

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

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*Supreme Court Case No.*

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Electronically Filed  
Feb 08 2024 09:24 AM  
Elizabeth A. Brown  
Clerk of Supreme Court

MEI-GSR HOLDINGS, LLC, a Nevada corporation; AM-GSR HOLDINGS, LLC, a Nevada corporation; and GAGE VILLAGE COMMERCIAL DEVELOPMENT, LLC, a Nevada corporation,

*Petitioners,*

v.

THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, IN AND FOR THE COUNTY OF WASHOE, AND THE HONORABLE ELIZABETH GONZALEZ (RET.), SENIOR JUDGE, DEPARTMENT OJ41; AND RICHARD M. TEICHNER, RECEIVER,

*Respondents,*

and

ALBERT THOMAS, ET AL., individuals,

*Real Parties in Interest.*

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**APPENDIX TO PETITION FOR WRIT OF PROHIBITION OR, IN THE  
ALTERNATIVE, MANDAMUS  
VOLUME 6 OF 12**

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Jordan T. Smith, Esq., Bar No. 12097  
Brianna Smith, Esq., Bar No. 11795  
Daniel R. Brady, Esq., Bar No. 15508  
PISANELLI BICE PLLC  
400 South 7th Street, Suite 300  
Las Vegas, Nevada 89101

*Attorneys for Petitioners*

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DATED this 7th day of February 2024.

PISANELLI BICE PLLC

By: /s/ Jordan T. Smith  
Jordan T. Smith, Esq., #12097  
Brianna Smith, Esq., #11795  
Daniel R. Brady, Esq., #15508  
400 South 7th Street, Suite 300  
Las Vegas, Nevada 89101

*Attorneys for Petitioners*

## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I am an employee of PISANELLI BICE PLLC and that, on this 7th day of February 2024, I electronically filed and served a true and correct copy of the above and foregoing **APPENDIX TO PETITION FOR WRIT OF PROHIBITION OR, IN THE ALTERNATIVE, MANDAMUS, VOLUME 6 OF 12**, properly addressed to the following:

G. David Robertson, Esq., SBN 1001  
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Attorneys for the Respondent Receiver  
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Hon. Elizabeth Gonzalez (Ret.)  
Senior Judge, Dept. 10  
Second Judicial District Court  
75 Court Street,  
Reno, NV 89501  
[srjgonzalez@nvcourts.nv.gov](mailto:srjgonzalez@nvcourts.nv.gov)

/s/ Shannon Dinkel  
An employee of PISANELLI BICE PLLC

14.2. *Severability.* The provisions of these Bylaws shall be deemed independent and severable and a determination of invalidity or partial invalidity or the enforceability of any one provision or portion hereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

14.3. *Captions.* The Article and Section captions contained in these Bylaws are inserted for convenience only and shall not affect in any way the meaning or interpretation of these Bylaws.

14.4. *Number and Gender.* As used herein, the singular shall include the plural and the plural the singular; and the masculine, feminine and neuter shall each include the other, unless the context dictates otherwise.

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Clerk of the Court  
Transaction # 8953058 : yvilorla

# Exhibit 3



510783

**GRAND SIERRA RESORT**

**PURCHASE AND SALE AGREEMENT**

Pursuant to California Business and Professions Code Section 10249.8, the following Notice is provided:

WARNING: THE CALIFORNIA DEPARTMENT OF REAL ESTATE HAS NOT QUALIFIED, INSPECTED OR EXAMINED THIS OFFERING, INCLUDING, BUT NOT LIMITED TO THE CONDITION OF TITLE, THE STATUS OF BLANKET LIENS ON THE PROJECT (IF ANY), ARRANGEMENTS TO ASSURE PROJECT COMPLETION, ESCROW PRACTICES, CONTROL OVER PROJECT MANAGEMENT, RACIALLY DISCRIMINATORY PRACTICES (IF ANY), OR THE AVAILABILITY OF WATER, SERVICES, UTILITIES, OR IMPROVEMENTS. IT MAY BE ADVISABLE FOR YOU TO CONSULT AN ATTORNEY OR OTHER KNOWLEDGEABLE PROFESSIONAL WHO IS FAMILIAR WITH REAL ESTATE AND DEVELOPMENT LAW IN THE STATE WHERE THIS SUBDIVISION IS SITUATED.

(Initials of Purchaser) \_\_\_\_\_

**NAME OF PURCHASER:**

Lori & Janusz Ordoover

**HOME ADDRESS:**

131 Hemlock Hill Rd.  
New Canaan, CT 06840

**OFFICE ADDRESS:**

**HOME PHONE:** \_\_\_\_\_

**HOME FAX:** \_\_\_\_\_

**HOME E-MAIL:** \_\_\_\_\_

**OFFICE PHONE:** \_\_\_\_\_

**OFFICE FAX:** \_\_\_\_\_

**OFFICE E-MAIL:** \_\_\_\_\_

**PURCHASER'S ATTORNEY:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PHONE:** \_\_\_\_\_

**FAX:** \_\_\_\_\_

**E-MAIL:** \_\_\_\_\_

**PURCHASER'S BROKER:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PHONE:** \_\_\_\_\_

**FAX:** \_\_\_\_\_

**E-MAIL:** \_\_\_\_\_

Purchaser Initials \_\_\_\_\_

Seller Initials W

NAME OF SELLER: GRAND SIERRA OPERATING CORP.

PURCHASED UNIT: 1706

1. **Purchase Price.** The total Purchase Price ("Purchase Price") for the Property (defined below) is \$ 226,310.00, payable as hereinafter set forth:

(a) The total Purchase Price for the Property shall be computed as follows:

Base Price for the Property (defined below)	\$ 226,310.00
Other Condo Credits	\$ 200,000.00
<b>Total Purchase Price for the Property</b>	<b>\$ 26,310.00</b>

(b) The Purchase Price shall be paid as follows:

Initial earnest money deposit ("Initial Deposit"), which shall equal five percent (5%) of the Total Purchase Price for the Property, less any funds paid into escrow pursuant to a Non-Contractual Reservation Agreement, payable concurrently with the execution of this Agreement by Purchaser:	5% = \$ 1,315.50 Res. Dep.-\$ 10,000.00 = (\$0.00) due
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Second earnest money deposit ("Second Deposit"), which shall equal an additional five percent (5%) of the Total Purchase Price for the Property, payable thirty (30) days after the execution of this Agreement by Purchaser, unless preceded by the Closing Date:

(\$ 0.00)

Final earnest money deposit ("Final Deposit"; the Initial Deposit, Second Deposit and Final Deposit are collectively referred to herein as the "Earnest Money"), in an amount equal to an additional ten percent (10%) of the Total Purchase Price for the Property, payable sixty (60) days after the execution of this Agreement by Purchaser, unless preceded by the Closing Date:

(\$0.00)

Balance of the Purchase Price due at Closing

\$ 16,310.00

## **2. Purchase of Condominium Unit.**

(a) Seller agrees to convey, or cause to be conveyed, to Purchaser, and Purchaser agrees to purchase from Seller, pursuant to the terms and conditions of this Purchase Agreement: (a) Unit No. 1706 ("Purchased Unit") in the "Hotel-Condominiums at Grand Sierra Resort" (the "Condominium"); (b) the undivided percentage interest attributable to such Unit as a tenant-in-common in the Common Elements (as defined in the Condominium CC&Rs); and (c) the Personal Property (hereinafter defined). The Purchased Unit and its corresponding percentage interest in the Common Elements are herein collectively referred to as the "Unit Ownership." The Unit Ownership and the Personal Property are herein collectively referred to as the "Property." The Condominium will be located at 2500 East Second Street, Reno, Nevada, within portions of the building formerly known as The Reno Hilton Hotel (the "Building"). The Condominium consists or will consist of the real estate legally described in Exhibit A hereto, together with improvements which may be made thereto. The "Personal Property" means the appliances, furnishings and finishes to be installed in the Purchased Unit more particularly described on a schedule of Personal Property, Finishes and FF&E to be provided to Purchaser at or before Closing. Seller reserves the right to amend the schedule of Personal Property, Finishes and FF&E at any time. The Purchased Unit and the Condominium are described in greater detail in the Condominium Documents described in Paragraph 4 hereof.

(b) When the Earnest Money payments are made, Seller shall from time to time deposit said funds in a non-interest bearing escrow account with the Escrowee defined in Paragraph 5(b) hereof. Any funds otherwise payable to Purchaser that may result from calculation of the Initial Deposit or Second Deposit in Paragraph 1(b) shall be applied by Seller against a subsequent deposit, or if Closing first occurs, against the balance of the Purchase Price at Closing. Earnest Money paid and deposited shall be held for the mutual benefit of Seller and Purchaser and retained or disbursed in accordance with the terms and provisions of this Purchase Agreement. Notwithstanding the foregoing provisions of this subparagraph 2(b), in lieu of maintaining the Earnest Money payments in an escrow account, Seller may furnish a bond executed by Seller as principal and by a corporation qualified under the laws of Nevada as a surety, payable to the State of Nevada, and conditioned upon the performance of Seller's duties concerning the purchase of the Unit Ownership. Such bond shall be in a principal sum equal to the amount of the Earnest Money payments. Seller thereafter shall be entitled to use all funds for which a bond is furnished.

(c) The FF&E for the Purchased Unit will be selected by Seller in its sole and absolute discretion and which may include, without limitation, furniture, decor items, towels, linens, color televisions, clocks, radios, drapes and other window treatments and decorative accessories. Pursuant to and in accordance with the Condominium CC&Rs (discussed below), Purchaser is not permitted to vary, add to, remove or change the FF&E in the Purchased Unit. The FF&E items will be installed in the Purchased Unit on or before the Closing Date.

**3. Construction and Warranty.** Seller has constructed and/or renovated or will construct and/or renovate the Purchased Unit substantially in accordance with (i) the floor plan for the Purchased Unit ("Floor Plans"); (ii) the preliminary plans and specifications for the Condominium prepared at Seller's direction ("Plans and Specifications"); and (iii) the schedule of

Personal Property, Finishes and FF&E; provided, however, that the Floor Plans, Plans and Specifications, and schedule of Personal Property, Finishes and FF&E may change from time to time in order to accommodate Seller's changes to the Condominium project and further provided that the boundaries of the Purchased Unit shall be as finally depicted in the plat of survey (the "Plat") attached to the Condominium Documents (defined in Paragraph 4(a) hereof).

(a) Seller is hereby granted the right to make changes in the Floor Plans, Plans and Specifications, and Personal Property for the Purchased Unit on the terms set forth herein. No changes shall be made in the room dimensions of the Purchased Unit shown on the Plans and Specifications without the consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed), except that Seller may change the room dimensions without Purchaser's consent if (i) such change will not result in a square footage reduction exceeding five percent (5%) of the gross square footage of the Purchased Unit or (ii) Seller deems it necessary to accommodate structural or mechanical elements of the Building or to comply with local codes or ordinances, statutes, regulations or requirements of inspecting governmental agencies, provided that such changes contemplated in this subparagraph (ii) made without Purchaser's consent do not materially adversely affect the rights of the Purchaser hereunder or the value of the Purchased Unit. Purchaser acknowledges and agrees that it is to Purchaser's benefit that Seller be allowed to make such changes and adjustments, that such changes and adjustments are customary in construction and renovation projects and Purchaser hereby authorizes Seller to make any such substitution without further consent from Purchaser.

(b) If model units are available for Purchaser's inspection, Purchaser hereby acknowledges and agrees that the appliances, decorative fixtures, trim, furnishings, decorative floor and wall coverings and all personal property and any FF&E located in any such model units are for display purposes only and are not included in the Purchased Unit unless specifically set forth herein to the contrary.

(c) Seller shall notify Purchaser in writing not less than twenty-one (21) days in advance of the date on which the Purchased Unit is estimated to be substantially completed in accordance with the Plans and Specifications for the Purchased Unit. ("Substantial Completion" shall be as determined conclusively by the certificate of Seller or Seller's consultant that the Purchased Unit, corresponding components of the Shared Facilities Unit, and/or Common Elements have been substantially completed in accordance with the Plans and Specifications. Such determination need not be made individually for the Purchased Unit, corresponding components of the Shared facilities Unit, or individual Common Elements, but may cover several floors or portions of the Building which include the Purchased Unit, portions of the Shared Facilities Unit, and/or individual Common Elements and may reference substantial completion in accordance with the plans and specifications for the Condominium, which include the Plans and Specifications). Any estimated Substantial Completion date is subject to change and is specifically subject to extension for delays occasioned by strikes, shortages of material, labor, or energy, accidents, fire and other casualties, inclement weather conditions, restrictive laws, ordinances or regulations, utility company or governmental delays or failures to act or issue approvals, acts of God and other causes beyond the reasonable control of Seller. Seller shall notify Purchaser from time to time of any material change of the estimated date of Substantial Completion. Notwithstanding any estimated date of Substantial Completion, Seller makes no



warranties, either express or implied, and shall not have any liability to substantially complete the Purchased Unit by such date. If Substantial Completion of the Purchased Unit is delayed by reason of any act, delay, work or change by Purchaser ("Purchaser Delay"), then, at Seller's election, the Purchased Unit will be deemed to be Substantially Completed on the date the Purchased Unit would have been completed but for Purchaser Delay. Following Substantial Completion of the Purchased Unit but prior to Closing Date, Purchaser shall make an inspection of the Purchased Unit with Seller or its representative and shall execute Seller's form of inspection report ("Inspection Report") listing all items of work which the parties mutually agree are not in the agreed-upon condition ("Punch List Items"). If Purchaser does not appear for such inspection on the date which Seller shall designate by written notice to Purchaser, then Seller or its representative may, but shall not be obligated to, prepare the Inspection Report on behalf of Seller and Purchaser, and said Inspection Report shall be binding on Purchaser. Seller shall complete or correct the Punch List Items within a reasonable time after Closing Date, subject to the availability of labor or materials and other circumstances beyond the reasonable control of Seller. Purchaser will grant Seller and its agents access to the Purchased Unit after closing to complete or correct Punch List Items.

(d) At Closing, Seller shall deliver to Purchaser, and Purchaser shall acknowledge receipt of a certificate of warranty with respect to the Purchased Unit in the form of Exhibit C attached hereto (the "Limited Warranty").

**EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH 3(d) AND IN EXHIBITS C, I AND J, PURCHASER ACKNOWLEDGES THAT PURCHASER IS PURCHASING THE PROPERTY "AS-IS," WITHOUT ANY WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BY WAY OF ILLUSTRATION AND NOT LIMITATION, EXPRESS OR IMPLIED WARRANTIES OF QUALITY, INCLUDING BUT NOT LIMITED TO THE EXPRESS WARRANTIES OF QUALITY SET FORTH IN NRS 116.4113, MERCHANTABILITY, HABITABILITY, WORKMANSHIP OR FITNESS FOR A PARTICULAR PURPOSE. SELLER NEITHER ASSUMES NOR AUTHORIZES ANY PERSON TO ASSUME FOR SELLER ANY OTHER LIABILITY IN CONNECTION WITH THE SALE OR USE OF THE PROPERTY (INCLUDING THE PURCHASED UNIT) AND THERE ARE NO OTHER AGREEMENTS OR WARRANTIES, EITHER ORAL OR WRITTEN, COLLATERAL TO OR AFFECTING THIS AGREEMENT OR THE CONDOMINIUM PROPERTY (INCLUDING THE PURCHASED UNIT). NO WARRANTIES, EXPRESS OR IMPLIED, REPRESENTATIONS, UNDERSTANDINGS, GUARANTIES OR PROMISES INCLUDING THE WARRANTIES SET FORTH IN THE ACT HAVE BEEN MADE TO OR RELIED UPON BY PURCHASER IN MAKING THE DETERMINATION TO EXECUTE AND CLOSE PURSUANT TO THIS AGREEMENT AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, ALL WARRANTIES, INCLUDING IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY AND HABITABILITY, AND ALL WARRANTIES IMPOSED BY STATUTE (EXCEPT TO THE EXTENT THEY CANNOT BE DISCLAIMED) ARE DISCLAIMED.**

**NO OFFICER, EMPLOYEE, AGENT, BROKER OR OTHER REPRESENTATIVE OF SELLER HAS ANY AUTHORITY TO CHANGE ANY WARRANTY DESCRIBED IN THIS**

AGREEMENT OR IN ANY EXHIBIT OR ATTACHED DISCLOSURE STATEMENT, OR TO EXTEND TO PURCHASER ANY ADDITIONAL OR DIFFERENT WARRANTIES

I (WE), AS PURCHASER, HAVE READ AND UNDERSTAND THIS PARAGRAPH 3 AND EXHIBITS C, I AND J, AND I (WE) HAVE HAD AN OPPORTUNITY TO SEEK PROFESSIONAL ADVICE CONCERNING ITS CONTENTS AND LEGAL IMPLICATIONS, AND AFTER DOING SO, KNOWINGLY AGREE TO ITS TERMS AND TO THE WAIVER-DISCLAIMER OF THE IMPLIED WARRANTY OF HABITABILITY, AND TO THE WAIVER AND EXCLUSION OF ALL WARRANTIES, EXPRESS OR IMPLIED, OTHER THAN THE LIMITED WARRANTIES OF EXHIBITS C, I AND J.

PURCHASER(S):

4. Condominium Documents; Condominium CC&Rs.

(a) Prior to Closing, Seller will cause the Declaration of Covenants, Conditions, Restrictions, and Reservation of Easements for the Grand Sierra Resort ("Condominium CC&R's") to be recorded in the Office of the County Recorder for Washoe County, Nevada. Purchaser acknowledges that Seller delivered to Purchaser prior to Purchaser's execution of this Purchase Agreement a copy of (1) the Condominium CC&R's, (2) the proposed first year's budget for the Association ("Budget"), (3) the Floor Plan of the Purchased Unit, (4) Seller's good faith estimate of the charges to be due from Purchaser during the first full year (5) the By-Laws of the Association ("By-Laws"), and (6) all other items required by Nevada law. The Condominium CC&R's, By-Laws, Budget, Floor Plans and such other documents required by Nevada law are collectively called the "Condominium Documents." Purchaser acknowledges that Purchaser has had the opportunity to review the Condominium Documents. Seller reserves the right, in its sole and absolute discretion, to modify the Condominium Documents, together with the Articles of Incorporation of the Association, provided that Seller shall notify Purchaser or obtain the Purchaser's approval of any changes in the Condominium Documents and any such other documents, as the case may be, when and if such notice or approval is required by law. Purchaser agrees, from and after Closing, to comply with the provisions of and perform all the obligations imposed on Purchaser as a unit owner by Nevada law and the Condominium Documents. Purchaser shall execute the receipt attached hereto as Exhibit K with respect to the documents enumerated thereon.

(b) In addition to the Condominium, portions of the Building and/or surrounding Parcel may include separate condominiumized parcels which may include approximately 1,171 hotel rooms, parking lots, retail spaces, public spaces, a casino, approximately 200,000 square feet of meeting space, restaurants, and, in the future, one or two water parks each of 150,000 square feet or more, all of which currently is in conceptual stages, and NEED NOT BE BUILT, and if built, may not become part of the Condominium.

Seller intends to enter into and record, prior to the conveyance of the first Unit, the Condominium CC&Rs that will provide and allocate certain cross easements, restrictive covenants, maintenance and service obligations and cost sharing obligations among the ownership components of the Building (collectively, the "Project"). Purchaser hereby acknowledges and agrees that Purchaser, the Purchased Unit and the Condominium are at all times subject to the terms and conditions of the Condominium CC&Rs as may be changed from time to time.

The Condominium is an "add-on condominium" and, as such, the Seller reserves the right to add additional mixed-use property to the condominium within a specified period in the future, which can be no more than twenty (20) years after the date that the condominium CC&Rs are first recorded. This additional mixed-use property may include units or common elements located in other portions of the Building, outside of the Building, or in new buildings yet to be constructed on the Parcel. All future phases of the Condominium may involve the addition to the Condominium on a section-by-section, floor-by-floor or other basis.

#### **5. Closing.**

(a) The purchase and sale of the Unit Ownership shall be closed on a date ("Closing Date") following Substantial Completion of the Purchased Unit, which date shall be designated by Seller or its agent upon not less than fourteen (14) days prior written notice to Purchaser, or upon such shorter notice as may be agreed upon by Purchaser and Seller. The Closing Date shall not be extended or delayed (nor shall any portion of the Purchase Price be withheld or escrowed) by reason of any Purchaser Delay, unless Seller otherwise elects, nor by reason of Punch List Items. Notwithstanding anything to the contrary contained in this Agreement, this Agreement is contingent, at Seller's sole option, upon (a) the filing by Seller and acceptance by the City of Reno, Nevada of the final Map of Condominium encompassing the Purchased Unit, together with such other approvals of the Condominium, the Condominium Documents and/or the Project as may be required from any federal, state, county or local governmental authority; and (b) the consummation of the purchase by Grand Sierra Operating Corp., a Nevada corporation, of the real and personal property more particularly described in that certain Purchase and Sale Agreement dated May 11, 2005 between Grand Sierra Operating Corp., Nav-Reno-GS, LLC, and FHR Corporation. The later of these two conditions precedent to occur shall be the "Contingency Date." In the event that Seller, in its sole and absolute discretion, shall determine that the Contingency Date will not occur on or before January 30, 2007, then it may, by notice to Purchaser, terminate this Agreement upon five (5) days prior written notice, in which event this Agreement shall be deemed null and void in its entirety and the Earnest Money shall be returned to Purchaser as Purchaser's sole remedy, and with no further liability to Seller.

