare an order reflecting this decision in an order  
6 amending the March 14, 2023, order filed at 12:42 p.m.

7 With respect to the Applications for Order to Show  
8 Cause filed February 1st, 2022, and December 29th, 2022, the  
9 Appointment Order provides in pertinent part, "It is further

10 ordered that Defendants and any other person or entity who  
11 may have possession, custody or control of any property,  
12 including any of their agents, representatives, assignees,  
13 and employees shall do the following: Turn over to the  
14 Receiver all rents, dues, reserves and revenues derived from  
15 the Property wherever and in whatsoever mode maintained."

16 This language is clear and unambiguous. While the  
17 Receiver has testified that he initially chose to monitor  
18 the existing reserve accounts rather than opening new  
19 accounts, this did not change the entity who was in control  
20 of those funds.

21 On September 15th, 2021, a request was renewed by  
22 Receiver's counsel to transfer the funds, including the  
23 reserve funds, regardless of the account the reserve funds  
24 were in. Since the appointment of the Receiver, the reserve



1 funds have been under the control of the Receiver pursuant  
2 to the Appointment Order.

3 Neither the Court nor the Receiver authorized any  
4 withdrawal of funds from the reserve account. Although the  
5 Defendants filed motions with the Court to approve certain  
6 capital expenditures, they did not obtain a decision.

7 The Court finds by clear and convincing evidence

8 that Defendants willfully violated the Appointment Order by  
9 withdrawing \$3,562,441.28 in 2021 and \$12,892,660.18 in 2022  
10 from the reserve accounts without approval by the Receiver  
11 or the Court. These funds have not been returned to the  
12 reserve accounts.

13 Defendants claim those amounts were largely for  
14 prepayment of expenses for the remodel of the condominiums.  
15 Less than 300 units have been remodeled, most owned by  
16 entities affiliated with the Defendants. As the Association  
17 has been dissolved at the request of Defendants prior to  
18 completing the remodel, this wrongful conduct is magnified.

19 Despite the willful misappropriation of the  
20 reserve funds by Defendants, the Court is limited to the  
21 penalties in NRS 22.100. The Court orders the following:  
22 Within 30 days of the entry of the written order, Defendants  
23 are to return the \$16,455,101.46 misappropriated from the  
24 reserve fund along with interest that would have been earned



1 in the reserve account, or statutory interest, whichever is  
2 higher, from the date of the withdrawals.

3 Within 45 days of the entry of the written order,  
4 transfer all of the reserve funds to a separate interest  
5 bearing account designated by the Receiver. Fines will be

6 the maximum statutory amount under NRS 22.100(2) of \$500 for  
7 this blatant and contemptuous conduct to be paid to the  
8 Plaintiffs and determines the following additional  
9 reasonable expenses under NRS 22.100(3) are to be paid by  
10 Defendants:

11 The reasonable attorney fees for the Plaintiffs in  
12 preparing orders from the contempt proceeding; 75 percent of  
13 the reasonable attorney fees for the Plaintiffs preparing  
14 for the contempt proceeding not previously ordered by the  
15 Court, and 75 percent of the reasonable attorney fees for  
16 the Plaintiffs participating in the contempt proceeding, and  
17 the Plaintiffs' share of the reasonable expenses of the  
18 Receiver in preparing for and testifying at the June 6  
19 through 8 proceedings. The Plaintiffs are to prepare an  
20 order related to this decision.

21 Questions? Okay. Thank you. We will be in  
22 recess.

23 (Whereupon the proceedings concluded at 3:13 p.m.

24 -000-

Hon. Elizabeth Gonzalez (Ret.)  
Sr. District Court Judge  
PO Box 35054  
Las Vegas, NV 89133

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA  
IN AND FOR THE COUNTY OF WASHOE

ALBERT THOMAS, et. al.,

Plaintiff,

vs.

MEI-GSR HOLDINGS, LLC., a Nevada  
Limited Liability Company, et al

Defendant.

ORDER

Case#: CV12-02222

Dept. 10 (Senior Judge)

Pursuant to WDCR 12(5) the Court after a review of the briefing and related documents and being fully informed rules on Plaintiffs' Motion for Order to Show Cause ("Application for an OSC").<sup>1</sup> This Application for an OSC centers on Plaintiffs claims that Defendants have not supplemented certain discovery responses. Cause has not been shown.