Subject to Seller's Extension Right as provided below, if Closing on the Unit Ownership and Personal Property does not occur on or before June 30, 2007 (the "Anticipated Outside Closing Date") for reasons other than Purchaser Delay, and Purchaser is not then in default hereunder, then upon Purchaser's written notice to Seller of its election to terminate, which must be given within ten (10) days after the Anticipated Outside Closing Date and prior to Substantial Completion of the Purchased Unit and Seller's designation of the Closing Date as provided for above, Seller shall return to Purchaser the Earnest Money to which Purchaser is entitled pursuant to Paragraph 2 hereof and this Purchase Agreement shall become null and void without further



liability of either Purchaser or Seller. Notwithstanding the foregoing, Seller may for any reason whatsoever extend the Closing Date ("Seller's Extension Right") by up to six (6) months after the Anticipated Outside Closing Date (the "Outside Closing Date"). In order to exercise Seller's Extension Right, Seller shall deliver to Purchaser written notice of such exercise at least ten (10) days prior to the Anticipated Outside Closing Date. If Seller exercises Seller's Extension Right and Closing does not occur on or before the Outside Closing Date for reasons other than Purchaser Delay, and Purchaser is not then in default hereunder, then unless otherwise agreed to in writing between Seller and Purchaser, upon Purchaser's written notice to Seller of its election to terminate, which must be given within ten (10) days after the Outside Closing Date and prior to Substantial Completion of the Purchased Unit and Seller's designation of the Closing Date as provided for above, Seller shall return to Purchaser the Earnest Money to which Purchaser is entitled pursuant to Paragraph 2 hereof, and this Purchase Agreement shall become null and void without further liability of either Purchaser or Seller.

(b) Closing shall be effected through an escrow ("Escrow") with Stewart Title Insurance Company or another title insurance company selected by Seller ("Escrowee") in accordance with the provisions of a deed and money escrow agreement prepared by Seller with such additional revisions or provisions included as are necessary to conform to the terms and provisions of this Purchase Agreement. The Escrow shall be established on or before the execution of this Agreement by Purchaser. Payment of the balance of the Earnest Money and the Purchase Price and delivery of all documents required for Closing hereunder shall be made through the Escrow. The cost of the Escrow shall be divided equally between Seller and Purchaser. Purchaser may use the proceeds of a money lender's escrow to pay the balance of the Purchase Price, provided that the terms of such money lender's escrow are not inconsistent with the terms of this Purchase Agreement and the Escrow. Purchaser shall bear the cost of any money lender's escrow.

(c) At Closing, Seller shall deliver to Purchaser a bill of sale for the Personal Property, and also shall assign to Purchaser, without recourse to Seller, any manufacturer's warranty which Seller receives covering the Personal Property.

**ASIDE FROM ANY MANUFACTURER'S WARRANTY ACTUALLY DELIVERED TO PURCHASER, SELLER PROVIDES SUCH PERSONAL PROPERTY, AND ANY CONSUMER PRODUCT (AS THAT TERM MAY BE DEFINED UNDER APPLICABLE FEDERAL, STATE, OR LOCAL LAWS) AND FF&E WHICH MAY BE CONTAINED IN THE PURCHASED UNIT, "AS-IS." SELLER NEITHER MAKES NOR ADOPTS ANY WARRANTY WHATSOEVER AND SPECIFICALLY EXCLUDES AND DISCLAIMS EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

(d) At Closing, Seller shall convey, or cause to be conveyed, to Purchaser, title to the Unit Ownership by Grant Deed, subject only to the following (collectively, "Permitted Exceptions"): (1) general real estate taxes not due and payable at the time of Closing; (2) the Plat and the Condominium Documents, including all other amendments and exhibits thereto; (3) applicable zoning and building laws and ordinances and other laws of record; (4) encroachments, if any, which do not materially affect the use of the Purchased Unit as a hotel-condominium unit;



(5) leases and licenses affecting the Common Elements; (6) easements, agreements, conditions, covenants, and restrictions of record, which do not materially affect the use of the Purchased Unit as a hotel condominium unit; (7) the Condominium CC&Rs, including all amendments and exhibits thereto; (8) any construction easement agreement including all amendments and exhibits thereto; (9) acts done or suffered by Purchaser or anyone claiming by, through or under Purchaser, (10) rights of repurchase (as provided in Paragraph 12.2 of the Condominium CC&Rs); and (11) liens and other matters of title over which Stewart Title Insurance Company or another title insurance company selected by Seller ("Title Insurer") is willing to insure at Seller's expense. If Purchaser is husband and wife, title to the Unit Ownership shall be conveyed to said persons as joint tenants with right of survivorship, and not as tenants in common, unless Purchaser shall otherwise direct Seller in writing not less than ten (10) days prior to the Closing Date. If Purchaser intends to hold title to the Unit Ownership in a land trust, or other title-holding entity, then Purchaser shall so notify Seller in writing not less than ten (10) days prior to the Closing Date.

(e) Any State and County real estate transfer taxes and any City of Reno real estate transaction tax shall be paid by Purchaser. Purchaser also shall pay any County Notice of Exemption relating to the non-use of any solid fuel burning device. Purchaser shall pay title insurance charges for title insurance required pursuant to Paragraph 6 hereof, and other charges of Title Insurer, including without limitation, charges for recording Purchaser's deed and mortgage and charges for any title endorsements, document preparation fees, courier fees, recording fees, accommodation / courtesy signing fees, and reconveyance fees. Purchaser shall pay all charges, costs and expenses relating to Purchaser's mortgage financing, if any.

(f) At Closing, Seller shall furnish Purchaser (1) copies of certificates of insurance for the Condominium covering Purchaser and Purchaser's mortgagee, if any, as their interests may appear, as additional insureds, in accordance with the Condominium CC&Rs, and (2) a copy of the portions of the Plat depicting the site of the Condominium and the floor (or portion thereof) on which the Purchased Unit is located.

(g) General real estate taxes shall be paid and prorated in the manner set forth in Exhibit E hereto.

(h) The Purchaser shall pay to Seller (or, at Seller's election, to the Association) at closing (i) Purchaser's pro rata share of the assessment for common expenses payable for the month during which the closing occurs based on the number of days in such month falling on and after closing, (ii) the assessment for common expenses payable for the first month after the month in which closing occurs and (iii) Purchaser's pro rata share of any prepaid insurance premiums applicable to the Condominium, to the extent such premiums are not included within the common expenses. Purchaser and Seller acknowledge and agree that Seller shall pay the cost of installing the lines and facilities which will provide utilities (water, sewer and electricity) for the use of the Purchased Unit, together with any so-called "tap-on" and/or "connection" fees to the utility provider. Those initial installation costs and connection fees shall be excluded from common expenses paid by the Association or Purchaser for usage of any and all utilities. All future costs for utilities furnished to, and consumed by the Unit Owner at the Purchased Unit shall be paid by the Unit Owner as part of Unit Owner's monthly charges, or by direct separate billing from the utility provider, or as otherwise provided in the Condominium Documents.

(i) The Purchaser also shall pay to Seller at Closing Purchaser's pro rata share of the Shared Facilities Expenses and Hotel Expenses, as described and defined in the Condominium CC&Rs, that are payable for the month during which the closing occurs based on the number of days in such month falling on and after closing, and shall pay in advance at Closing the following full month's Shared Facilities Expenses and Hotel Expenses.

(j) At Closing, Seller shall deliver to Purchaser a copy of the Plat in the form attached to the Condominium Documents for recordation.

(k) At Closing, Purchaser shall execute and deliver to Seller the form of Unit Maintenance Agreement (as defined in the Condominium Documents) then in use by the Hotel Management Company.

(l) Prior to transfer of title or delivery of possession of any portion of the Property to Purchaser, Seller shall record in the office of the County Recorder for Washoe County, Nevada, the final Map of Condominium, in compliance with NRS 278.010 to 278.630, inclusive, and in compliance with any applicable local ordinances.

(m) Within thirty (30) days after acceptance of this Agreement by Seller, Purchaser shall provide to Seller either (1) evidence satisfactory to Seller that Purchaser has sufficient cash to complete this purchase, or (2) a loan commitment or pre-approval letter for the purchase based upon a standard factual credit report, verification of income and verification of available funds. If any portion of the purchase is to be financed, Purchaser shall submit a loan application to his lender within fifteen (15) days after acceptance of this Agreement by Seller, and Purchaser shall use his best efforts to qualify for and obtain such financing. In the event a loan commitment / approval is not applied for or obtained, or evidence of sufficient cash provided, as set forth herein, Seller may pursue its remedies for breach of this Agreement pursuant to Paragraph 12(a).

**6. Title Insurance.** Purchaser hereby designates Title Insurer as the title insurance company to furnish title insurance as herein required. As a condition precedent to disbursement of sale proceeds from the Escrow, Title Insurer shall be prepared to issue an CLTA owner's policy of title insurance (any such policy herein referred to as "Owner's Policy") in the amount of the Base Price, less the price of the FF&E, showing title in Purchaser or such other grantee as Purchaser shall direct pursuant to Paragraph 5(d) hereof, containing Condominium Endorsement 1, subject only to the usual terms, conditions and exclusions contained therein and mechanics liens recorded within the statutory lien period, the Permitted Exceptions, and title exceptions pertaining to liens or encumbrances of a definitive or ascertainable amount ("liens of ascertainable amount") which may be removed by the payment of money at Closing. At Closing, the balance of the Purchase Price, or any part thereof may be applied to obtain a release of the Unit Ownership from any liens of ascertainable amount, and Purchaser agrees to accept title to the Property at Closing subject to any such liens of ascertainable amount and Additional Exceptions, as defined below, and any blanket encumbrances that are maintained by Seller in accordance with Nevada law.

Such Owner's Policy shall be conclusive evidence of good title as therein shown as to all matters insured by the Owner's Policy, subject only to the exceptions as therein stated. If there are any title exceptions other than the Permitted Exceptions and liens of ascertainable amount

("Additional Exceptions"), Seller shall have thirty (30) days from the date the Escrow is established to cure or obtain title insurance over such Additional Exceptions, and the Closing Date shall be delayed until said Additional Exceptions are cured or insured over. If Seller fails to have the Additional Exceptions removed, or, in the alternative, to obtain at Seller's expense within said thirty (30) day period an endorsement to the Owner's Policy whereby Title Insurer insures Purchaser and its successors and grantees against any loss or damage on account of such Additional Exceptions, Purchaser may terminate this Purchase Agreement by written notice to Seller or may elect, upon written notice to Seller within ten (10) days after the expiration of said thirty (30) day period, to take title as it then is with the right to deduct from the Purchase Price all Additional Exceptions consisting of liens of ascertainable amount. In the absence of such written notice, Purchaser shall be deemed to have accepted the status of title and shall be obligated to close within five (5) days after the expiration of said ten (10) day period.

**7. Possession and Occupancy.** Purchaser shall be entitled to occupancy and possession of the Purchased Unit from and after the Closing but not prior thereto, but such possession of the Purchased Unit and any right of Purchaser to use Common Elements and the Shared Facilities Unit, shall be subject to (i) Seller's right to enter into and occupy the Purchased Unit to complete construction of the Purchased Unit, if completion is delayed due to Purchaser Delay or to complete or correct Punch List Items or to perform any work permitted or required by this Purchase Agreement or the Condominium CC&Rs, and (ii) Purchaser's compliance with any schedule or rules and regulations established by Seller, particularly as it relates to coordinating and regulating construction, use of Building elevators, loading docks and receiving rooms and move-in by other unit purchasers and owners or Occupants of the Building.

**8. Completion of Construction and Sales Promotion.** For the purpose of completing the construction and sales of the Units in the Condominium, Seller and its employees, agents and contractors are hereby given the right and authority to place and maintain on, in or about the Condominium (excluding the Purchased Unit after Closing) model units, offices, signs and lighting related to said construction or sales promotion purposes, for such period of time, at such locations and in such forms as shall be determined by Seller in its sole and absolute discretion. Seller, its employees, agents, contractors and prospective unit purchasers, are also hereby given, for construction and sales promotion purposes, the right of entry upon and ingress and egress to and from the Condominium (excluding the Purchased Unit after Closing) and the right to restrict and regulate access to Common Elements and the Shared Facilities Unit (subject to Purchaser's reasonable access to and from the Purchased Unit) for the purposes of completing construction of any element of the Project. Subject to the provisions of the Condominium Documents concerning transient occupancy and leasing, if any, Seller may operate and make available for use as transient occupancy hotel rooms, or enter into leases for, unsold units in the Condominium upon such terms and conditions as Seller may elect, and Seller shall be responsible for and shall pay the monthly assessments on all unsold units owned by Seller until such units are sold and title to such units is conveyed.

**9. Assignment.** This Purchase Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, devisees, personal representatives, successors and assigns, except that only permitted assigns of Purchaser shall have any rights of Purchaser hereunder. Seller may assign this Purchase Agreement without consent of Purchaser, subject,

however, to Purchaser's rights under this Purchase Agreement. Purchaser may not directly or indirectly assign, set over, or transfer this Purchase Agreement, or any of Purchaser's rights or interest under this Purchase Agreement, without the prior written consent of Seller, which may be granted or withheld in the sole and absolute discretion of Seller, and any such assignment without the prior written consent of Seller shall be void and deemed a default hereunder. Purchaser hereby represents and warrants as of the date hereof and as of the Closing Date that Purchaser is acquiring the Unit Ownership for personal use and not for resale on or prior to the Closing Date and that in acquiring the Unit Ownership the Purchaser is not acting as agent or nominee for any undisclosed party.

**10. Broker.** Purchaser represents and warrants that Purchaser has not dealt with any broker other than The Sunshine Group, Ltd. and Purchaser's Broker (if any as specified on the last page of this Agreement) in connection with this sale, and agrees to defend, indemnify and hold Seller and its agents harmless from any claim or demand asserted against Seller or its agents by any other broker or finder (other than The Sunshine Group, Ltd. and Purchaser's Broker, if any, as provided for in an agreement with Seller regarding the Purchased Unit), or other person alleging to have been retained in connection with this transaction. Purchaser's indemnity and agreement to hold Seller and its agents harmless includes, without limitation, Purchaser's obligation to pay or reimburse Seller and its agents for all commissions, damages, and other sums for which Seller or its agents may be held liable and all attorneys' fees and court costs actually incurred by Seller or its agents (including those for appeals), regardless of whether a lawsuit(s) is actually brought or whether Seller or its agents ultimately win or lose. If any broker is named in this Agreement, Seller shall be responsible for payment of a fee or commission to such broker, but only pursuant to a written agreement between Seller and such broker.

**11. Notices.** All notices, demands and requests herein required or permitted shall be in writing and shall be deemed sufficient if made by (a) personal delivery, (b) nationally recognized overnight courier service (such as FedEx), (c) facsimile (with proof of successful transmission) or (d) certified United States mail, postage prepaid, addressed:

(a) to Seller at:

Grand Sierra Operating Corp.  
215 Park Avenue South, Suite 200  
St. Cloud, MN 56301  
(fax) (320) 654-1291

Attn: Roberts Pace

and at

Grand Sierra Development Office  
2500 East Second Street  
Reno, Nevada 89595  
(fax) (775) 788-6995



and with a copy to Seller's legal counsel:

R. Shawn Oliphant, Esq.  
Fahrendorf, Vilorio, Oliphant & Oster L.L.P.  
327 California Avenue  
P. O. Box 3677  
Reno, NV 89505-3677  
(fax) (775) 348-0540

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(b) to Purchaser at:

Purchaser's home address set forth above,

with a copy to Purchaser's legal counsel, if any, at the address shown in this Purchase Agreement for such counsel.

Any notice delivered as aforesaid shall be deemed received when delivered as it relates to personal delivery, nationally recognized overnight courier service or facsimile with proof of transmission (provided any such delivery or transmission must be received on or before 5:00 p.m. Pacific time on such date of delivery in order for such notice to be effective as of the date of delivery) and any notice mailed as aforesaid shall be deemed received three (3) business days after deposit in the United States mail. Notice of change of address for receipt of notices, demands or requests shall be sent in the manner set forth in this Paragraph 11.

## **12. Performance.**

(a) Time is of the essence with regard to Purchaser's obligations and covenants hereunder. In the event of a default or breach of this Purchase Agreement by Purchaser, Seller shall notify Purchaser of such breach or default and of the opportunity, which shall be given the Purchaser if such breach or default is curable, to remedy such breach or default within twenty (20) days after the date such notice was sent. If Purchaser fails to remedy such breach or default within twenty (20) days after the date of Seller's notice, or if such breach or default is not curable, then, Seller may terminate this Purchase Agreement and, retain as liquidated damages from Purchaser an amount equal to the sum of (i) the amounts set forth in Paragraph 1(b) hereof required to be paid as an Earnest Money deposit, and (ii) all amounts paid or to be paid by Purchaser to Seller for any other services or work performed or to be performed by Seller. In collecting such liquidated damages, Seller shall be entitled to retain all monies paid by Purchaser to Seller hereunder, to keep, retain, or take any security or other instrument either evidencing Purchaser's obligation to pay any sums hereunder, or given by Purchaser to Seller to secure payment of such sums; and to pursue any other appropriate lawful process. Seller and Purchaser acknowledge that it would be difficult or impossible, at the time of execution of this Agreement, to ascertain or quantify the amount of Seller's actual damages in the event of a breach of this Agreement by Purchaser. Seller and Purchaser therefore agree that the liquidated damages described in this paragraph reflect a reasonable estimate of the damages Seller may actually incur in the event of a breach of this Agreement by Purchaser.

(b) Pursuant to 15 USC § 1702(a)(2), Seller is exempt from registering under the Interstate Land Sales Full Disclosure Act and from Providing a Property Report under the Interstate Land Sales Full Disclosure Act as it is selling improved land on which there is a residential, commercial, condominium, or industrial building. Additionally, pursuant to 15 USC § 1702(a)(2), Seller is exempt from registering under the Interstate Land Sales Full Disclosure Act and from Providing a Property Report under the Interstate Land Sales Full Disclosure Act as Seller is obligated to complete construction within two years of the execution of this Purchase Agreement, as defined in the Interstate Land Sales Full Disclosure Act and the regulations promulgated thereunder, subject to delays caused by events which would support a defense based upon impossibility of performance for reasons beyond Seller's control, including, but not limited to, failure to fulfill the conditions precedent to this Agreement defined as the Contingency Date herein, Acts of God, acts of governmental authorities and courts of law, floods, strikes, unavailability of materials, and labor conditions beyond Seller's control. Under the Interstate Land Sales Full Disclosure Act, if because of such delays, the Seller is unable to substantially complete construction of the Purchased Unit within two years from the execution of this Purchase Agreement, then such time period shall be extended for a term equal to the total period(s) attributed to the delays. Should Seller otherwise fail to complete construction within two years of the execution of this Purchase Agreement, Purchaser shall be entitled to all available remedies allowed under the Interstate Land Sales Full Disclosure Act and the regulations promulgated thereunder if it is found by a court of competent jurisdiction that the exemption pursuant to 15 USC § 1702(a)(2) is not applicable. However, the remedies for all other violations by Seller or Purchaser, for any other reasons, are limited according to specific provisions of this Purchase Agreement.

**13. Right to Revoke or Cancel.** Pursuant to NRS 116.4108, unless Purchaser has personally inspected the Purchased Unit, Purchaser may cancel, by written notice, this Agreement before midnight of the fifth calendar day following the date of Purchaser's execution of this Agreement.

**14. Material Destruction.** If, prior to Closing, the Purchased Unit or a material portion of the Condominium or a part of the Building required for reasonable access to or use of the Purchased Unit shall be destroyed or materially damaged by fire or other casualty or natural disaster, this Purchase Agreement shall, at the option of Seller exercised by notice to Purchaser within thirty (30) days after such destruction or damage, be terminated. If a Closing Date has been designated at the time such damage or destruction occurs and Seller notifies Purchaser that necessary repair or restoration cannot or will not be completed prior to the Closing Date or within ninety (90) days thereafter, Purchaser may terminate this Purchase Agreement by notice to Seller within five (5) days of Seller's notification to Purchaser. Upon such termination by Seller or Purchaser, any Earnest Money deposited hereunder to which Purchaser is entitled pursuant to Paragraph 2 hereof, and all other payments theretofore made by Purchaser pursuant to this Agreement, shall be refunded to Purchaser, without further liability of either party hereto. For purposes of this Paragraph 14, "material" damage is damage to the Condominium requiring more than \$500,000.00 or ninety (90) days to repair, or to the Purchased Unit requiring more than \$75,000.00 or sixty (60) days to repair. If prior to Closing, the Purchased Unit or any part thereof, or a part of the Building required for reasonable access to or use of the Purchased Unit, shall be destroyed or damaged by fire or other casualty or natural disaster, and this Purchase

Agreement is not terminated by reason of such destruction or damage, Seller shall repair or restore the Purchased Unit and if the repair or restoration cannot be or is not completed prior to the Closing Date, then the Closing Date shall be extended to a date designated by Seller which is not less than fourteen (14) days after Seller's notice to Purchaser that the repair or restoration of the Purchased Unit is Substantially Completed in accordance with the Plans and Specifications for the Purchased Unit.

15. **RESPA.** Seller and Purchaser shall comply with all of Purchaser's lender's requirements for disclosure under the Real Estate Settlement Procedures Act of 1974, as such Act may be amended from time to time.

**16. Additional Disclosures and Acknowledgements.**

(a) Purchaser understands that Hilton® is a registered trademark of Hilton Hospitality, Inc., an affiliate of Hilton Hotels Corporation ("Hilton"). Developer and Hilton have not, and do not intend to, negotiate a management agreement to manage the Hotel or Condominium. Developer hereby reserves the right, in its sole discretion, to manage the Hotel or Condominium itself or to utilize a nationally branded hotel management company or a local management company that may or may not be an affiliate of the Developer. Seller makes no representations as to the identity of the manager, and Purchaser hereby waives any and all claims of injury or default under this Agreement relating to the identity of any manager or future manager of the Hotel or Condominium.

(b) The source of funds to construct the Condominium Units is yet to be secured. If Seller fails (i) to consummate a loan for the Condominium construction, or any subsequent financing or (ii) to develop any further element of the Project as a result thereof; Purchaser hereby waives any claim of injury or default arising from such failure.

(c) The Hotel includes the room units which are the Condominium units, including the Purchased Unit, together with approximately 1,171 additional rooms, not currently part of the Condominium, which are, or will be, owned by Seller (together with any Units owned by Seller).

(d) Purchaser acknowledges, represents, warrants and agrees that, in connection with the offering for sale of the Purchased Unit by Seller, that neither Seller, nor any employee, agent, contractor or other person in any way related to Seller ever at any time a) suggested, stated or implied that the Purchased Unit, if placed by Purchaser in any Hotel rental program would earn a profit from such rental program, b) suggested, stated, implied or provided Purchaser with any financial records, forecasts or projections for the Hotel or the Purchased Unit which information could in any way cause Purchaser to conclude that it would derive a profit by participating in any rental program offered by the Hotel, or c) in any other way induced or influenced Purchaser to participate in any rental program offered by the Hotel or induced Purchaser not to make the Purchased Unit available for rental by other means. Purchaser hereby waives and agrees to hold Seller harmless from any and all claims, demands, liabilities, causes of action, damages or the like, in any manner arising directly or indirectly out of the acknowledgements, representations and warranties in this Paragraph 16(d), including but not limited to any such claims, demands, liabilities, causes of action, damages or the like pursuant to federal or state securities laws and regulations.

(e) As certain areas typically designated as common elements in a condominium are designated as Shared Facilities to be owned and maintained by the Shared Facilities Unit Owner, Purchaser understands and agrees that Purchaser must pay its allocated share of the Shared Facilities Expenses for maintenance and operation of the Shared Facilities Unit, as well as related expenses, from and after the Closing Date, as described in the Condominium Documents. Though a large portion of the expenses paid by Purchaser will be attributable to the maintenance and operation of the Shared Facilities Unit, Purchaser understands and agrees that Purchaser must also pay an assessment to the association (the "Condominium Association"), for maintenance of Common Elements, and any other common expenses incident to the operation of the Condominium Association from and after the Closing Date.

(f) There are certain utility and structural components located within the Building but outside of the Condominium (including but not limited to components providing heat, electricity, and air conditioning to the Building), which necessarily benefit in part the Unit Owners, and in part private operations and facilities outside of the Condominium, as more fully described in the Condominium CC&Rs. The Declarant has identified certain charges, called Hotel Expenses, representing a portion of its cost of providing such services and components, and of maintaining, refurbishing, replacing and insuring such components, all as more fully described in the Condominium CC&Rs. Purchaser understands and agrees that Purchaser must pay its allocated share of the Hotel Expenses, as well as related expenses identified in the Condominium CC&Rs, from and after the Closing Date, as described in the Condominium Documents.

(g) The provisions of this Paragraph 16 shall survive the Closing.

**17. Arbitration.** The parties agree to submit to arbitration any dispute related to this agreement, as set forth in detail in the "Dispute Resolution Addendum Agreement," attached hereto as Exhibit I and incorporated herein.

**18. Budgets.** Purchaser understands that the estimated operating budgets as to the costs associated with the operation and maintenance of the Condominium Association and Shared Facilities Unit (collectively, the "Budgets"), together with the estimates of Hotel Expenses, as described in the Governing Documents, provide only an estimate of what it will cost to operate and maintain the Condominium Association and Shared Facilities Unit, and to pay the actual Hotel Expenses. Seller or Association, as appropriate under the Condominium Documents, may make changes in the Budgets or other expenses at any time to cover increases or decreases in actual expenses or in estimates. Additionally, reserves are expected to be collected monthly with respect to the Common Elements, Shared Facilities Unit, and components of the Hotel for which Hotel Expenses will be assessed.

**19. Zoning Disclosure of Hotel-Condominium Definition.** Purchaser's use of the Condominium is subject to the City of Reno's Municipal Code Chapter 18.24, Article II, Section 18.24.203, which currently provides that "A hotel-condominium is an establishment meeting the criteria for a 'Hotel' as set forth in this Title, but subdivided into individual rooms or suits for separate ownership. Hotel-condominium is a commercial condominium development for which the units are primarily used to derive commercial income from, or provide service to the public, and may not be used as a dwelling by an owner for 28 days or more within any 12 month period. Hotel-condominiums are subject to transient lodging standards and requirements. When hotel-



condominiums are not occupied by the owner, owners shall make them available for transient rental lodging use through a hotel rental management program or otherwise."

**20. Seller's Control of Condominium Association.** Purchaser acknowledges that the Seller will appoint officers and directors of the Condominium Association, and of necessity will be acting on behalf of the Condominium Association in dealings and transactions with Seller. Purchaser expressly waives all objections to such dealings and transactions and hereby ratifies, approves and confirms the same. Purchaser further understands and acknowledges that the Condominium Association's role in the governance of the Condominium will be minimal, as many of those items typically considered common elements in other condominium projects are designated as Shared Facilities and owned entirely by the Shared Facilities Unit Owner, which initially shall be the Declarant.

**21. Terms.** Wherever appropriate, as used herein, the singular denotes the plural and the masculine denotes the feminine, the neuter, or both. If Purchaser consists of more than one person or entity, then each such person or entity executing this Purchase Agreement as Purchaser shall be jointly and severally liable for the obligations of Purchaser hereunder.

**22. Entire Agreement.** This Purchase Agreement, the Governing Documents, and the Exhibits thereto, constitute the entire agreement between Purchaser and Seller. No representations, warranties, undertakings, or promises, whether oral, implied or otherwise, can be made or have been made by either Seller or Purchaser to the other unless expressly stated herein or unless mutually agreed to in writing by the parties hereto. This Purchase Agreement may not be amended except in a writing signed by both parties. All agreements, representations and warranties made herein shall survive the closing of this transaction.

**23. Severability.** The invalidity of any agreement, restriction, condition, reservation or any other provision of this Purchase Agreement shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Purchase Agreement.

**24. No Reservation.** The submission by Seller of this Purchase Agreement to a prospective purchaser for examination does not constitute an offer by Seller to sell, or a reservation of or option for any Unit in the Condominium. This instrument shall not become a contract until executed and delivered by Purchaser and Seller.

**25. Seller.** If this Purchase Agreement is executed by Seller's agent, such agent represents that it is authorized to execute and deliver this Purchase Agreement on behalf of Seller.

**26. Right of Repurchase.**

By signing this Purchase Agreement, and by accepting the conveyance of a Unit within the Hotel-Condominiums at Grand Sierra Resort, Purchaser agrees, on behalf of himself and his heirs, successors, and assigns, to the Seller's Right of Repurchase set forth in Paragraph 12.2 of the Condominium CC&Rs. Purchaser has read Paragraph 12.2, and understands that Seller's Right of Repurchase shall be enforceable as a covenant running with the land and/or an equitable

servitude, as appropriate. Seller's Right of Repurchase shall be subordinate to the rights of the holder of any mortgage or trust deed hereafter placed upon the Unit Ownership.

27. **Exhibits.** Exhibits A, B, C, D, E, F, H, I, J, K, L and M, and any Riders attached hereto are incorporated herein and made a part hereof. In the event of any conflict between the provisions of this Agreement and the provisions of any Exhibit, the provisions of the Exhibit shall control.

28. **General.**

(a) **Definition of Terms.** The terms used herein, to the extent they are defined in the Condominium CC&Rs, shall be defined as set forth therein. Wherever appropriate, as used herein, the singular denotes the plural and the masculine denotes the feminine, the neuter, or both.

(b) **More than One Purchaser.** If Purchaser consists of more than one person or entity, each such person or entity shall be jointly and severally liable for the obligations of Purchaser under this Agreement. Any notice required or permitted hereunder given by Seller to any one of the parties constituting Purchaser or given by any one of the parties constituting Purchaser to Seller, shall, for all purposes hereunder, be deemed sufficient service of notice and shall be binding, jointly and severally, upon all such parties constituting Purchaser.

[this portion intentionally left blank]

PURCHASER:

WITNESS

Donna & Anne

Date of Purchaser's offer:

March 17, 2006

SELLER:

WITNESS

**GRAND SIERRA OPERATING CORP.,**  
a Nevada corporation

By: Michael Meyer  
Name: Michael Meyer  
Its: Dir of ops

Date of Seller's acceptance and date of this Purchase Agreement:

Nov. 27, 2006

EXHIBIT A

LEGAL DESCRIPTION OF CONDOMINIUM REAL ESTATE

LEGAL DESCRIPTION  
GRAND SIERRA RESORT AND CASINO  
CONDOMINIUMS PHASE 1  
FEBRUARY 28, 2006

A portion of Parcel A as shown on Record of Survey Map Number 3804, located between an elevation of 4630.80 and an elevation of 4653.30 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

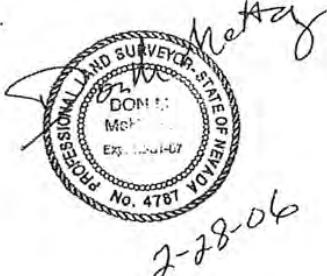
Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'43" East a distance of 2424.07 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.

Said parcel contains an area of approximately 56485 square feet

BASIS OF BEARINGS: Nevada State Plane Coordinate System, West Zone (NAD 83/94).

BASIS OF ELEVATIONS: NGVD 1988.

Description Prepared By:  
Don M. McHarg P.L.S. 4787  
Summit Engineering Corporation  
5405 Mae Anne Avenue  
Reno, Nevada 89523



J:\WPDATA\KUBOCHO L01

**EXHIBIT B**

**SCHEDULE OF PERSONAL PROPERTY, FINISHES AND FF&E**

[Schedule of Personal Property, Finishes and FF&E  
and a bill of sale for the Personal Property to be provided  
at or before Closing]

EXHIBIT C

CERTIFICATE OF WARRANTY

(Purchased Unit)

Grand Sierra Operating Corp. ("Warrantor") warrants the Purchased Unit (Unit 1706) in the Condominium against defects in new construction performed by Warrantor or its agents in the Purchased Unit arising out of faulty workmanship or material, due to non-compliance with building standards, for a period ("Warranty Period") of one (1) year from the Closing Date, or such shorter period hereinafter specified, subject to the terms and conditions set forth herein. Warrantor's obligation under this warranty shall be limited to repair or replacement, at its option, of the faulty workmanship or material.

Terms used in this Certificate of Warranty which are defined in the Purchase Agreement dated March 17, 2006 between Warrantor and Purchaser shall have the same meaning herein as in the Purchase Agreement.

THIS WARRANTY IS DELIVERED PURSUANT TO PARAGRAPH 3 OF THE PURCHASE AGREEMENT, IS IN LIEU OF ALL OTHER WARRANTIES OF WARRANTOR, EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANSHIP OR FITNESS FOR A PARTICULAR PURPOSE), OTHER THAN THE WARRANTIES DESCRIBED IN EXHIBITS I AND J OF THE PURCHASE AND SALE AGREEMENT, AND INURES ONLY TO THE BENEFIT OF THE FOLLOWING PURCHASER:

Lori & Janusz Ordovery.

AS TO ANY PERSONAL PROPERTY, AND AS TO ANY CONSUMER PRODUCT (AS THAT TERM MAY BE DEFINED UNDER APPLICABLE FEDERAL, STATE OR LOCAL LAWS, OR THEIR IMPLEMENTING REGULATIONS) WHICH MAY BE CONTAINED IN THE PURCHASED UNIT, WARRANTOR PROVIDES ANY SUCH PROPERTY OR PRODUCT "AS IS," AND NEITHER MAKES NOR ADOPTS ANY WARRANTY WHATSOEVER AND SPECIFICALLY EXCLUDES EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

This warranty is subject to the following terms, conditions and exclusions, all of which are an integral part hereof.

**1. Warranty Exclusions.** The following exclusions and limitations apply to Warrantor's warranty obligations:

(a) This warranty does not cover ordinary wear and tear, or damage due to misuse or neglect, negligence or failure to provide proper maintenance. This warranty does not cover items installed or constructed pursuant to a separate contract or agreement between the Purchaser and any party other than Warrantor.

(b) This warranty specifically excludes any incidental and consequential damages caused by any defect or breach of warranty.

(c) Any item of construction of the Purchased Unit not required to be performed or which cannot be performed by Warrantor as a result of changes to the Purchased Unit ordered by Purchaser shall not be deemed "defects" covered by this warranty. Any such items of construction performed by persons other than Warrantor, and any items of construction previously performed by Warrantor which are damaged as a result of any acts of or any work performed by persons other than Warrantor, shall not be covered by this warranty.

**2. Manufacturers' Warranties.** Certain personal property and equipment within the Purchased Unit is supplied with manufacturers' instructions and warranties. It is recommended that the manufacturers' instruction pamphlets be read and followed. Warrantor is not a warrantor under and does not adopt such manufacturers' warranties. In the event of defects in such products, Purchaser should contact the manufacturer directly. Warrantor is not responsible for the performance of any manufacturer under this warranty.

**3. Other Items.** No actions taken by Warrantor to correct defects shall extend the warranty beyond the Warranty Period. No representative or employee of Warrantor has the authority to expand the scope of or extend the duration of this warranty or to make unauthorized agreements with respect hereto. Warrantor shall not be obligated to remedy any defects where otherwise required pursuant to this warranty unless and until Purchaser notifies Warrantor in writing of the defect and then only if such notification is made prior to the expiration of the Warranty Period. This warranty shall be null and void as to any particular defect if Purchaser performs repairs to the Purchased Unit in respect to such defect without first receiving the prior written consent of Warrantor. This warranty is not assignable and any attempted assignment shall render it null and void.

**4. Notices.** Any notices hereunder shall be personally delivered or sent by certified or registered mail, return receipt requested, addressed to:

If to Warrantor, to:

Grand Sierra Operating Corp.  
215 Park Avenue South, Suite 200  
St. Cloud, MN 56301  
(fax) (651) 482-0510

Attn: Roberts Pace

and at

Grand Sierra Development Office  
2500 East Second Street  
Reno, Nevada 89595  
(fax) (775) 788-6995

and with a copy to Seller's legal counsel:

R. Shawn Oliphant, Esq.  
Fahrendorf, Vilorio, Oliphant & Oster L.L.P.  
327 California Avenue  
P. O. Box 3677  
Reno, NV 89505-3677  
(fax) (775) 348-0540

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If to Purchaser, to:

Purchaser's home address set forth in the Purchase and Sale Agreement.

Any notice mailed as aforesaid shall be deemed received three (3) business days after deposit in the United States mail. Notice of changes of address for receipt of notices shall be sent in the manner set forth in this Paragraph 4.



**5. Dispute Resolution.** In the event of any dispute arising hereunder relating to the existence, nature, or extent of any defect, or damages from any defect, which dispute is not resolved by Warrantor and Purchaser; then, if Warrantor, Purchaser and the architectural firm responsible for preparation of the Plans and Specifications or review or acceptance of the work in question each agree, such dispute shall be submitted to and resolved by the architectural firm. In such case, the decision of the architectural firm shall be final and binding upon the parties. If an agreement between Seller and Purchaser to refer any such dispute to the architectural firm is not reached, then the dispute shall become a "Dispute," as defined in Exhibit "I" to the Purchase and Sale Agreement, and thereafter shall be limited and governed by, and resolved pursuant to, the provisions of Exhibit "I."

Dated this 17 of March, 2006.

**GRAND SIERRA OPERATING CORP.,**  
a Nevada corporation

By: Michael Meier  
Name: Michael Meier  
Its: Dir of Ops

11/27/06

**RECEIPT OF CERTIFICATE OF WARRANTY**

Date: 3.17.06

ON THIS DAY, THE UNDERSIGNED PURCHASER HAS RECEIVED THE CERTIFICATE OF WARRANTY FOR PURCHASED UNIT IN THE CONDOMINIUM. PURCHASER AGREES THAT PURSUANT TO THE PURCHASE AND SALE AGREEMENT, AND EXCEPT AS OTHERWISE PROVIDED IN THAT AGREEMENT AND ITS ATTACHMENTS, PURCHASER EXPRESSLY WAIVES, RELEASES AND DISCLAIMS ALL RIGHTS UNDER ANY AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTY OF HABITABILITY AND ANY IMPLIED WARRANTY OF MERCHANTABILITY, WORKMANSHIP OR FITNESS FOR A PARTICULAR PURPOSE.

**PURCHASER:**

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## EXHIBIT D

### ADDITIONAL DISCLOSURES

1. **Asbestos.** Nevada statutes and laws require that prior to the renovation of a public building, a survey of the building must first be made for the presence of asbestos or materials containing asbestos. Seller retained Environmental Inspection & Control Services ("EICS"), a licensed environmental consultant, to conduct inspection and sampling of the premises. A copy of the EICS' Survey is attached hereto. Seller is required to abate the asbestos identified in the Survey prior to the issuance of a City of Reno Building Permit to remodel floors 15-25 of the Building. Seller will retain a State licensed asbestos abatement contractor to provide suitable proof to the City of Reno staff that an asbestos survey has been performed by a qualified consultant and that any asbestos discovered has been removed by a certified asbestos abatement contractor. No other representations, assertions, guarantees or warranties regarding the asbestos identified in the Survey or other potential asbestos in the Unit Property, Condominium or Project is made.
2. **Radon Gas.** Purchaser is advised that radon gas is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Additional information regarding radon and radon testing may be obtained from your county public health unit. Nothing contained herein shall be deemed to be a representation or warranty by Seller as to the existence or non-existence of radon gas in or about the Unit or Condominium.



# Environmental Inspection & Control Services

5 January, 2006

## CLIENT

Mr. Jay Kendall  
Grand Sierra Resort  
2500 E. Second St  
Reno, NV 89502

## PROJECT LOCATION

Reno Hilton Hotel & Casino  
Reno, NV

## PURPOSE OF INSPECTION

Limited asbestos survey

## REFERENCE

IATL Reports 1/4/06, 1/5/06

## Inspection and sampling

On December 27, and 28, 2005, I inspected the above noted location, a high-rise hotel building. The age of the building is approximately 27 years. The client's representative requested that I perform an asbestos survey for a due diligence report. I carefully wetted and extracted 290 bulk samples of suspect acm with a clean instrument. The samples were placed in sealed and labeled containers, and then logged on to a chain of custody. The samples were packaged and shipped via Fed Ex to IATL Laboratories in Mt. Laurel, NJ for analysis by Polarized Light Microscopy (PLM), using EPA method 600/R-93/116.