The Court has entered a final judgment on the issues pending in the operative pleadings. The Court retains jurisdiction to: supervise the Receivership established in 2019; oversee the dissolution of the owner's association;<sup>2</sup> truing up of funds due among the parties (since the appointment of the

<sup>1</sup> The Court has reviewed the Plaintiffs' Motion for Order to Show Cause filed April 19, 2023; Defendants' Opposition to Plaintiffs' Motion for Order to Show Cause filed May 10, 2023; and the Reply in Support of Motion for Order to Show Cause filed May 17, 2023.

<sup>2</sup> The Court notes that since the entry of the final judgment the dissolution process of the Grand Sierra Resorts Unit Owners Association has begun. The controlling Unit Rental Agreement is unaffected by this process as it is an individual agreement between the individual unit owner and Grand Sierra Resorts.

1 Receiver in 2019) after completion of the Receiver's remaining duties; and, to enforce its own orders  
2 through contempt proceedings.

3 This retention of jurisdiction by the Court does not mean that the parties discovery obligations  
4 under NRCP continue for all eternity. The discovery obligations that Plaintiffs allege in the  
5 Application for OSC require supplementation are limited by NRCP 26(b)(1). That rule limits  
6 discovery to areas relevant to any party's claims or defenses. As a final judgment has been entered,  
7 those pretrial discovery obligations are no longer mandated. Here the Plaintiffs' assertion that  
8 Defendants have not supplemented the pretrial discovery responses post judgment, is not one in  
9 which the Court can utilize its contempt powers or limit use of any nondisclosed evidence at the  
10 upcoming contempt trial.  
11

12  
13 Post judgment discovery or specific discovery related to dissolution and receivership issues are  
14 available and may be specifically requested with Court authorization.  
15

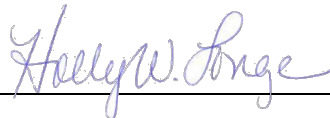
16  
17 Dated this 23rd day May 2023.

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19   
20 Hon. Elizabeth Gonzalez, (Ret.)  
21 Sr. District Court Judge  
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1 **CERTIFICATE OF SERVICE**

2 I certify that I am an employee of THE SECOND JUDICIAL DISTRICT COURT;  
3 that on the 23rd day of May, 2023, I electronically filed the foregoing with the Clerk of  
4 the Court system which will send a notice of electronic filing to the following:

5 DALE KOTCHKA-ALANES  
6 DANIEL POLSENBERG, ESQ.  
7 DAVID MCELHINNEY, ESQ.  
8 BRIANA COLLINGS, ESQ.  
9 ABRAN VIGIL, ESQ.  
10 JONATHAN TEW, ESQ.  
11 JARRAD MILLER, ESQ.  
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20 JORDAN SMITH, ESQ.

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Hon. Elizabeth Gonzalez (Ret.)  
Sr. District Court Judge  
PO Box 35054  
Las Vegas, NV 89133

IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA  
IN AND FOR THE COUNTY OF WASHOE

ALBERT THOMAS, et. al.,

Plaintiff,

vs.

MEI-GSR HOLDINGS, LLC., a Nevada  
Limited Liability Company, et al

Defendant.

ORDER

Case#: CV12-02222

Dept. 10 (Senior Judge)

Pursuant to WDCR 12(5) the Court after a review of the briefing and related documents and being fully informed rules on DEFENDANTS' OBJECTION TO RECEIVER'S CALCULATIONS CONTAINED IN EXHIBIT 1 ATTACHED TO RECEIVER'S OMNIBUS REPLY TO PARTIES OPPOSITIONS TO THE RECEIVER'S MOTION FOR ORDERS & INSTRUCTIONS ("Objection").<sup>1</sup> After consideration of the briefing, the Court overrules the objection.

While the Court appreciates the arguments that are made in the Objection, these are the arguments which have been rejected by the Court and in large part will be addressed as part of the contempt hearing beginning on April 3, 2023. Defendant shall comply with the Order entered on January 26,

<sup>1</sup> The court has also reviewed the Receiver's response filed on February 24, 2023.

2023, including the deposits as directed in that Order within five (5) judicial days of entry of this  
Order.

Dated this 27<sup>th</sup> day March, 2023.



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Hon. Elizabeth Gonzalez, (Ret.)  
Sr. District Court Judge

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Holly W. Lange