Laboratory results				
<u>4<sup>th</sup> floor</u>				
Sample #	Location	Description	%ACM	FINF
4-E	East wing elevator lobby	spray acoustic ceiling	none detected	n/a
4-C	Center of elevator lobby	spray acoustic ceiling	none detected	n/a
<u>5<sup>th</sup> floor</u>				
Sample #	Location	Description	%ACM	FINF
5-S	South wing elevator lobby	spray acoustic ceiling	none detected	n/a
5-E	East wing elevator lobby	spray acoustic ceiling	none detected	n/a
<u>6<sup>th</sup> floor</u>				
Sample #	Location	Description	%ACM	FINF
6-W	West wing elevator lobby	spray acoustic ceiling	none detected	n/a
6-C	Center of elevator lobby	spray acoustic ceiling	none detected	n/a
<u>7<sup>th</sup> floor</u>				
Sample #	Location	Description	%ACM	FINF
7-N	North wing elevator lobby	spray acoustic ceiling	none detected	n/a
7-C	Center of elevator lobby	spray acoustic ceiling	none detected	n/a
<u>8<sup>th</sup> floor</u>				
Sample #	Location	Description	%ACM	FINF
8-W	West wing elevator lobby	spray acoustic ceiling	28% Chrysotile	friable
8-E	East wing elevator lobby	spray acoustic ceiling	25% Chrysotile	friable
<u>9<sup>th</sup> floor</u>				
Sample #	Location	Description	%ACM	FINF
9-W	West wing elevator lobby	spray acoustic ceiling	none detected	n/a
9-S	South wing elevator lobby	spray acoustic ceiling	none detected	n/a

2900 Vassar Street #503  
Reno, NV 89502

PH. (775) 786-2800  
FAX (775) 786-9599

<b>10<sup>th</sup> floor</b>				
<b>Sample #</b>	<b>Location</b>	<b>Description</b>	<b>%ACM</b>	<b>F/NF</b>
10-C	Center of elevator lobby	spray acoustic ceiling	none detected	n/a
10-W	West wing elevator lobby	spray acoustic ceiling	.75% Chrysotile	friable
<b>11<sup>th</sup> floor</b>				
<b>Sample #</b>	<b>Location</b>	<b>Description</b>	<b>%ACM</b>	<b>F/NF</b>
11-C	Center of elevator lobby	spray acoustic ceiling	trace	n/a
11-S	South wing elevator lobby	spray acoustic ceiling	none detected	n/a
<b>12<sup>th</sup> floor</b>				
<b>Sample #</b>	<b>Location</b>	<b>Description</b>	<b>%ACM</b>	<b>F/NF</b>
12-W	West wing elevator lobby	spray acoustic ceiling	.25% Chrysotile	friable
12-N	North wing elevator lobby	spray acoustic ceiling	none detected	n/a
<b>14<sup>th</sup> floor</b>				
<b>Sample #</b>	<b>Location</b>	<b>Description</b>	<b>%ACM</b>	<b>F/NF</b>
14-E	East wing elevator lobby	spray acoustic ceiling	none detected	n/a
* 14-W	West wing elevator lobby	spray acoustic ceiling	trace	n/a
<b>15<sup>th</sup> floor</b>				
<b>Sample #</b>	<b>Location</b>	<b>Description</b>	<b>%ACM</b>	<b>F/NF</b>
15-N	North wing elevator lobby	spray acoustic ceiling	none detected	n/a
15-S	South wing elevator lobby	spray acoustic ceiling	none detected	n/a
<b>16<sup>th</sup> floor</b>				
<b>Sample #</b>	<b>Location</b>	<b>Description</b>	<b>%ACM</b>	<b>F/NF</b>
16-N	North wing elevator lobby	spray acoustic ceiling	none detected	n/a
16-S	South wing elevator lobby	spray acoustic ceiling	none detected	n/a
16-E	East wing elevator lobby	spray acoustic ceiling	none detected	n/a
16-W	West wing elevator lobby	spray acoustic ceiling	none detected	n/a
1608-N	Room 1608	spray acoustic ceiling	.25% Chrysotile	friable
1619	Room 1619	spray acoustic ceiling	none detected	n/a
1643	Room 1643	spray acoustic ceiling	none detected	n/a
1652	Room 1652	spray acoustic ceiling	none detected	n/a
1663	Room 1663	spray acoustic ceiling	none detected	n/a
1671	Room 1671	spray acoustic ceiling	none detected	n/a
1672-E	Room 1672	spray acoustic ceiling	none detected	n/a
1676-E	Room 1676	spray acoustic ceiling	none detected	n/a
1682-E	Room 1682	spray acoustic ceiling	none detected	n/a
1691-E	Room 1691	spray acoustic ceiling	none detected	n/a
1692-E	Room 1692	spray acoustic ceiling	none detected	n/a
16-EH	East wing hallway	spray acoustic ceiling	none detected	n/a
<b>17<sup>th</sup> floor</b>				
<b>Sample #</b>	<b>Location</b>	<b>Description</b>	<b>%ACM</b>	<b>F/NF</b>
1703-N	Room 1703	spray acoustic ceiling	.75% Chrysotile	friable
1712-N	Room 1712	spray acoustic ceiling	.75% Chrysotile	friable
1724-N	Room 1724	spray acoustic ceiling	1.2% Chrysotile	friable
1729-W	Room 1729	spray acoustic ceiling	.25% Chrysotile	friable
1737-S	Room 1737	spray acoustic ceiling	none detected	n/a
1742-S	Room 1742	spray acoustic ceiling	trace Chrysotile	n/a
1760-E	Room 1760	spray acoustic ceiling	trace Chrysotile	n/a
1761-E	Room 1761	spray acoustic ceiling	none detected	n/a
1767-E	Room 1767	spray acoustic ceiling	none detected	n/a
1772-E	Room 1772	spray acoustic ceiling	none detected	n/a
1777-E	Room 1777	spray acoustic ceiling	none detected	n/a
1780-E	Room 1780	spray acoustic ceiling	none detected	n/a
1785-E	Room 1785	spray acoustic ceiling	none detected	n/a
<b>18<sup>th</sup> floor</b>				
<b>Sample #</b>	<b>Location</b>	<b>Description</b>	<b>%ACM</b>	<b>F/NF</b>
181E	East wing hallway	spray acoustic ceiling	none detected	n/a
1802N	Room 1802	spray acoustic ceiling	none detected	n/a
1803N	Room 1803	spray acoustic ceiling	none detected	n/a
1804N	Room 1804	spray acoustic ceiling	none detected	n/a
1805N	Room 1805	spray acoustic ceiling	none detected	n/a
1816N	Room 1816	spray acoustic ceiling	none detected	n/a

1821N	Room 1821	spray acoustic ceiling	none detected	n/a
18HC-1	Center of hallway	spray acoustic ceiling	none detected	n/a
18HW-2	West wing hallway	spray acoustic ceiling	none detected	n/a
1820W	Room 1820	spray acoustic ceiling	none detected	n/a
1817W	Room 1817	spray acoustic ceiling	none detected	n/a
1828W	Room 1828	spray acoustic ceiling	none detected	n/a
1840-S	Room 1840	spray acoustic ceiling	none detected	n/a
1842-S	Room 1842	spray acoustic ceiling	none detected	n/a
1848-S	Room 1848	spray acoustic ceiling	25% Chrysothle	frangible
1866-E	Room 1866	spray acoustic ceiling	none detected	n/a
1858-E	Room 1858	spray acoustic ceiling	none detected	n/a
1862-E	Room 1862	spray acoustic ceiling	none detected	n/a
1873-E	Room 1873	spray acoustic ceiling	none detected	n/a
1879-E	Room 1879	spray acoustic ceiling	none detected	n/a
1882-E	Room 1882	spray acoustic ceiling	none detected	n/a
1885-E	Room 1885	spray acoustic ceiling	none detected	n/a
1890-E	Room 1890	spray acoustic ceiling	none detected	n/a
1891-E	Room 1891	spray acoustic ceiling	none detected	n/a

#### 19<sup>th</sup> floor

Sample #	Location	Description	%ACM	F/NF
181N	North wing hallway	spray acoustic ceiling	none detected	n/a
1802N	Room 1802	spray acoustic ceiling	none detected	n/a
1908N	Room 1908	spray acoustic ceiling	none detected	n/a
1808N	Room 1808	spray acoustic ceiling	none detected	n/a
1909N	Room 1909	spray acoustic ceiling	none detected	n/a
1917N	Room 1917	spray acoustic ceiling	none detected	n/a
1947N	Room 1947	spray acoustic ceiling	none detected	n/a
191HW-1	West wing hallway	spray acoustic ceiling	none detected	n/a
191HW-2	West wing hallway	spray acoustic ceiling	none detected	n/a
1918W	Room 1918	spray acoustic ceiling	none detected	n/a
1920W	Room 1920	spray acoustic ceiling	none detected	n/a
1922W	Room 1922	spray acoustic ceiling	none detected	n/a
1929W	Room 1929	spray acoustic ceiling	none detected	n/a
19SH-1	South wing hallway	spray acoustic ceiling	none detected	n/a
19SH-2	South wing hallway	spray acoustic ceiling	none detected	n/a
1938S	Room 1938	spray acoustic ceiling	none detected	n/a
1941S	Room 1941	spray acoustic ceiling	none detected	n/a
1939S	Room 1939	spray acoustic ceiling	none detected	n/a
19EH	East wing hallway	spray acoustic ceiling	none detected	n/a
1964E	Room 1964	spray acoustic ceiling	none detected	n/a
1963E	Room 1963	spray acoustic ceiling	none detected	n/a
1965E	Room 1965	spray acoustic ceiling	none detected	n/a
1973E	Room 1973	spray acoustic ceiling	none detected	n/a
1977E	Room 1977	spray acoustic ceiling	none detected	n/a
1981E	Room 1981	spray acoustic ceiling	none detected	n/a
1985E	Room 1985	spray acoustic ceiling	none detected	n/a

#### 20<sup>th</sup> floor

Sample #	Location	Description	%ACM	F/NF
20-C	Center of elevator lobby	spray acoustic ceiling	none detected	n/a
20-N	North wing elevator lobby	spray acoustic ceiling	none detected	n/a
20-S	South wing elevator lobby	spray acoustic ceiling	none detected	n/a
20-W	West wing elevator lobby	spray acoustic ceiling	none detected	n/a
2005	Room 2005	spray acoustic ceiling	none detected	n/a
2009	Room 2009	spray acoustic ceiling	none detected	n/a
2019	Room 2019	spray acoustic ceiling	none detected	n/a
2023	Room 2023	spray acoustic ceiling	none detected	n/a
2024	Room 2024	spray acoustic ceiling	none detected	n/a
2025	Room 2025	spray acoustic ceiling	none detected	n/a
2034	Room 2034	spray acoustic ceiling	none detected	n/a
2048	Room 2048	spray acoustic ceiling	none detected	n/a
2049	Room 2049	spray acoustic ceiling	none detected	n/a
2050	Room 2050	spray acoustic ceiling	none detected	n/a
2059	Room 2059	spray acoustic ceiling	none detected	n/a
2070	Room 2070	spray acoustic ceiling	none detected	n/a
2072	Room 2072	spray acoustic ceiling	none detected	n/a
2077	Room 2077	spray acoustic ceiling	none detected	n/a

2081	Room 2081	spray acoustic ceiling	none detected	n/a
2083	Room 2083	spray acoustic ceiling	none detected	n/a
2080	Room 2080	spray acoustic ceiling	none detected	n/a
<b>21<sup>st</sup> floor</b>				
Sample #	Location	Description	%ACM	F/NF
21-C	Center of elevator lobby	spray acoustic ceiling	none detected	n/a
21-S	South wing elevator lobby	spray acoustic ceiling	none detected	n/a
21-N	North wing elevator lobby	spray acoustic ceiling	none detected	n/a
21-EA	East wing elevator lobby	spray acoustic ceiling	none detected	n/a
21-EB	East wing elevator lobby	spray acoustic ceiling	none detected	n/a
21-W	West wing elevator lobby	spray acoustic ceiling	none detected	n/a
2101	Room 2101	spray acoustic ceiling	none detected	n/a
2103	Room 2103	spray acoustic ceiling	none detected	n/a
2112	Room 2112	spray acoustic ceiling	none detected	n/a
2114	Room 2114	spray acoustic ceiling	none detected	n/a
2118	Room 2118	spray acoustic ceiling	none detected	n/a
2121	Room 2121	spray acoustic ceiling	none detected	n/a
2125	Room 2125	spray acoustic ceiling	none detected	n/a
2128	Room 2128	spray acoustic ceiling	none detected	n/a
2131	Room 2131	spray acoustic ceiling	none detected	n/a
2140	Room 2140	spray acoustic ceiling	none detected	n/a
2142	Room 2142	spray acoustic ceiling	none detected	n/a
2144	Room 2144	spray acoustic ceiling	none detected	n/a
2149	Room 2149	spray acoustic ceiling	none detected	n/a
2150	Room 2150	spray acoustic ceiling	none detected	n/a
2157	Room 2157	spray acoustic ceiling	none detected	n/a
2162	Room 2162	spray acoustic ceiling	none detected	n/a
2164	Room 2164	spray acoustic ceiling	none detected	n/a
2168	Room 2168	spray acoustic ceiling	none detected	n/a
2182	Room 2182	spray acoustic ceiling	none detected	n/a
2187	Room 2187	spray acoustic ceiling	none detected	n/a
2189	Room 2189	spray acoustic ceiling	none detected	n/a
2192	Room 2192	spray acoustic ceiling	none detected	n/a
<b>22<sup>nd</sup> floor</b>				
Sample #	Location	Description	%ACM	F/NF
22-EA	East wing elevator lobby	spray acoustic ceiling	none detected	n/a
22-EB	East wing elevator lobby	spray acoustic ceiling	none detected	n/a
22-EO	East wing elevator lobby	spray acoustic ceiling	none detected	n/a
22-ED	East wing elevator lobby	spray acoustic ceiling	none detected	n/a
22-WA	West wing elevator lobby	spray acoustic ceiling	none detected	n/a
22-WB	West wing elevator lobby	spray acoustic ceiling	none detected	n/a
22-N	North wing elevator lobby	spray acoustic ceiling	none detected	n/a
22-S	South wing elevator lobby	spray acoustic ceiling	none detected	n/a
22-C	Center of elevator lobby	spray acoustic ceiling	none detected	n/a
2203	Room 2203	spray acoustic ceiling	none detected	n/a
2205	Room 2205	spray acoustic ceiling	none detected	n/a
2207	Room 2207	spray acoustic ceiling	none detected	n/a
2208	Room 2208	spray acoustic ceiling	none detected	n/a
2212	Room 2212	spray acoustic ceiling	none detected	n/a
2214	Room 2214	spray acoustic ceiling	none detected	n/a
2221	Room 2221	spray acoustic ceiling	none detected	n/a
2224	Room 2224	spray acoustic ceiling	none detected	n/a
2225	Room 2225	spray acoustic ceiling	none detected	n/a
2227	Room 2227	spray acoustic ceiling	none detected	n/a
2230	Room 2230	spray acoustic ceiling	none detected	n/a
2239	Room 2239	spray acoustic ceiling	none detected	n/a
2245	Room 2245	spray acoustic ceiling	none detected	n/a
2247	Room 2247	spray acoustic ceiling	none detected	n/a
2248	Room 2248	spray acoustic ceiling	none detected	n/a
2253	Room 2253	spray acoustic ceiling	none detected	n/a
2258	Room 2258	spray acoustic ceiling	none detected	n/a
2259	Room 2259	spray acoustic ceiling	none detected	n/a
2260	Room 2260	spray acoustic ceiling	none detected	n/a
2261	Room 2261	spray acoustic ceiling	none detected	n/a
2265	Room 2265	spray acoustic ceiling	none detected	n/a
2269	Room 2269	spray acoustic ceiling	none detected	n/a
2277	Room 2277	spray acoustic ceiling	none detected	n/a

2285	Room 2285	spray acoustic ceiling	none detected	n/a
2288	Room 2288	spray acoustic ceiling	none detected	n/a
2290	Room 2290	spray acoustic ceiling	none detected	n/a
<b>23<sup>rd</sup> floor</b>				
Sample #	Location	Description	%ACM	F/NF
23-S	South wing elevator lobby	spray acoustic ceiling	none detected	n/a
2336	Room 2336	spray acoustic ceiling	none detected	n/a
2340	Room 2340	spray acoustic ceiling	none detected	n/a
2346	Room 2346	spray acoustic ceiling	none detected	n/a
2349	Room 2349	spray acoustic ceiling	none detected	n/a
2350	Room 2350	spray acoustic ceiling	none detected	n/a
2381	Room 2381	spray acoustic ceiling	none detected	n/a
2384	Room 2384	spray acoustic ceiling	none detected	n/a
2387	Room 2387	spray acoustic ceiling	none detected	n/a
2373	Room 2373	spray acoustic ceiling	none detected	n/a
2375	Room 2375	spray acoustic ceiling	none detected	n/a
2383	Room 2383	spray acoustic ceiling	none detected	n/a
2389	Room 2389	spray acoustic ceiling	none detected	n/a
2308	Room 2308	spray acoustic ceiling	none detected	n/a
2314	Room 2314	spray acoustic ceiling	.6% Chrysotile	frtable
2328	Room 2328	spray acoustic ceiling	none detected	n/a
2329	Room 2329	spray acoustic ceiling	none detected	n/a
2330	Room 2330	spray acoustic ceiling	none detected	n/a
2331	Room 2331	spray acoustic ceiling	none detected	n/a
23-WA	West wing elevator lobby	spray acoustic ceiling	none detected	n/a
2301	Room 2301	spray acoustic ceiling	none detected	n/a
2304	Room 2304	spray acoustic ceiling	none detected	n/a
2311	Room 2311	spray acoustic ceiling	none detected	n/a
23-WB	West wing elevator lobby	spray acoustic ceiling	none detected	n/a
<b>24<sup>th</sup> floor</b>				
Sample #	Location	Description	%ACM	F/NF
24-SA	South wing elevator lobby	spray acoustic ceiling	none detected	n/a
24-SB	South wing elevator lobby	spray acoustic ceiling	none detected	n/a
24-NA	North wing elevator lobby	spray acoustic ceiling	none detected	n/a
24-NB	North wing elevator lobby	spray acoustic ceiling	none detected	n/a
24-W	West wing elevator lobby	spray acoustic ceiling	none detected	n/a
2401	Room 2401	spray acoustic ceiling	none detected	n/a
2404	Room 2404	spray acoustic ceiling	none detected	n/a
2406	Room 2406	spray acoustic ceiling	none detected	n/a
2402	Room 2402	spray acoustic ceiling	none detected	n/a
2418	Room 2418	spray acoustic ceiling	none detected	n/a
2419	Room 2419	spray acoustic ceiling	none detected	n/a
2420	Room 2420	spray acoustic ceiling	none detected	n/a
2421	Room 2421	spray acoustic ceiling	none detected	n/a
2422	Room 2422	spray acoustic ceiling	none detected	n/a
2445	Room 2445	spray acoustic ceiling	none detected	n/a
2446	Room 2446	spray acoustic ceiling	none detected	n/a
2458	Room 2458	spray acoustic ceiling	none detected	n/a
2452	Room 2452	spray acoustic ceiling	none detected	n/a
2441	Room 2441	spray acoustic ceiling	none detected	n/a
2448	Room 2448	spray acoustic ceiling	none detected	n/a
2480	Room 2480	spray acoustic ceiling	none detected	n/a
2461	Room 2461	spray acoustic ceiling	none detected	n/a
24-E	East wing elevator lobby	spray acoustic ceiling	none detected	n/a
2454	Room 2454	spray acoustic ceiling	none detected	n/a
2457	Room 2457	spray acoustic ceiling	none detected	n/a
<b>25<sup>th</sup> floor</b>				
Sample #	Location	Description	%ACM	F/NF
25-CA	Center of elevator lobby	spray acoustic ceiling	none detected	n/a
25-CB	Center of elevator lobby	spray acoustic ceiling	none detected	n/a
25-CG	Center of elevator lobby	spray acoustic ceiling	none detected	n/a
2554	Room 2554	spray acoustic ceiling	none detected	n/a
2555	Room 2555	spray acoustic ceiling	none detected	n/a
2557	Room 2557	spray acoustic ceiling	none detected	n/a
2580	Room 2580	spray acoustic ceiling	none detected	n/a
2584	Room 2584	spray acoustic ceiling	none detected	n/a



2586	Room 2586	spray acoustic ceiling	none detected	n/a
2582	Room 2582	spray acoustic ceiling	none detected	n/a
25-3	South wing elevator lobby	spray acoustic ceiling	none detected	n/a
2538	Room 2538	spray acoustic ceiling	none detected	n/a
2540	Room 2540	spray acoustic ceiling	none detected	n/a
2544	Room 2544	spray acoustic ceiling	none detected	n/a
2547	Room 2547	spray acoustic ceiling	none detected	n/a
25-N	North wing elevator lobby	spray acoustic ceiling	none detected	n/a
2501	Room 2501	spray acoustic ceiling	none detected	n/a
2502	Room 2502	spray acoustic ceiling	none detected	n/a
2504	Room 2504	spray acoustic ceiling	none detected	n/a
2508	Room 2508	spray acoustic ceiling	none detected	n/a
<b>26<sup>th</sup> floor</b>				
Sample #	Location	Description	%ACM	F/NF
26-N	North wing elevator lobby	spray acoustic ceiling	none detected	n/a
2601	Room 2601	spray acoustic ceiling	none detected	n/a
2602	Room 2602	spray acoustic ceiling	none detected	n/a
2603	Room 2603	spray acoustic ceiling	none detected	n/a
2604	Room 2604	spray acoustic ceiling	none detected	n/a
26-SA	South wing hallway	spray acoustic ceiling	none detected	n/a
26-SB	South wing hallway	spray acoustic ceiling	none detected	n/a
2637	Room 2637	spray acoustic ceiling	none detected	n/a
2638	Room 2638	spray acoustic ceiling	none detected	n/a
2639	Room 2639	spray acoustic ceiling	none detected	n/a
2641	Room 2641	spray acoustic ceiling	none detected	n/a
2656	Room 2656	spray acoustic ceiling	none detected	n/a
26-E	East wing elevator lobby	spray acoustic ceiling	none detected	n/a
2661	Room 2661	spray acoustic ceiling	none detected	n/a
2662	Room 2662	spray acoustic ceiling	none detected	n/a
2664	Room 2664	spray acoustic ceiling	none detected	n/a
2669	Room 2669	spray acoustic ceiling	none detected	n/a
2670	Room 2670	spray acoustic ceiling	none detected	n/a
<b>27<sup>th</sup> floor</b>				
Sample #	Location	Description	%ACM	F/NF
27-N	North wing elevator lobby	spray acoustic ceiling	none detected	n/a
2702	Room 2702	spray acoustic ceiling	none detected	n/a
2703	Room 2703	spray acoustic ceiling	none detected	n/a
2704	Room 2704	spray acoustic ceiling	none detected	n/a
2708	Room 2708	spray acoustic ceiling	none detected	n/a
27-S	South wing elevator lobby	spray acoustic ceiling	none detected	n/a
2737	Room 2737	spray acoustic ceiling	none detected	n/a
2738	Room 2738	spray acoustic ceiling	none detected	n/a
2739	Room 2739	spray acoustic ceiling	none detected	n/a
2740	Room 2740	spray acoustic ceiling	none detected	n/a
2756	Room 2756	spray acoustic ceiling	none detected	n/a
27-C	Center of elevator lobby	spray acoustic ceiling	none detected	n/a
27-E	East wing elevator lobby	spray acoustic ceiling	none detected	n/a
2762	Room 2762	spray acoustic ceiling	none detected	n/a
2765	Room 2765	spray acoustic ceiling	none detected	n/a
2767	Room 2767	spray acoustic ceiling	none detected	n/a
2761	Room 2761	spray acoustic ceiling	none detected	n/a

#### Discussion

US EPA and NV DEISH regulations require disturbance of any friable materials with asbestos content exceeding 1% to be performed only by a State licensed and EPA accredited Asbestos Abatement Contractor. Nevada OSHA regulations include requirements that if workers are exposed to any level of airborne asbestos, personal protection measures such as respiratory protection, wetting of the materials, and personal air monitoring are to be implemented.

#### Summary

Representative sampling was performed on floors 16 through 27. Only the center hall areas of floors 4-14 were sampled.

#### Floor 17

One sample was found with an asbestos content exceeding 1%. Five other samples were found with asbestos contents of less than 1%. Additional sampling and lab analysis will be required to more clearly establish the presence/absence of the asbestos containing spray acoustic material on that floor.

#### Floors 16-27 \*

Except for floor 17, the spray on acoustic ceiling material on all the floors from 16 through 27 may be considered non-acrn, subject only to the NV OSHA regulations, discussed above.

#### Floors 4-14 Central elevator areas

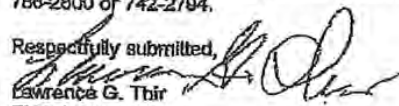
The samples taken from the center hall areas near the elevators were found with asbestos contents of less than 1%, or with no asbestos contents. Additional sampling and lab analysis will be required to more accurately determine the presence or absence of acrn on those floors.

#### Exception

Only those areas discussed above are represented in this report. No representation is made to the presence or absence of asbestos containing materials in any area of the building not herein discussed.

Thank you for the opportunity to be of service. If you have any questions, please call me at 788-2800 or 742-2704.

Respectfully submitted,

  
Lawrence G. Thir  
EICS WPM0080



## Environmental Inspection & Control Services

Jan 20, 2006

### CLIENT

Mr. Jay Kendall  
Grand Sierra Resort  
2500 E. Second St.  
Reno, NV 89502

### PROJECT LOCATION

Reno Hilton Hotel & Casino  
Reno, NV

### PURPOSE OF INSPECTION

Limited asbestos survey

### REFERENCE

IATL Report QC 1/12/06  
IATL Report 1/18/06  
EMSL Analytical report 090600139  
EICS Report 1/05/06

### Background

Pursuant to EICS initial asbestos inspection report of Jan 05, 2006, the client requested additional inspection and sampling of the above noted locations. EICS was contracted to extract bulk samples for analysis from randomly selected locations in:

- All the guest room hallways on floors 4 through 15
- Guest rooms 1722, 1725, and 1726.

Guest room 1724 was the location of the only sample taken during the initial inspection found with asbestos content greater than 1%. We were asked to try to further identify the other rooms in that area with asbestos contents greater than 1% in the spray on acoustic.

We also discussed having the analytical laboratories perform quality control (QC) checks on several samples summarized in the Jan 05 report. IATL was asked to QC seven previously reported samples and to re-analyze two others by Transmission Electron Microscopy (TEM).

### Inspection

On Jan. 11-12 we inspected the above noted locations. We wetted and extracted two bulk samples from each hallway ceiling on every floor. The samples were placed in individual sealed and labeled containers and then were logged on a chain of custody. Bulk samples were wetted and extracted from guest rooms 1722, 1724, 1725 and 1726. They were placed in individual sealed and labeled containers and were logged on a chain of custody. Ninety four samples were packaged and sent to IATL in Mt. Laurel, NJ for analysis by polarized light microscopy (PLM) using EPA method 600/R-93/116. For quality assurance and cross reference, thirteen samples were packaged and sent to EMSL Analytical Labs in Milpitas, CA for PLM analysis. Both laboratories were instructed to perform point counting analysis (400 point) on any sample found with 2 percent or less asbestos content.

2900 Vassar Street #503  
Reno, NV 89502

PH. (775) 788-2800  
FAX (775) 788-9599

# Laboratory results

All samples with <2% content were lab point counted (400 point)

Floor	N. hall	S. Hall	E. hall	W. hall	Centr Elev. lobby
4	1.7 Trace	2.1 ND	ND ND	Trace ND	ND ND
5	1.4 1.5	ND Trace	ND ND	1.4 .75	ND ND
6	ND ND	ND ND	ND ND	ND ND	ND ND
7	.25 ND	ND ND	ND ND	ND ND	ND .50
8	ND ND	ND ND	ND ND	ND ND	ND .25
9	Trace ND	ND ND	ND ND	ND ND	ND ND
10	ND .50	ND ND	ND ND	ND ND	ND .75
11	ND ND	2.3 1.8	ND ND	ND ND	Trace ND
12	2.1 2.8	1.8 2.5	ND ND	.50 .50	Trace ND
14	1.6 1.4	1.5 1.6	ND ND	1.5 ND	ND Trace .50
15	ND 1.3	.50 .50	Trace ND	Trace 1.4	ND ND ND
16	ND ND	ND ND	ND ND	ND ND	Trace
17	1.5 1.3	.5	ND	.50 .50	ND

**Guest rooms  
Sample results**

Room no.	Asbestos content
1722	Trace
1724	1.2
1725	1.5
1726	1.5

**Summary**

The following hallway wings were found with spray on acoustic ceiling material with asbestos content exceeding 1%. Disturbance of those materials may be only by a State licensed Asbestos Abatement Contractor using state of the art procedure and equipment. Project monitoring, final inspections and clearance air monitoring will be required.

Floor	Wing
4	North South
5	North West
11	South
12	North South
14	North South West
15	North
16	North
17	North

**Discussion**

Because the samples taken from guest rooms 1724, 1725, and 1726 were found with asbestos contents exceeding 1%, all the spray on acoustic in the guest rooms in the west wing of floor 17 must be assumed to contain asbestos. Alternatively, samples may be taken from every guest room to more clearly identify the presence or absence of asbestos.

**Exception**

Only those areas discussed above are represented in this report. No representation to the presence or absence of asbestos in any other part of the building is made.

Thank you for the opportunity to be of service. If you have any questions, please call me at 7865-2800 or 742-2794.

Respectfully submitted,

Lawrence G. Thir

Lauren A. Thir







## Environmental Inspection & Control Services

Feb 09, 2006

### CLIENT

Mr. Jay Kendall  
Grand Sierra Resort  
2500 E. Second St.  
Reno, NV 89602

### PROJECT LOCATION

Reno Hilton Hotel & Casino  
Reno, NV

### PURPOSE OF INSPECTION

Limited asbestos inspection

### REFERENCE

IATL report 1/31/2006  
EICS inspection report 1/05/2006  
EICS inspection report 1/20/2006

### Background

The above noted EICS inspection reports included laboratory analytical results indicating asbestos contents exceeding 1% in the spray on acoustic ceiling material in twelve hallway wings and in guest rooms 1724, 1725, and 1726. All the samples taken from the other hallways and guest rooms were found either asbestos free of asbestos, or with asbestos contents less than 1%. On Jan 23, 2006, I met and discussed the findings with the client. We discussed the possibility that only the joint compound, applied to the wallboard at the joints and nail heads contained asbestos, and perhaps that during our bulk sample extractions, some of that material could have been included with the spray on acoustic ceiling material collected for PLM lab analysis.

Because the local, Federal, and OSHA regulations differ between joint compound and spray on acoustic ceiling material, we agreed additional sampling and lab analysis should be performed to provide clarity to the asbestos content of the subject materials. The sampling was performed by Lawrence Thir, owner and senior consultant of EICS on Jan 24, 2006.

### Inspection

I wetted and carefully extracted bulk samples of spray on acoustic ceiling material at each location where the previous lab results indicated the presence of asbestos content exceeding 1%. Care was taken to insure no inclusion of the underlying joint compound applied to the wallboard. Each sample was placed in an individual sealed and labeled container. I also wetted and carefully extracted bulk samples of joint compound from each location, as described. Those samples were placed in individual sealed and labeled containers. All the samples were logged on a chain of custody, and then sent via FED EX to IATL in Mt. Laurel, N J for analysis by polarized light microscopy (PLM), using EPA method 600/R-93/116. The lab microscopist was given instructions to perform point count procedures on any sample with an estimated content of less than 3%.

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Reno, NV 89502

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Sample no.	Location	Laboratory results		
		Material	Asbestos content	Fri/NF
1724-1	Room 1724	Spray acoustic	None detected	NA
1724-2	Room 1724	Spray acoustic	None detected	NA
1724-3	Room 1724	Joint compound	.5% Chrysotile	NA
1725-1	Room 1725	Joint compound	2.6% Chrysotile	Friable
1725-2	Room 1725	Spray acoustic	1.5% Chrysotile	Friable
1728-1	Room 1728	Joint compound	1.5% Chrysotile	Friable
1728-2	Room 1728	Spray acoustic	1.3% Chrysotile	Friable
1728-3	Room 1728	Spray acoustic	1.4% Chrysotile	Friable
17NH-1	17 <sup>th</sup> floor, N. hall	Joint compound	.5% Chrysotile	NA
17NH-2	17 <sup>th</sup> floor, N. hall	Spray acoustic	1.3% Chrysotile	Friable
18NH-1	18 <sup>th</sup> floor, N. hall	Joint compound	.5% Chrysotile	Friable
18NH-2	18 <sup>th</sup> floor, N. hall	Spray acoustic	None detected	NA
15HN-1	15 <sup>th</sup> floor, N. hall	Joint compound	None detected	NA
15HN-2	15 <sup>th</sup> floor, N. hall	Spray acoustic	.5% Chrysotile	NA
14HW-1	14 <sup>th</sup> floor, W. hall	Joint compound	1.6% Chrysotile	Friable
14HW-2	14 <sup>th</sup> floor, W. hall	Spray acoustic	1.3% Chrysotile	Friable
14HS-1	14 <sup>th</sup> floor, S. hall	Spray acoustic	Trace	NA
14HS-2	14 <sup>th</sup> floor, S. hall	Joint compound	1.3% Chrysotile	Friable
14HN-1	14 <sup>th</sup> floor, N. hall	Joint compound	1.4% Chrysotile	Friable
14HN-2	14 <sup>th</sup> floor, N. hall	Spray acoustic	Trace	NA
12HS-1	12 <sup>th</sup> floor, S. hall	Joint compound	1.6% Chrysotile	Friable
12HS-2	12 <sup>th</sup> floor, S. hall	Spray acoustic	.5% Chrysotile	NA
11HN-1	11 <sup>th</sup> floor, N. hall	Spray acoustic	None detected	NA
11HN-2	11 <sup>th</sup> floor, N. hall	Joint compound	None detected	NA
5HW-1	5 <sup>th</sup> floor, W. hall	Spray acoustic	1.4% Chrysotile	Friable
5HW-2	5 <sup>th</sup> floor, W. hall	Joint compound	.5% Chrysotile	NA
5HN-1	5 <sup>th</sup> floor, N. hall	Spray acoustic	.5% Chrysotile	NA
5HN-2	5 <sup>th</sup> floor, N. hall	Joint compound	1.3% Chrysotile	Friable
4HS-1	4 <sup>th</sup> floor, S. hall	Spray acoustic	None detected	NA
4HS-2	4 <sup>th</sup> floor, S. hall	Joint compound	Trace	NA
4HN-1	4 <sup>th</sup> floor, N. hall	Joint compound	.26% Chrysotile	NA
4HN-2	4 <sup>th</sup> floor, N. hall	Spray acoustic	.5% Chrysotile	NA

#### Discussion

Upon receipt of the faxed lab results, I called the microscopist who performed the analyses. We discussed the inconsistency in the asbestos content findings in the spray on acoustic ceiling material. The microscopist stated he was identifying irregular quantities of joint compound mixed in with the spray on acoustic material, despite my caution to segregate the materials while extracting the bulk samples. He said it appears that the asbestos containing joint compound was intentionally mixed with the spray on acoustic material during the original application.

#### Conclusion

Because the findings, herein, were largely identical to those in the previous survey, the spray on acoustic ceiling material should be considered asbestos containing materials (acm), in those areas identified in the Jan 20, 2006 report. Removal of the acm will be by a State licensed Asbestos Abatement Contractor, under full negative pressure containment with a three cell decontamination unit and HEPA filtration.

#### Exception

The findings and recommendations are applicable only to those areas and materials herein discussed. No representation is made to the presence or absence of asbestos in any other material or area of the building.

Respectfully submitted,

Lawrence G. Thir  
EICS IJPM 0080



## EXHIBIT E

### PAYMENT AND PRORATION OF REAL ESTATE TAXES

Real estate taxes shall be paid and prorated in the following manner:

1. **Past and Future Bills.** Seller shall be responsible for and shall pay all real estate tax bills separately issued for the Purchased Unit with respect to calendar years prior to the year in which the Closing occurs (the "Closing Year") and there shall be no proration or re-proration of such real estate tax bills. Purchaser shall be responsible for and shall pay all real estate taxes issued for the Purchased Unit for all years after the Closing Year.
2. **Separate Bill for Closing Year.** If a separate tax bill will be issued for the Purchased Unit for the Closing Year, no proration will be made at Closing, but Seller shall reimburse Purchaser, upon Purchaser's delivery to Seller of a copy of the receipted (fully paid) real estate tax bills for the Closing Year, Seller's share of real estate taxes for the Closing Year ("Seller's Share") based on the formula described as follows:
  - a. Purchaser shall be responsible for real estate taxes attributable to the Purchased Unit, multiplied by a fraction, the numerator of which is the number of days from and after the Closing Date through the end of the Closing Year and the denominator of which is the number of days in the Closing Year.
  - b. Seller's Share shall mean the difference of the real estate tax bills for the Purchased Unit for the Closing Year less the amounts for which Purchaser is responsible pursuant to Paragraphs 2.a. above.
3. **No Separate Bill for Closing Year.** If a separate tax bill for the Purchased Unit will not issue for the Closing Year, then:
  - c. Purchaser shall pay to Seller at Closing, in cash, as a tentative proration amount on account of Purchaser's share real estate taxes for the Closing Year, an amount equal to the product of .0076 of the Base Price, multiplied by a fraction, the numerator of which is the number of days from and after the Closing Date through the end of the Closing Year and the denominator of which is the number of days in the Closing Year. Except as provided in subparagraph 3.c, below, the tentative proration amount shall be deposited into an account with funds which may be received from other purchasers for real estate taxes, which account shall be segregated from other funds of Seller. Purchaser's share of such real estate taxes for the Closing Year shall be re-prorated upon the issuance of the final real estate tax bills for the Condominium Property, or the Condominium Property and other property subject to the Condominium CC&Rs, for the Closing Year in accordance with Paragraph 3.b. below.
  - d. Purchaser shall be responsible for a share of real estate taxes allocable to the Common Elements as a whole for the Closing Year ("Purchaser's Share") determined in accordance with the following formula:

1. (a) real estate taxes for the Closing Year attributable to the Common Elements by the Condominium CC&Rs (or in the Assessor's Records, if specifically referenced in the Condominium CC&Rs or if no allocation is made in the Condominium CC&Rs) multiplied by (b) the percentage of ownership interest in the Common Elements appurtenant to the Purchased Unit, multiplied by (c) a fraction, the numerator of which is the number of days in the Closing Year on and after the Closing Date, and the denominator of which is the number of days in the Closing Year.

Upon Seller's receipt of each of the real estate tax bills for the Closing Year, Seller shall calculate the amount of Purchaser's Share allocable to such tax bill and Seller shall send written notice to Purchaser (or Purchaser's lender if Paragraph 3.c. below is applicable) indicating the amount of Purchaser's Share (and whether Purchaser's tentative proration amount paid to Seller at Closing was sufficient to pay Purchaser's Share of such tax bill). If Purchaser's tentative proration amount was more than Purchaser's Share of such tax bill, Seller shall refund to Purchaser any amount by which Purchaser's tentative proration exceeds Purchaser's Share. If Purchaser's tentative proration amount is less than Purchaser's Share, within twenty (20) days after written notice from Seller to Purchaser of Purchaser's Share determined under this Paragraph 3.b., Purchaser shall pay to Seller the amount by which Purchaser's Share exceeds Purchaser's tentative proration amount. Seller or the Association shall cause real estate taxes for the Condominium Property for the Closing Year to be paid when due, subject to Purchaser's payment of Purchaser's Share and real estate tax reimbursement by other unit owners.

e. If Purchaser is financing the purchase of the Property through mortgage financing and the lending institution supplying the mortgage financing requires the establishment at Closing of an escrow for real estate taxes, then provided such lender delivers a letter to Seller at or prior to Closing agreeing that Seller may obtain and use the funds in the real estate tax escrow to pay Purchaser's Share when real estate taxes for the Common Elements for the Closing Year become due, no tentative proration shall be made at Closing.

4. **Seller's Rights.** Seller reserves the right (but not the obligation) as the owner of the Purchased Unit prior to conveyance to undertake any actions or proceedings to seek to reduce the assessed valuations of the Purchased Unit or to cause the County Recorder for Washoe County, Nevada to treat the Purchased Unit as having been occupied for only a part of the Closing Year. If Seller is undertaking any such actions or proceedings which have not been completed by the time that the Seller's payment required in Paragraph 2 above or reparation set forth in Paragraph 3 above is to be made, then Seller and Purchaser agree to reparate the real estate taxes for the Purchased Unit for the Closing Year in accordance with when such actions or proceedings have been completed using the Assessor's Records or subsequent tax bills as adjusted or supplemented by such actions or proceedings.

**EXHIBIT F**  
**GRANT DEED**  
**(Provided at Closing)**



## **EXHIBIT G**

### **Information Statement pursuant to NRS 116.41095**

**STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
REAL ESTATE DIVISION**

788 Fairview Drive, Suite 200\* Carson City, NV 89701-5453 \* (775) 687-4280  
2501 East Sahara Avenue, Suite 102 \*Las Vegas, NV 89104-4137 \* (702) 486-4033  
e-mail: realest@red.state.nv.us <http://www.red.state.nv.us>

### **BEFORE YOU PURCHASE PROPERTY IN A COMMON-INTEREST COMMUNITY DID YOU KNOW ...**

**1. YOU GENERALLY HAVE 5 DAYS TO CANCEL THE PURCHASE AGREEMENT?**

When you enter into a purchase agreement to buy a home or unit in a common-interest community, in most cases you should receive either a public offering statement, if you are the original purchaser of the home or unit, or a resale package, if you are not the original purchaser. The law generally provides for a 5-day period in which you have the right to cancel the purchase agreement. The 5-day period begins on different starting dates, depending on whether you receive a public offering statement or a resale package. Upon receiving a public offering statement or a resale package, you should make sure you are informed of the deadline for exercising your right to cancel. In order to exercise your right to cancel, the law generally requires that you hand deliver the notice of cancellation to the seller within the 5-day period, or mail the notice of cancellation to the seller by prepaid United States mail within the 5-day period. For more information regarding your right to cancel, see Nevada Revised Statutes 116.4108, if you received a public offering statement, or Nevada Revised Statutes 116.4109, if you received a resale package.

**2. YOU ARE AGREEING TO RESTRICTIONS ON HOW YOU CAN USE YOUR PROPERTY?**

These restrictions are contained in a document known as the Declaration of Covenants, Conditions and Restrictions. The CC&Rs become a part of the title to your property. They bind you and every future owner of the property whether or not you have read them or had them explained to you. The CC&Rs, together with other "governing documents" (such as association bylaws and rules and regulations), are intended to preserve the character and value of properties in the community, but may also restrict what you can do to improve or change your property and limit how you use and enjoy your property. By purchasing a property encumbered by CC&Rs, you are agreeing to limitations that could affect your lifestyle and freedom of choice. You should review the CC&Rs, and other governing documents before purchasing to make sure that these limitations and controls are acceptable to you.

**3. YOU WILL HAVE TO PAY OWNERS' ASSESSMENTS FOR AS LONG AS YOU OWN YOUR PROPERTY?**

As an owner in a common-interest community, you are responsible for paying your share of expenses relating to the common elements, such as landscaping, shared amenities and the operation of any homeowners' association. The obligation to pay these assessments binds you and every future owner of the property. Owners' fees are usually assessed by the homeowners' association and due monthly. You have to pay dues whether or not you agree with the way the association is managing the property or spending the assessments. The executive board of the association may have the power to change and increase the amount of the assessment and to levy special assessments against your property to meet extraordinary expenses. In some communities, major components of the common elements of the community such as roofs and private roads must be maintained and replaced by the association. If the association is not well managed or fails to provide adequate funding for reserves to repair, replace and restore common elements, you may be required to pay large, special assessments to accomplish these tasks.

**4. IF YOU FAIL TO PAY OWNERS' ASSESSMENTS, YOU COULD LOSE YOUR HOME?**

If you do not pay these assessments when due, the association usually has the power to collect them by selling your property in a nonjudicial foreclosure sale. If fees become delinquent, you may also be required to pay penalties and the association's costs and attorney's fees to become current. If you dispute the obligation or its amount, your only remedy to avoid the loss of your home may be to file a lawsuit and ask a court to intervene in the dispute.

**5. YOU MAY BECOME A MEMBER OF A HOMEOWNERS' ASSOCIATION THAT HAS THE POWER TO AFFECT HOW YOU USE AND ENJOY YOUR PROPERTY?**

Many common-interest communities have a homeowners' association. In a new development, the association will usually be controlled by the developer until a certain number of units have been sold. After the period of developer control, the association may be controlled by property owners like yourself who are elected by homeowners to sit on an executive board and other boards and committees formed by the association. The association, and its executive board, are responsible for assessing homeowners for the cost of operating the association and the common or shared elements of the community and for the day to day operation and management of the community. Because homeowners sitting on the executive board and other boards and committees of the association may not have the experience or professional background required to understand and carry out the responsibilities of the association properly, the association may hire professional community managers to carry out these responsibilities. Homeowners' associations operate on democratic principles. Some decisions require all homeowners to vote,

some decisions are made by the executive board or other boards or committees established by the association or governing documents. Although the actions of the association and its executive board are governed by state laws, the CC&Rs and other documents that govern the common-interest community, decisions made by these persons will affect your use and enjoyment of your property, your lifestyle and freedom of choice, and your cost of living in the community. You may not agree with decisions made by the association or its governing bodies even though the decisions are ones which the association is authorized to make. Decisions may be made by a few persons on the executive board or governing bodies that do not necessarily reflect the view of the majority of homeowners in the community. If you do not agree with decisions made by the association, its executive board or other governing bodies, your remedy is typically to attempt to use the democratic processes of the association to seek the election of members of the executive board or other governing bodies that are more responsive to your needs. If you have a dispute with the association, its executive board or other governing bodies, you may be able to resolve the dispute through the complaint, investigation and intervention process administered by the Office of the Ombudsman for Owners in Common-Interest Communities, the Nevada Real Estate Division and the Commission for Common Interest Communities. However, to resolve some disputes, you may have to mediate or arbitrate the dispute and, if mediation or arbitration is unsuccessful, you may have to file a lawsuit and ask a court to resolve the dispute. In addition to your personal cost in mediation or arbitration, or to prosecute a lawsuit, you may be responsible for paying your share of the association's cost in defending against your claim.

**6. YOU ARE REQUIRED TO PROVIDE PROSPECTIVE PURCHASERS OF YOUR PROPERTY WITH INFORMATION ABOUT LIVING IN YOUR COMMON-INTEREST COMMUNITY?**

The law requires you to provide a prospective purchaser of your property with a copy of the community's governing documents, including the CC&Rs, association bylaws, and rules and regulations, as well as a copy of this document. You are also required to provide a copy of the association's current year-to-date financial statement, including, without limitation, the most recent audited or reviewed financial statement, a copy of the association's operating budget and information regarding the amount of the monthly assessment for common expenses, including the amount set aside as reserves for the repair, replacement and restoration of common elements. You are also required to inform prospective purchasers of any outstanding judgments or lawsuits pending against the association of which you are aware. For more information regarding these requirements, see Nevada Revised Statutes 116.4109.

7. **YOU HAVE CERTAIN RIGHTS REGARDING OWNERSHIP IN A COMMON-INTEREST COMMUNITY THAT ARE GUARANTEED YOU BY THE STATE?**

Pursuant to provisions of chapter 116 of Nevada Revised Statutes, you have the right:

- (a) To be notified of all meetings of the association and its executive board, except in cases of emergency.
- (b) To attend and speak at all meetings of the association and its executive board, except in some cases where the executive board is authorized to meet in closed, executive session.
- (c) To request a special meeting of the association upon petition of at least 10 percent of the homeowners.
- (d) To inspect, examine, photocopy and audit financial and other records of the association.
- (e) To be notified of all changes in the community's rules and regulations and other actions by the association or board that affect you.

8. **QUESTIONS?**

Although they may be voluminous, you should take the time to read and understand the documents that will control your ownership of a property in a common-interest community. You may wish to ask your real estate professional, lawyer or other person with experience to explain anything you do not understand. You may also request assistance from the Office of the Ombudsman for Owners in Common-Interest Communities, Nevada Real Estate Division, at:

OR

2501 E. Sahara Ave, Suite 202  
Las Vegas, NV 89104-4137  
Voice: (702) 486-4480  
or toll free at (877) 829-9907  
Fax: (702) 486-4520

788 Fairview Dr, Ste 200  
Carson City, NV 89701  
Voice: (775) 687-4280

I/We acknowledge that I/we have received the above-information.	
<u>3.17.06</u>	<u>2:40pm</u>
Date	Time
<u>3.17.06</u>	<u>2:42pm</u>
Date	Time

## **EXHIBIT H**

### **ZONING DESIGNATION DISCLOSURE STATEMENT FOR THE GRAND SIERRA RESORT**

Grand Sierra Operating Corp., a Nevada corporation ("Seller"), hereby provides to the above-named Purchaser(s) ("Purchaser") the following information concerning the zoning designations and the designations in the master plan regarding land use in relation to the above-referenced Unit located within a condominium community known as Grand Sierra Resort (the "Condominium").

1. That the Condominium is located within the Mill Street Transit Oriented Development Corridor, commonly known as the River Landing at Mill Station Area, and that all parcels of land adjoining the Condominium are also within such Development Corridor.
2. That the land use designation in the master plan for the parcels of land adjoining to the Condominium is commercial tourist.
3. That the master plan and zoning ordinances and regulations adopted pursuant to the master plan are subject to change.
4. That the master plan is for the general, comprehensive and long term development of land in the area and the designations in the master plan regarding land use are most probably indication of future development which may occur on the surrounding properties.
5. That if Purchaser would like to obtain more current information regarding zoning designations in Washoe County, Purchaser may contact Washoe County Planning Commission at P.O. Box 11130, Reno, Nevada, 89520-0027.

Zoning classifications describe the land uses currently permitted on a parcel of land. Designations in the master plan regarding land use describe uses that the governing city or county proposes for a parcel of land. Zoning classifications and designations in the master plan regarding the land use are established and defined by local ordinances. If the zoning classification for a parcel of land is inconsistent with the designation in the master plan regarding land use for the parcel, the possibility exists that the zoning classification may be changed to be consistent with the designation in the master plan regarding land use for the parcel. Additionally, the local ordinances that establish and define the various zoning classifications and designations in the master plan regarding land are also subject to change.

The City of Reno's Municipal Code Chapter 18.24, Article II, Section 18.24.203 currently provides that "A hotel-condominium is an establishment meeting the criteria for a "Hotel" as set forth in this Title, but subdivided into individual rooms or suits for separate ownership. Hotel-condominium is a commercial condominium development for which the units are primarily used to derive commercial income from, or provide service to the public, and may not be used as a dwelling by an owner for 28 days or more within any 12 month period. Hotel-condominiums are subject to transient lodging standards and requirements. When hotel-condominiums are not occupied by the owner, owners shall make them available for transient rental lodging use through a hotel rental management program or otherwise."

Purchaser hereby acknowledges that Seller has provided Purchaser with the above information.

\_\_\_\_\_  
Date 3.17.06

\_\_\_\_\_  
Date 3.17.06



**EXHIBIT I**

**DISPUTE RESOLUTION ADDENDUM AGREEMENT**

[SEE ATTACHED]

EXHIBIT I

**DISPUTE RESOLUTION ADDENDUM AGREEMENT**

Grand Sierra Operating Corp. ("Grand Sierra") takes great pride in its Hotel-Condominium project, and seeks to prevent disputes if at all practical. However, if a dispute does arise, Grand Sierra believes that the best alternative to resolve the dispute is to enter into binding arbitration instead of entangling the parties in a lengthy and costly court battle. Grand Sierra therefore has established the sale prices of its Hotel-Condominium units based upon the assumption that arbitration will be used to settle any disputes, and that all court proceedings will be avoided as provided for herein.

Grand Sierra also believes that parties should agree ahead of time on the procedures to be used to resolve a dispute. Therefore, this document details the rights of Purchaser and Grand Sierra in the event that a dispute arises. *PURCHASER IS ENCOURAGED TO SEEK WHATEVER HELP PURCHASER DEEMS NECESSARY IN MAKING THIS DECISION, INCLUDING LEGAL ADVICE, SO THAT PURCHASER HAS THE BENEFIT OF ALL INFORMATION AND ADVICE PURCHASER DEEMS NECESSARY BEFORE SIGNING THIS IMPORTANT DOCUMENT.* All parties enter into this Agreement voluntarily and with full knowledge of the meaning and effect of the language contained herein.

**PURCHASER AND GRAND SIERRA AGREE THAT:**

This addendum, when duly executed by both parties, will constitute a part of the "Purchase and Sale Agreement" dated March 17, 2006, between \_\_\_\_\_ referred to as "Purchaser," and Grand Sierra Operating Corp., referred to as "Grand Sierra," covering the Property identified by Unit number 1706 located within the Hotel at 2500 East Second Street, Reno, Washoe County, Nevada.

**I. DEFINITIONS**

(a) "Grand Sierra" shall mean Grand Sierra Operating Corp., a Nevada Corporation, the entity executing the Purchase and Sale Agreement as "Seller," and its respective predecessors, successors, subsidiaries and/or affiliated corporations or other entities, parent companies, sister companies, divisions, partners, joint ventures, insurers, affiliates, owners, officers, directors, employees, shareholders, agents, and assigns.

(b) "Purchaser" shall mean the person or persons executing the Purchase and Sale Agreement as "Purchaser," and their successors, heirs, assigns, subsequent Purchasers, and any third party claiming any right or interest in the Property through them; provided, however, that the term "Purchaser" does not include any lender, its successors, or assigns (collectively, a "Mortgagee") whose loan is secured by a deed of trust on the Property and who may take title to the Property through foreclosure of such deed of trust or through a deed in lieu of foreclosure. Any third party claiming any right or interest in the Property through such a Mortgagee shall, however, be a "Purchaser" for purposes of this Dispute Resolution Addendum Agreement.

(c) "Property" shall mean the Unit Ownership and Personal Property which are the subject of the Purchase and Sale Agreement.

(d) "Common Element" shall have the meaning ascribed to it in the Condominium CC&Rs.

(e) "Project" shall have the meaning ascribed to it in the Purchase and Sale Agreement.

(f) "Building" shall have the meaning ascribed to it in the Purchase and Sale Agreement.

(g) "Dispute(s)" shall mean any claim, cause of action (whether at law or in equity), demand or disagreement of any nature whatsoever ("Claim") arising from or in connection with the Property, Project, Building or Common Element, including without limitation: (1) the marketing, sale or promotion of the Property, Project, Building or Common Element; (2) the design, improvements, remodeling, planning, supervision, maintenance, operation, construction observation, construction testing, construction or installation of any improvements on the Property, Project, Building or Common Element; (3) Performance of any services or work by or on behalf of Grand Sierra on or in connection with the Property, Project, Building or Common Elements; (4) decisions made by Grand Sierra related to the Property, Project, Building or Common Element either on its behalf or on behalf of any Unit Owners Association; and (5) any claim related to completion or failure to complete the Property, Project, Building or Common Element, or any portion thereof. The Disputes shall include, without limitation, claims and causes of action for real and personal property damage, construction defects (whether such defects are patent, latent or otherwise, and whether such claims arise under statutory or common law), breach of contract, breach of warranty (whether express, implied or by operation of law), tort, bodily injury or wrongful death, nondisclosure, misrepresentation, emotional distress, nuisance, compensatory or punitive damages, rescission of any agreement, enforceability of this Agreement, and/or specific performance. The following matters are excluded from the definition of a Dispute and are not subject to this Dispute Resolution Agreement:

1. Judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or land contract;
2. An unlawful detainer action;
3. The filing or enforcement of a mechanic's lien or a lien for non-payment of assessments or fines;
4. Any matter which is within the jurisdiction of a probate court;

5. Any claim made by a Unit Owner's Association or Grand Sierra against Purchaser pursuant to Nevada Revised Statutes, Sections 38.300 to 38.360 inclusive to enforce any covenants, conditions or restrictions, bylaws or rules or regulations adopted by the association against the Purchaser, or to increase, decrease or impose additional assessments upon residential property against the Purchaser;

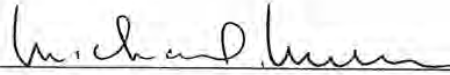
6. The filing of judicial action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies;

7. Any claim to have original warranty work performed, pursuant to Exhibit C to the Purchase and Sale Agreement. Such a claim may become a "Dispute," as defined herein, as provided in Exhibit C.

## II. TIME LIMITATIONS TO COMMENCE ACTION FOR DISPUTE

In the event that a Dispute arises, Purchaser and Grand Sierra hereby waive the statutes of limitations and statutes of repose time periods for commencement of actions contained in the Nevada Revised Statutes, Sections 11.190 to 11.206, inclusive, and to the extent permitted by the Nevada Revised Statutes, Sections 116.4116, and instead agree to commence all Disputes, (a) with respect to a Unit, within two years after delivery of possession of the Unit to Purchaser, and (b) with respect to a Common Element, within two years after Substantial Completion of the Common Element or, if later, two years after the first Unit in the phase containing the Common Element is conveyed to a purchaser other than Grand Sierra. This limitation applies to known or presently unknown claims and claims which could have or could not have been discovered by a reasonable inspection within said two year period. These time periods can only be extended by a written addendum signed by Purchaser and Grand Sierra. The time periods may not be extended by any other act of Grand Sierra or by its agents, including, without limitation, performance of warranty work or other remedial work, or an oral representation by Grand Sierra or its agents.

\_\_\_\_\_  
Agreed to by Purchaser(s) as a  
Binding Separate Agreement

  
\_\_\_\_\_  
Agreed to by Grand Sierra Operating Corp. as a  
Binding Separate Agreement

\_\_\_\_\_  
Agreed to by Purchaser(s) as a  
Binding Separate Agreement

### III. SUBMISSION OF DISPUTES TO ARBITRATION

a. Purchaser and Grand Sierra agree to submit any and all Disputes between Grand Sierra and Purchaser and their respective successors-in-interest to final and binding arbitration, unless specified otherwise herein, under the following procedures. Purchaser and Grand Sierra acknowledge and agree that the Property and Hotel-Condominium is not a "dwelling," as that term is used by Nevada Revised Statutes, Sections 40.600 to 40.695, inclusive and as defined by Title 18 of the Reno Municipal Code which provides:

An establishment meeting the criteria for a "Hotel" as set forth in this Title, but subdivided into individual rooms or suits for separate ownership. Hotel-Condominium is a commercial condominium development for which the units are primarily used to derive commercial income from, or provide service to the public, and may not be used as a dwelling by an owner for 28 days or more within any 12-month period. Hotel-Condominiums are subject to transient lodging standards and requirements. When Hotel-Condominiums are not occupied by the owner, owners shall make them available for transient rental lodging use through a hotel rental management program or otherwise.

This Arbitration of Disputes provision is intended to be binding upon Purchaser and Grand Sierra, in part, for all claims and damages which may otherwise be regulated by Nevada Revised Statutes, Sections 40.600 to 40.695, inclusive in the event that any party asserts the Property or Hotel-Condominium were a dwelling governed by Nevada Revised Statutes, Sections 40.600 to 40.695.

**Purchaser hereby waives the procedures and recoverable damages provided for therein and agrees to the following arbitration procedures and limitations:**

b. Before any Dispute can be submitted to mediation or arbitration, the party wishing to submit the Dispute must first, at least sixty (60) days before filing a Demand for Arbitration, give written notice to the other party of the Dispute, and therein detail with reasonable specificity the actions to be taken to resolve the Dispute. If the Dispute involves an alleged construction defect, the notice required must describe in reasonable detail the cause of each alleged defect, the nature and extent of the damage or injury resulting from the alleged defect, and the location of each alleged defect. The notice must be accompanied by an expert opinion of an architect and/or engineer, licensed in the state where the Project is located, detailing each alleged defect, the basis for determining that a defect exists, the nature and extent of the damages or injury alleged, and a concept of repair sufficient to remedy the alleged defect.

c. The responding party shall have ninety (90) days after receiving the notice to conduct any investigations needed to assess the nature of the Dispute and extent of any alleged damages, and shall have the right to resolve the Dispute by taking the actions requested by the other party in the notice, or by taking other actions which would effectively resolve the Dispute. The parties may extend this response time by agreement. Grand Sierra shall have the absolute right, but not the obligation, to investigate any alleged defects and resolve the Dispute by making any necessary repairs to resolve the Dispute within one-hundred and twenty (120) days from receipt of Purchaser's notice or as extended by the parties.



d. If the responding party fails to effectively resolve the Dispute within said time frame, or within an extended time frame agreed to by the parties, the demanding party may submit the Dispute to mediation or arbitration as set forth herein.

e. Purchaser and Grand Sierra agree to submit any Disputes where the value of the claim of damage or estimated cost of repair or replacement of the item(s) in dispute is \$5,000 or less, including Disputes which otherwise may have been governed by the provisions of Nevada Revised Statutes, Sections 40.600 to 40.695, inclusive, where the estimated cost of repair or replacement of the item(s) in dispute is \$5,000 or less and which has not been resolved by the responding party, to the jurisdiction of the Small Claims Court for the City of Reno. Purchaser and Grand Sierra agree that neither mediation nor arbitration shall be applicable where the claim of damage is \$5,000 or less, unless both Purchaser and Grand Sierra otherwise agree in writing.

f. Any Dispute between Purchaser and Grand Sierra where the claim of damage is more than \$5,000, including Disputes which otherwise may have been governed by the provisions of Nevada Revised Statutes, Sections 40.600 to 40.695, inclusive, where the estimated cost of repair or replacement of the item(s) in dispute is more than \$5,000 which is not resolved by the responding party, shall first be submitted to non-binding mediation. If such mediation is not successful in resolving the Dispute, either Purchaser or Grand Sierra may submit the Dispute to arbitration pursuant to the Construction Industry Arbitration Rules of the American Arbitration Association ("AAA"), unless both Purchaser and Grand Sierra otherwise agree in writing.

1. Arbitration shall be initiated by filing a written Demand for Arbitration with the American Arbitration Association, accompanied by the required filing fee, and concurrently mailing a copy of the demand to the other party. In the event of a demand for arbitration that would be heard by a panel of three arbitrators pursuant to AAA rules, the parties shall each select an arbitrator and the two so selected shall in turn select a third, the three of whom shall act as an arbitration panel. The arbitration shall take place in the office of the American Arbitration Association nearest to the Property, at such time and date selected by the arbitrator. Any Dispute regarding the scope of the arbitration or the procedures to be followed in the arbitration shall be resolved by the arbitrator or arbitration panel.

2. Unless Purchaser and Grand Sierra agree otherwise, the Procedures for Large, Complex Construction Cases issued by the AAA shall apply to all cases to the extent such procedures are not in conflict with the Federal Arbitration Act or the Nevada Uniform Arbitration Act of 2000 or the terms of this Agreement.

3. The combined cost (fee and expenses) of the mediator, AAA, and of the arbitrator shall be apportioned equally between Purchaser and Grand Sierra. Each party shall deposit \$1,500 with the arbitration panel to be used as security for each party's share of arbitration expenses

4. The award rendered by the arbitrator or panel must be accompanied by a written decision that contains written findings of fact and conclusions of law and, once so rendered, shall be binding and final, as to all parties in the arbitration to the fullest extent permitted by law. Judgment on the award rendered by the arbitrator may be entered in a court of competent jurisdiction. Except as otherwise expressly set forth in this Agreement, Nevada law shall apply to all Disputes.

g. Grand Sierra may, in its sole discretion, consolidate the Disputes of other Purchaser(s) in the event that such Disputes are similar in nature and, if the aggregate amount of damage claimed by such Purchasers exceeds \$5,000, such Disputes will be addressed in the same manner as a single Dispute where the claim of damage is more than \$5,000.

h. Each party may, prior to the arbitration hearing, conduct discovery as provided in the Nevada Rules of Civil Procedure.

i. All arbitration proceedings shall be confidential. Neither party shall disclose any evidence or information about the evidence produced by the other party in the arbitration proceedings, except as compelled to do so in the course of a judicial, regulatory, or arbitration proceeding. Before making any disclosure permitted by the preceding sentence, a party shall give the other party reasonable advance written notice of the intended disclosure and an opportunity to prevent disclosure.

j. Grand Sierra, in its sole discretion, is entitled to require that any or all contractors, subcontractors, suppliers, consultants, partners, affiliates or agents of Grand Sierra who may have liability in connection with the Dispute be participants in the arbitration procedure described; provided, however, that Grand Sierra's failure or inability to require that such contractors, subcontractors or agents be parties to the following proceedings shall not affect the obligations and entitlements of Purchaser and Grand Sierra under this Agreement.

#### IV. LIMITATION OF AWARD AND LIABILITY

PURCHASER IS HEREBY ADVISED THAT THE LIMITATION OF AWARD AND LIABILITY SET FORTH BELOW MAY RESULT IN A WAIVER OF LIABILITY AND DAMAGES WHICH MAY OTHERWISE BE RECOVERABLE UNDER NEVADA LAW. PURCHASER IS ENCOURAGED TO SEEK WHATEVER HELP PURCHASER DEEMS NECESSARY IN MAKING THIS DECISION, INCLUDING LEGAL ADVICE, SO THAT PURCHASER HAS THE BENEFIT OF ALL INFORMATION AND ADVICE PURCHASER DEEMS NECESSARY BEFORE AGREEING TO THESE TERMS:



A. WITH RESPECT TO ANY DISPUTE WHICH OTHERWISE MAY HAVE BEEN GOVERNED BY NEVADA REVISED STATUTES, SECTIONS 40.600 TO 40.695, INCLUSIVE, PURCHASER AND GRAND SIERRA AGREE THAT RECOVERABLE DAMAGES ARE LIMITED TO THE REASONABLE COST OF ANY REPAIRS NECESSARY TO CURE ANY CONSTRUCTIONAL DEFECT TO THE PROPERTY OWNED BY PURCHASER THAT GRAND SIERRA OR ITS CONTRACTORS OR SUBCONTRACTORS HAVE FAILED TO CURE. NO OTHER DAMAGES, COSTS OR FEES MAY BE AWARDED. PURCHASER HEREBY WAIVES ANY RIGHT TO ASSERT CLAIMS OF CONSTRUCTIONAL DEFECTS TO ANY PORTIONS OF THE PROJECT OR BUILDING WHICH IS NOT PROPERTY OWNED BY PURCHASER OR WHICH IS NOT A COMMON ELEMENT AS DEFINED BY THE APPLICABLE CC&R'S.

B. LIMITATION OF LIABILITY - IN ORDER TO OBTAIN THE BENEFITS OF A PURCHASE PRICE WHICH INCLUDES A LESSER ALLOWANCE FOR RISK FUNDING, THE RISKS HAVE BEEN ALLOCATED SUCH THAT PURCHASER AGREES, TO THE FULLEST EXTENT PERMITTED BY LAW, TO LIMIT THE RISKS AND LIABILITY OF GRAND SIERRA FOR ALL DISPUTES, CLAIMS, LOSSES, COSTS, DAMAGES OR EXPENSES OF ANY NATURE, INCLUDING ATTORNEY'S FEES, SUCH THAT THE TOTAL AGGREGATE LIABILITY OF GRAND SIERRA, ITS OWNERS, OFFICERS, DIRECTORS, PARTNERS, EMPLOYEES, CONTRACTORS, VENDORS, SUBCONSULTANTS, AND DESIGN PROFESSIONALS SHALL NOT EXCEED FIFTY THOUSAND DOLLARS (\$50,000). IT IS INTENDED THAT THIS LIMITATION APPLY TO ANY AND ALL LIABILITY OR CAUSE OF ACTION AGAINST GRAND SIERRA HOWEVER ALLEGED OR ARISING, INCLUDING, WITHOUT LIMITATION, CLAIMS OF ERRORS OR OMISSIONS, NEGLIGENCE INCLUDING THE SOLE NEGLIGENCE OF GRAND SIERRA, STRICT LIABILITY, BREACH OF CONTRACT, BREACH OF WARRANTY, BREACH OF THE COVENANT OF GOOD FAITH AND FAIR DEALING, INDEMNITY AND/OR CONTRIBUTION OR ANY OTHER CAUSE OF ACTION OR CLAIM WHETHER ARISING IN CONTRACT, TORT, STRICT LIABILITY, WARRANTY OR EQUITY.

C. WAIVER OF CONSEQUENTIAL DAMAGES - NOTWITHSTANDING ANYTHING HEREIN OR BY LAW TO THE CONTRARY, GRAND SIERRA SHALL NOT BE LIABLE TO PURCHASER FOR ANY CONSEQUENTIAL LOSSES OR DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF USE, ECONOMIC LOSSES, BUSINESS INTERRUPTION, DELAY COSTS, FINANCING AND INTEREST COSTS OR LOST PROFITS, WHETHER SUCH CLAIMS ARISE IN CONTRACT, TORT, STRICT LIABILITY, WARRANTY, EQUITY, BREACH OF THE COVENANT OF GOOD FAITH AND FAIR DEALING, OR OTHERWISE.

**D. ATTORNEY'S FEES - EACH PARTY SHALL BEAR ITS OWN ATTORNEY'S FEES AND OTHER COSTS IN PROSECUTING OR DEFENDING THE DISPUTE, INCLUDING FOR ACTIONS FOR CONSTRUCTION DEFECTS WHICH OTHERWISE MAY HAVE BEEN GOVERNED BY NEVADA REVISED STATUTES, SECTIONS 40.600 TO 40.695, INCLUSIVE, EXCEPT THAT IN THE EVENT ANY ACTION OR PROCEEDING IS BROUGHT BY ANY PARTY HERETO TO ENFORCE THIS AGREEMENT, THE PREVAILING PARTY SHALL BE ENTITLED TO REASONABLE ATTORNEY'S FEES AND COSTS IN ADDITION TO ALL OTHER RELIEF TO WHICH THAT PARTY OR THOSE PARTIES MAY BE ENTITLED.**

**V. MISCELLANEOUS**

a. If any provision or aspect of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable; or if any provision or aspect of this Agreement is rendered unenforceable, the remaining provisions of this Agreement shall nevertheless remain in full force and effect and continue to be binding.

b. If there is any conflict between this Dispute Resolution Addendum Agreement and the Purchase and Sale Agreement, the provisions of this Dispute Resolution Addendum Agreement shall control.

c. This Agreement shall not apply to a Mortgagee. However, any third party claiming any right or interest in the Property through any Mortgagee shall be subject to this Agreement.

d. Each party has had the time to review this Agreement, negotiate any changes they deem necessary, and have had the opportunity to retain legal counsel to assist in its review and revision of this Agreement. As a result, Purchaser and Grand Sierra expressly acknowledge and agree that this Agreement shall not be deemed prepared or drafted by one party or another, or the attorneys for one party or another, and shall be construed accordingly.

e. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, trustors, trustees, insurance carriers, beneficiaries, predecessors, successors, members and assigns.

f. This Dispute Resolution Addendum Agreement, along with the Purchase and Sale Agreement and attachments, contain the entire agreement of the parties. Any oral representations or modifications contrary to the terms of this Agreement or the other contract

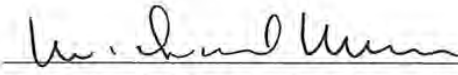
documents for the Property shall be of no force and effect unless reduced to writing and signed by all parties hereto.

BY SIGNING IN THE SPACE BELOW, GRAND SIERRA AND PURCHASER WAIVE ANY RIGHTS THEY MAY POSSESS TO HAVE ANY ABOVE-DEFINED DISPUTE LITIGATED IN A COURT OR HEARD BY A JURY, AND WAIVE THE RIGHT TO RECOVER DAMAGES NOT PROVIDED FOR IN THIS AGREEMENT FOR A COVERED DISPUTE, INCLUDING THOSE WHICH OTHERWISE MIGHT HAVE BEEN AFFORDED BY NEVADA REVISED STATUTES, SECTIONS 40.600 TO 40.695. IF EITHER PARTY REFUSES TO COMPLY WITH THE TERMS CALLED FOR HEREIN, THE OTHER PARTY MAY APPLY TO AN APPROPRIATE NEVADA COURT TO COMPEL ARBITRATION AS PROVIDED HEREIN.

AGREED TO this 17 day of March, 2006:

AGREED TO this 27 day of Nov, 2006

\_\_\_\_\_  
PURCHASER

\_\_\_\_\_  
  
GRAND SIERRA OPERATING CORP.

\_\_\_\_\_  
PURCHASER

**EXHIBIT J**

**AGREEMENT TO MODIFY  
STATUTORILY IMPLIED WARRANTIES OF QUALITY**

**GRAND SIERRA OPERATING CORP.**, a Nevada corporation ("Seller"), and \_\_\_\_\_, ("Purchaser"), have entered into or will enter into a separate Purchase and Sale Agreement whereby Purchaser will acquire one or more Hotel-Condominium Units within the "The Hotel-Condominiums at Grand Sierra Resort" (the "Project"), together with an undivided percentage interest in the Common Elements and other allocated interests as defined in the Purchase and Sale Agreement and Condominium CC&Rs, and certain Personal Property. Purchaser is hereby informed and understands that Nevada law provides the following statutorily implied warranties of quality for any unit that may be occupied for residential use apply unless modified by an agreement:

1. That a unit will be in at least as good condition at the earlier of the time of the conveyance or delivery of possession as it was at the time of contracting, reasonable wear and tear excepted.
2. That a unit and the common elements in the common-interest community are suitable for the ordinary uses of real estate of its type and that any improvements made or contracted for by Seller, or made by any person before the creation of the common-interest community, will be:
  - (a) Free from defective materials; and
  - (b) Constructed in accordance with applicable law, according to sound standards of engineering and construction, and in a workmanlike manner.
3. That an existing use, continuation of which is contemplated by the parties, does not violate applicable law at the earlier of the time of conveyance or delivery of possession.

Purchaser understands that the Reno Municipal Code has defined Hotel-Condominium Units as units that are primarily used to derive commercial income from, or provide service to the public, and may not be used as a dwelling for continuous or unlimited residency by a single individual group or family. Pursuant to the Code's definition, Hotels-condominium are subject to transient occupancy requirements and shall be made available for transient rental, by the owner, through a hotel rental management program or otherwise, when not in use by the unit owner. Consequently, Seller and Purchaser hereby stipulate, covenant and agree that the Hotel Condominium Units within the Project are not defined as a residential use pursuant to Nevada Law to which such statutorily implied warranties of quality would apply.

To the extent statutory implied warranties are deemed to apply notwithstanding the above, Seller and Purchaser hereby agree to modify such implied warranties as follows:

- (1) Any statutorily implied warranties of quality that are deemed to apply, notwithstanding the above, shall only be applicable to the new construction within the Hotel Condominium Units or Common Elements, that has or will be performed by or on behalf of Seller to modify and renovate the Hotel-Condominium Units and Common Elements from hotel rooms to hotel-condominium rooms. In agreeing to this provision, Purchaser understands that the Project which contains the Hotel Condominium Units, originally was constructed by persons other than Seller over twenty-years ago for which no express or implied warranties of quality are made, and that Seller has disclosed to Purchaser the physical needs assessment report for the Hotel Condominium Units

(2) Any statutorily implied warranties of quality that are deemed to apply, notwithstanding the above shall be limited in duration to; (a) with respect to a Hotel-Condominium Unit, two years after the Hotel-Condominium Unit is conveyed to the first Purchaser, and (b) with respect to a Common Element, two years after completion of the Common Element or, if later, two years after the first Hotel-Condominium Unit in the phase containing the Common Element is conveyed to a purchaser other than Seller. This limitation applies to known or presently unknown claims, claims which could have or could not have been discovered by a reasonable inspection, and claims which result from alleged willful misconduct or which were allegedly fraudulently concealed. These time periods can only be extended by a written addendum signed by Purchaser and Seller. The time periods may not be extended by any other act of Seller or by its agents, including, without limitation, performance of warranty work or other remedial work, or an oral representation by Seller or its agents.

Agreed to by:

PURCHASER:

SELLER:

**GRAND SIERRA OPERATING CORP.**

a Nevada corporation

Dated 3.17, 2006

By: [Signature]

Its: Dir of ops

Dated 11/27, 2006

EXHIBIT K

RECEIPT FOR GOVERNING DOCUMENTS

Date: 3.17.06

ON THIS DAY, THE UNDERSIGNED PURCHASER ACKNOWLEDGES RECEIPT OF THE GOVERNING DOCUMENTS FOR THE PURCHASED IN THE CONDOMINIUM. PURCHASER ACKNOWLEDGES THAT THE GOVERNING DOCUMENTS RECEIVED INCLUDE THE PUBLIC OFFERING STATEMENT AND ALL ATTACHMENTS; THE PURCHASE AND SALES AGREEMENT AND ALL ATTACHMENTS; THE CC&Rs; THE UNIT-OWNERS' ASSOCIATION BYLAWS; AND THE UNIT MAINTENANCE AGREEMENT.

PURCHASER: \_\_\_\_\_



EXHIBIT L

**CERTIFICATION OF PURCHASER  
REGARDING REPRESENTATIONS MADE IN CONNECTION WITH  
PURCHASE OF HOTEL CONDOMINIUM UNIT**

The undersigned ("**Purchaser**") certifies that:

1. he/she has executed a Purchase and Sale Agreement for a hotel condominium unit (a "**Unit**") in the Grand Sierra Resort, Reno, Nevada (the "**Hotel**");
2. he/she has been told that purchase of a Unit is suitable for persons who are seeking to use their Units as a second home or vacation property, and who desire the benefits of property ownership, combined with access to all of a luxury hotel's services and amenities like restaurants, concierge, room service and spas;
3. he/she has been informed that Units are not suitable as an investment for persons seeking primarily rental income;
4. he/she has been informed that the Hotel will offer a rental program for Units, but the details of the rental program terms cannot be discussed until after Purchaser has signed a Purchase and Sale Agreement for a Unit; and
5. he/she has not discussed the Hotel's rental program for Units with any agent of the Hotel, has not received any information from any agent of the Hotel regarding the economic or tax benefits that may be derived by the Purchaser from the rental of the Unit, or any information regarding occupancy rates or hotel rental rates of comparable hotels, and has not received any projections or estimates of any economic benefits from ownership and/or rental of the Unit.
6. that neither Seller, nor any employee, agent, contractor or other person in any way related to Seller ever at any time a) suggested, stated or implied that the Purchased Unit, if placed by Purchaser in any Hotel rental program would earn a profit from such rental program, b) suggested, stated, implied or provided Purchaser with any financial records, forecasts or projections for the Hotel or the Purchased Unit which information could in any way cause Purchaser to conclude that it would derive a profit by participating in any rental program offered by the Hotel, or c) in any other way induced or influenced Purchaser to participate in any rental program offered by the Hotel or induced Purchaser not to make the Purchased Unit available for rental by other means.

IN WITNESS WHEREOF, the undersigned Purchaser has signed this Certification as of the date stated below.

Date: 3.17.06



Exhibit M

Lead-Based Paint Disclosure

**Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards**

**Lead Warning Statement**

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

**Seller's Disclosure**

- (a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
- (i) ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain):
- (ii) ☒ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the seller (check (i) or (ii) below):
- (i) ☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below):
- (ii) ☒ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

**Purchaser's Acknowledgment (Initial)**

- (c) ☒ Purchaser has received copies of all information listed above.
- (d) ☒ Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.
- (e) Purchaser has (check (i) or (ii) below):
- (i) received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- (ii) waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

**Agent's Acknowledgment (Initial)**

- (f) ☒ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

**Certification of Accuracy**

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

*Michael M. M...* 11/27/06

Purchaser	Date	Purchaser	Date
<i>[Signature]</i>			11/27/06
Agent	Date	Agent	Date

**BEFORE YOU PURCHASE PROPERTY IN A  
COMMON-INTEREST COMMUNITY  
DID YOU KNOW ...**

**1. YOU GENERALLY HAVE 5 DAYS TO CANCEL THE PURCHASE AGREEMENT?**

When you enter into a purchase agreement to buy a home or unit in a common-interest community, in most cases you should receive either a public offering statement, if you are the original purchaser of the home or unit, or a resale package, if you are not the original purchaser. The law generally provides for a 5-day period in which you have the right to cancel the purchase agreement. The 5-day period begins on different starting dates, depending on whether you receive a public offering statement or a resale package. Upon receiving a public offering statement or a resale package, you should make sure you are informed of the deadline for exercising your right to cancel. In order to exercise your right to cancel, the law generally requires that you hand deliver the notice of cancellation to the seller within the 5-day period, or mail the notice of cancellation to the seller by prepaid United States mail within the 5-day period. For more information regarding your right to cancel, see Nevada Revised Statutes 116.4108, if you received a public offering statement, or Nevada Revised Statutes 116.4109, if you received a resale package.

**2. YOU ARE AGREEING TO RESTRICTIONS ON HOW YOU CAN USE YOUR PROPERTY?**

These restrictions are contained in a document known as the Declaration of Covenants, Conditions and Restrictions. The CC&Rs become a part of the title to your property. They bind you and every future owner of the property whether or not you have read them or had them explained to you. The CC&Rs, together with other "governing documents" (such as association bylaws and rules and regulations), are intended to preserve the character and value of properties in the community, but may also restrict what you can do to improve or change your property and limit how you use and enjoy your property. By purchasing a property encumbered by CC&Rs, you are agreeing to limitations that could affect your lifestyle and freedom of choice. You should review the CC&Rs, and other governing documents before purchasing to make sure that these limitations and controls are acceptable to you.

**3. YOU WILL HAVE TO PAY OWNERS' ASSESSMENTS FOR AS LONG AS YOU OWN YOUR PROPERTY?**

As an owner in a common-interest community, you are responsible for paying your share of expenses relating to the common elements, such as landscaping, shared amenities and the operation of any homeowners' association. The obligation to pay these assessments binds you and every future owner of the property. Owners' fees are usually assessed by the homeowners' association and due monthly. You have to pay dues whether or not you agree with the way the association is managing the property or spending the assessments. The executive board of the association may have the power to change and increase the amount of the assessment and to levy special assessments against your property to meet extraordinary expenses. In some communities, major components of the common elements of the community such as roofs and private roads must be maintained and replaced by the association. If the association is not well managed or fails to provide adequate funding for reserves to repair, replace and restore common elements, you may be required to pay large, special assessments to accomplish these tasks.

#### 4. IF YOU FAIL TO PAY OWNERS' ASSESSMENTS, YOU COULD LOSE YOUR HOME?

If you do not pay these assessments when due, the association usually has the power to collect them by selling your property in a nonjudicial foreclosure sale. If fees become delinquent, you may also be required to pay penalties and the association's costs and attorney's fees to become current. If you dispute the obligation or its amount, your only remedy to avoid the loss of your home may be to file a lawsuit and ask a court to intervene in the dispute.

#### 5. YOU MAY BECOME A MEMBER OF A HOMEOWNERS' ASSOCIATION THAT HAS THE POWER TO AFFECT HOW YOU USE AND ENJOY YOUR PROPERTY?

Many common-interest communities have a homeowners' association. In a new development, the association will usually be controlled by the developer until a certain number of units have been sold. After the period of developer control, the association may be controlled by property owners like yourself who are elected by homeowners to sit on an executive board and other boards and committees formed by the association. The association, and its executive board, are responsible for assessing homeowners for the cost of operating the association and the common or shared elements of the community and for the day to day operation and management of the community. Because homeowners sitting on the executive board and other boards and committees of the association may not have the experience or professional background required to understand and carry out the responsibilities of the association properly, the association may hire professional community managers to carry out these responsibilities. Homeowners' associations operate on democratic principles. Some decisions require all homeowners to vote, some decisions are made by the executive board or other boards or committees established by the association or governing documents. Although the actions of the association and its executive board are governed by state laws, the CC&Rs and other documents that govern the common-interest community, decisions made by these persons will affect your use and enjoyment of your property, your lifestyle and freedom of choice, and your cost of living in the community. You may not agree with decisions made by the association or its governing bodies even though the decisions are ones which the association is authorized to make. Decisions may be made by a few persons on the executive board or governing bodies that do not necessarily reflect the view of the majority of homeowners in the community. If you do not agree with decisions made by the association, its executive board or other governing bodies, your remedy is typically to attempt to use the democratic processes of the association to seek the election of members of the executive board or other governing bodies that are more responsive to your needs. If you have a dispute with the association, its executive board or other governing bodies, you may be able to resolve the dispute through the complaint, investigation and intervention process administered by the Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels, the Nevada Real Estate Division and the Commission for Common-Interest Communities and Condominium Hotels. However, to resolve some disputes, you may have to mediate or arbitrate the dispute and, if mediation or arbitration is unsuccessful, you may have to file a lawsuit and ask a court to resolve the dispute. In addition to your personal cost in mediation or arbitration, or to prosecute a lawsuit, you may be responsible for paying your share of the association's cost in defending against your claim.

**6. YOU ARE REQUIRED TO PROVIDE PROSPECTIVE PURCHASERS OF YOUR PROPERTY WITH INFORMATION ABOUT LIVING IN YOUR COMMON-INTEREST COMMUNITY?**

The law requires you to provide a prospective purchaser of your property with a copy of the community's governing documents, including the CC&Rs, association bylaws, and rules and regulations, as well as a copy of this document. You are also required to provide a copy of the association's current year-to-date financial statement, including, without limitation, the most recent audited or reviewed financial statement, a copy of the association's operating budget and information regarding the amount of the monthly assessment for common expenses, including the amount set aside as reserves for the repair, replacement and restoration of common elements. You are also required to inform prospective purchasers of any outstanding judgments or lawsuits pending against the association of which you are aware. For more information regarding these requirements, see Nevada Revised Statutes 116.4109.

**7. YOU HAVE CERTAIN RIGHTS REGARDING OWNERSHIP IN A COMMON-INTEREST COMMUNITY THAT ARE GUARANTEED YOU BY THE STATE?**

Pursuant to provisions of chapter 116 of Nevada Revised Statutes, you have the right:

- (a) To be notified of all meetings of the association and its executive board, except in cases of emergency.
- (b) To attend and speak at all meetings of the association and its executive board, except in some cases where the executive board is authorized to meet in closed, executive session.
- (c) To request a special meeting of the association upon petition of at least 10 percent of the homeowners.
- (d) To inspect, examine, photocopy and audit financial and other records of the association.
- (e) To be notified of all changes in the community's rules and regulations and other actions by the association or board that affect you.

**8. QUESTIONS?**

Although they may be voluminous, you should take the time to read and understand the documents that will control your ownership of a property in a common-interest community. You may wish to ask your real estate professional, lawyer or other person with experience to explain anything you do not understand. You may also request assistance from the Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels, Nevada Real Estate Division, at 877-829-9907 (toll free).

Buyer or prospective buyer's initials: Kek GPA  
Date: 6/22/12

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Alicia L. Lerud  
Clerk of the Court  
Transaction # 8953058 : yvilorla

# Exhibit 6

1 CODE: \$1425  
2 G. David Robertson, Esq. (NV Bar No. 1001)  
3 Jarrad C. Miller, Esq. (NV Bar No. 7093)  
4 Jonathan J. Tew, Esq. (NV Bar No. 11874)  
5 Robertson, Johnson, Miller & Williamson  
6 50 West Liberty Street, Suite 600  
7 Reno, Nevada 89501  
8 (775) 329-5600  
9 Attorneys for Plaintiffs

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

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

8 ALBERT THOMAS, individually; JANE  
9 DUNLAP, individually; JOHN DUNLAP,  
10 individually; BARRY HAY, individually;  
11 MARIE-ANNIE ALEXANDER, Trustee of  
12 the MARIE-ANNIE ALEXANDER LIVING  
13 TRUST; MELISSA VAGUJHELYI and  
14 GEORGE VAGUJHELYI, as trustees of the  
15 GEORGE VAGUJHELYI AND MELISSA  
16 VAGUJHELYI 2001 FAMILY TRUST  
17 AGREEMENT, U/D/A APRIL 13, 2001; D'  
18 ARCY NUNN, individually; HENRY  
19 NUNN, individually; MADELYN VAN DER  
20 BOKKE, individually; LEE VAN DER  
21 BOKKE, individually; DONALD  
22 SCHREIFELS, individually; ROBERT R.  
23 PEDERSON, individually and as trustee of  
24 the PEDERSON 1990 TRUST; LOU ANN  
25 PEDERSON, individually and as trustee of  
26 the PEDERSON 1990 TRUST; LORI  
27 ORDOVER, individually; WILLIAM A.  
28 HENDERSON, individually; CHRISTINE E.  
HENDERSON, individually; LOREN D.  
PARKER, individually; SUZANNE C.  
PARKER, individually; MICHAEL IZADY,  
individually; STEVEN TAKAKI,  
individually; FARAD TORABKHAN,  
individually; SAHAR TAVAKOL,  
individually; M&Y HOLDINGS, LLC;  
JL&YL HOLDINGS, LLC; SANDI RAINES,  
individually; R. RAGHURAM, individually;  
USHA RAGHURAM, individually; LORI K.  
TOKUTOMI, individually; GARETT TOM,  
individually; ANITA TOM, individually;  
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; BARRY HAY,  
individually; JEFFERY JAMES QUINN,  
individually; BARBARA ROSE QUINN

Case No.  
Dept. No.

**COMPLAINT**

1 individually; KENNETH RICH, individually;  
2 MAXINE RICH, individually; NORMAN  
3 CHANDLER, individually; BENTON WAN,  
4 individually; TIMOTHY D. KAPLAN,  
5 individually; SILKSCAPE INC.; PETER  
6 CHENG, individually; ELISA CHENG,  
7 individually; GREG A. CAMERON,  
8 individually; TMI PROPERTY GROUP,  
9 LLC; RICHARD LUTZ, individually;  
10 SANDRA LUTZ, individually; MARY A.  
11 KOSSICK, individually; MELVIN CHEAH,  
12 individually; DI SHEN, individually;  
13 NADINE'S REAL ESTATE  
14 INVESTMENTS, LLC; and DOE  
15 PLAINTIFFS 1 THROUGH 10, inclusive,

16 Plaintiffs,

17 vs.

18 MEI-GSR HOLDINGS, LLC, a Nevada  
19 Limited Liability Company, GRAND  
20 SIERRA RESORT UNIT OWNERS'  
21 ASSOCIATION, a Nevada nonprofit  
22 corporation, GAGE VILLAGE  
23 COMMERCIAL DEVELOPMENT, LLC, a  
24 Nevada Limited Liability Company and DOE  
25 DEFENDANTS 1 THROUGH 10, inclusive,

26 Defendants.

27 COME NOW Plaintiffs ("Plaintiffs" or "Individual Unit Owners"), by and through their  
28 counsel of record, Robertson, Johnson, Miller & Williamson, and for their causes of action  
against Defendants hereby complain as follows:

## 29 GENERAL ALLEGATIONS

### 30 The Parties

31 1. Plaintiff Albert Thomas is a competent adult and is a resident of the State of  
32 California.

33 2. Plaintiff Jane Dunlap is a competent adult and is a resident of the State of  
34 California.

35 3. Plaintiff John Dunlap is a competent adult and is a resident of the State of  
36 California.



1           4.     Plaintiff Barry Hay is a competent adult and is a resident of the State of  
2 California.

3           5.     Plaintiff Marie-Annie Alexander, trustee of the Marie-Annie Alexander Living  
4 Trust, is a competent adult and is a resident of the State of California.

5           6.     Plaintiff Melissa Vagujhelyi, co-trustee of the George Vagujhelyi and Melissa  
6 Vagujhelyi 2001 Family Trust Agreement U/T/A April 13, 2001, is a competent adult and is a  
7 resident of the State of Nevada.

8           7.     Plaintiff George Vagujhelyi, co-trustee of the George Vagujhelyi and Melissa  
9 Vagujhelyi 2001 Family Trust Agreement U/T/A April 13, 2001, is a competent adult and is a  
10 resident of the State of Nevada.

11          8.     Plaintiff D'Arcy Nunn is a competent adult and is a resident of the State of  
12 California.

13          9.     Plaintiff Henry Nunn is a competent adult and is a resident of the State of  
14 California.

15          10.    Plaintiff Lee Van Der Bokke is a competent adult and is a resident of the State of  
16 California.

17          11.    Plaintiff Madelyn Van Der Bokke is a competent adult and is a resident of the  
18 State of California.

19          12.    Plaintiff Donald Schreifels is a competent adult and is a resident of the State of  
20 Minnesota.

21          13.    Plaintiff Robert R. Pederson, individually and as trustee of the Pederson 1990  
22 Trust, is a competent adult and is a resident of the State of California.

23          14.    Plaintiff Lou Ann Pederson, individually and as trustee of the Pederson 1990  
24 Trust, is a competent adult and is a resident of the State of California.

25          15.    Plaintiff Lori Ordoover is a competent adult and is a resident of the State of  
26 Connecticut.

27          16.    Plaintiff William A. Henderson is a competent adult and is a resident of the State  
28 of California.

1           17.     Plaintiff Christine E. Henderson is a competent adult and is a resident of the State  
2 of California.

3           18.     Plaintiff Loren D. Parker is a competent adult and is a resident of the State of  
4 Washington.

5           19.     Plaintiff Suzanne C. Parker is a competent adult and is a resident of the State of  
6 Washington.

7           20.     Plaintiff Michael Izady is a competent adult and is a resident of the State of New  
8 York.

9           21.     Plaintiff Steven Takaki is a competent adult and is a resident of the State of  
10 California.

11          22.     Plaintiff Farad Torabkhan is a competent adult and is a resident of the State of  
12 New York.

13          23.     Plaintiff Sahar Tavakol is a competent adult and is a resident of the State of New  
14 York.

15          24.     Plaintiff M&Y Holdings is a Nevada Limited Liability Company with its  
16 principal place of business in Nevada.

17          25.     Plaintiff JL&YL Holdings, LLC is a Nevada Limited Liability Company with its  
18 principal place of business in Nevada.

19          26.     Plaintiff Sandi Raines is a competent adult and is a resident of the State of  
20 Minnesota.

21          27.     Plaintiff R. Raghuram is a competent adult and is a resident of the State of  
22 California.

23          28.     Plaintiff Usha Raghuram is a competent adult and is a resident of the State of  
24 California.

25          29.     Plaintiff Lori K. Tokutomi is a competent adult and is a resident of the State of  
26 California.

27          30.     Plaintiff GareT Tom is a competent adult and is a resident of the State of  
28 California.

1           31.     Plaintiff Anita Tom is a competent adult and is a resident of the State of  
2 California.  
3           32.     Plaintiff Ramon Fadrilan is a competent adult and is a resident of the State of  
4 California.  
5           33.     Plaintiff Faye Fadrilan is a competent adult and is a resident of the State of  
6 California.  
7           34.     Plaintiff Peter K. Lee, as trustee of the Lee Family 2002 Revocable Trust, is a  
8 competent adult and is a resident of the State of California.  
9           35.     Plaintiff Monica L. Lee, as trustee of the Lee Family 2002 Revocable Trust, is a  
10 competent adult and is a resident of the State of California.  
11           36.     Plaintiff Dominic Yin is a competent adult and is a resident of the State of  
12 California.  
13           37.     Plaintiff Elias Shamieh is a competent adult and is a resident of the State of  
14 California.  
15           38.     Plaintiff Barry Hay is a competent adult and is a resident of the State of  
16 California.  
17           39.     Plaintiff Nadine's Real Estate Investments, LLC, is a North Dakota Limited  
18 Liability Company.  
19           40.     Plaintiff Jeffery James Quinn is a competent adult and is a resident of the State of  
20 Hawaii.  
21           41.     Plaintiff Barbara Rose Quinn is a competent adult and is a resident of the State of  
22 Hawaii.  
23           42.     Plaintiff Kenneth Riche is a competent adult and is a resident of the State of  
24 Wisconsin.  
25           43.     Plaintiff Maxine Riche is a competent adult and is a resident of the State of  
26 Wisconsin.  
27           44.     Plaintiff Norman Chandler is a competent adult and is a resident of the State of  
28 Alabama.

1           45.     Plaintiff Benton Wan is a competent adult and is a resident of the State of  
2 California.

3           46.     Plaintiff Timothy Kaplan is a competent adult and is a resident of the State of  
4 California.

5           47.     Plaintiff Silkscape Inc. is a California Corporation.

6           48.     Plaintiff Peter Cheng is a competent adult and is a resident of the State of  
7 California.

8           49.     Plaintiff Elisa Cheng is a competent adult and is a resident of the State of  
9 California.

10          50.     Plaintiff Greg A. Cameron is a competent adult and is a resident of the State of  
11 California.

12          51.     Plaintiff TMI Property Group, LLC is a California Limited Liability Company.

13          52.     Plaintiff Richard Lutz is a competent adult and is a resident of the State of  
14 California.

15          53.     Plaintiff Sandra Lutz is a competent adult and is a resident of the State of  
16 California.

17          54.     Plaintiff Mary A. Kossick is a competent adult and is a resident of the State of  
18 California.

19          55.     Plaintiff Melvin H. Cheah is a competent adult and is a resident of the State of  
20 California.

21          56.     Plaintiff Di Shen is a competent adult and is a resident of the State of Texas.

22          57.     Plaintiffs are informed and believe and thereon allege that at all relevant times  
23 herein defendant MEI-GSR Holdings, LLC (“MEI-GSR”) is a Nevada Limited Liability  
24 Company with its principal place of business in Nevada.

25          58.     Plaintiffs are informed and believe and thereon allege that at all relevant times  
26 herein, Defendant Gage Village Commercial Development, LLC (“Gage Village”) is a Nevada  
27 Limited Liability Company with its principal place of business in Nevada.

28

1           59.     Plaintiffs are informed and believe and thereon allege that Gage Village is related  
2 to, controlled by, affiliated with, or a subsidiary of MEI-GSR.

3           60.     Plaintiffs are informed and believe and thereon allege that at all relevant times  
4 herein Defendant Grand Sierra Resort Unit Owners' Association (the "Unit Owners'  
5 Association") is a Nevada nonprofit corporation with its principal place of business in Nevada.

6           61.     The true names and capacities whether individual, corporate, associate or  
7 otherwise of Plaintiff Does and Defendant Does 1 through 10, are unknown to Plaintiffs, and  
8 Plaintiffs therefore sue them by such fictitious names. Plaintiffs will amend this Complaint to  
9 allege their true names and capacities when such are ascertained. Plaintiffs are informed and  
10 believe and thereon allege that each of the fictitiously named Defendant Does is liable to  
11 Plaintiffs in some manner for the occurrences that are herein alleged.

12           **MEI-GSR's Control of the Unit Owners' Association is to Plaintiffs' Detriment**

13           62.     The Individual Unit Owners re-allege each and every allegation contained in  
14 paragraphs 1 through 61 of this Complaint as though fully stated herein and hereby incorporate  
15 them by this reference as if fully set forth below.

16           63.     The Grand Sierra Resort Condominium Units ("GSR Condo Units") are part of  
17 the Grand Sierra Unit Owners Association, which is an apartment style hotel condominium  
18 development of 670 units in one 27-story building. The GSR Condo Units occupy floors 17  
19 through 24 of the Grand Sierra Resort and Casino, a large-scale hotel casino, located at 2500  
20 East Second Street Reno, Nevada.

21           64.     All of the Individual Unit Owners own, or have owned, one or more GSR Condo  
22 Units.

23           65.     Defendants Gage Village and MEI-GSR own multiple GSR Condo Units.

24           66.     Defendant MEI-GSR owns the Grand Sierra Resort and Casino.

25           67.     Under the Declaration of Covenants, Conditions, Restrictions and Reservations of  
26 Easements for Hotel-Condominiums at Grand Sierra Resort ("CC&Rs"), there is one voting  
27 member for each unit of ownership (thus, an owner with multiple units has multiple votes).

1           68.     Because Defendants MEI-GSR and Gage Village control more units of ownership  
2 than any other person or entity, they effectively control the Unit Owners' Association by having  
3 the ability to elect Defendant MEI-GSR's chosen representatives to the Board of Directors (the  
4 governing body over the GSR Condo Units).

5           69.     As a result of Defendants MEI-GSR and Gage Village controlling the Unit  
6 Owners' Association, the Individual Unit Owners effectively have no input or control over the  
7 management of the Unit Owners' Association.

8           70.     Defendants MEI-GSR and Gage Village has used, and continues to use, their  
9 control over the Defendant Unit Owners' Association to advance Defendants MEI-GSR and  
10 Gage Villages' economic objectives to the detriment of the Individual Unit Owners.

11          71.     Defendants MEI-GSR and Gage Villages' control of the Unit Owners'  
12 Association violates Nevada law as it defeats the purpose of forming and maintaining a  
13 homeowners' association.

14          72.     Further, the Nevada Division of Real Estate requires a developer to sell off the  
15 units within 7 years, exit and turn over the control and management to the owners.

16          73.     Under the CC&Rs, the Individual Unit Owners are required to enter into a "Unit  
17 Maintenance Agreement" and participate in the "Hotel Unit Maintenance Program," wherein  
18 Defendant MEI-GSR provides certain services (including, without limitation, reception desk  
19 staffing, in-room services, guest processing services, housekeeping services, Hotel Unit  
20 inspection, repair and maintenance services, and other services).

21          74.     The Unit Owners' Association maintains capital reserve accounts that are funded  
22 by the owners of GSR Condo Units. The Unit Owners' Association collects association dues of  
23 approximately \$25 per month per unit, with some variation depending on a particular unit's  
24 square footage.

25          75.     The Individual Unit Owners pay for contracted "Hotel Fees," which include taxes,  
26 deep cleaning, capital reserve for the room, capital reserve for the building, routine maintenance,  
27 utilities, etc.

1           76. Defendant MEI-GSR has systematically allocated and disproportionately charged  
2 capital reserve contributions to the Individual Unit Owners, so as to force the Individual Unit  
3 Owners to pay capital reserve contributions in excess of what should have been charged.

4           77. Defendants MEI-GSR and Gage Development have failed to pay proportionate  
5 capital reserve contribution payments in connection with their Condo Units.

6           78. Defendant MEI-GSR has failed to properly account for, or provide an accurate  
7 accounting for the collection and allocation of the collected capital reserve contributions.

8           79. The Individual Unit Owners also pay "Daily Use Fees" (a charge for each night a  
9 unit is occupied by any guest for housekeeping services, etc.).

10          80. Defendants MEI-GSR and Gage Village have failed to pay proportionate Daily  
11 Use Fees for the use of Defendants' GSR Condo Units.

12          81. Defendant MEI-GSR has failed to properly account for the contracted "Hotel  
13 Fees" and "Daily Use Fees."

14          82. Further, the Hotel Fees and Daily Use Fees are not included in the Unit Owners'  
15 Association's annual budget with other assessments that provide the Individual Unit Owners' the  
16 ability to reject assessment increases and proposed budget ratification.

17          83. Defendant MEI-GSR has systematically endeavored to increase the various fees  
18 that are charged in connection with the use of the GSR Condo Units in order to devalue the units  
19 owned by Individual Unit Owners.

20          84. The Individual Unit Owners' are required to abide by the unilateral demands of  
21 MEI-GSR, through its control of the Unit Owners' Association, or risk being considered in  
22 default under Section 12 of the Agreement, which provides lien and foreclosure rights pursuant  
23 to Section 6.10(f) of the CC&R's.

24          85. Defendants MEI-GSR and/or Gage Village has attempted to purchase the units,  
25 thus devalued by their own actions, at nominal, distressed prices when Individual Unit Owners  
26 decide to, or are effectively forced to, sell their units because the units fail to generate sufficient  
27 revenue to cover expenses.



86. Defendant MEI-GSR and/or Gage Village has purchased such devalued units for \$30,000 less than the amount they purchased units for in March of 2011.

87. The Individual Unit Owners effectively pay association dues to fund the Unit Owners' Association, which acts contrary to the best interests of the Unit Owners' Association and contrary to the mandates of the CC&Rs.

88. Defendant MEI-GSR's interest in maximizing its profits is in conflict with the interest of the Individual Unit Owners. Accordingly, Defendant MEI-GSR's control of the Unit Owners' Association is a conflict of interest.

## MEI-GSR's Rental Program

89. As part of Defendant MEI-GSR's Grand Sierra Resort and Casino business operations, it rents: (1) hotel rooms owned by Defendant MEI-GSR that are not condominium units; (2) GSR Condo Units owned by Defendant MEI-GSR and/or Gage Village; and (3) GSR Condo Units owned by the Individual Condo Unit Owners.

90. Defendant MEI-GSR has entered into a Grand Sierra Resort Unit Rental Agreement with Individual Condo Unit Owners.

91. Defendant MEI-GSR has manipulated the rental of the: (1) hotel rooms owned by Defendant MEI-GSR; (2) GSR Condo Units owned by Defendant MEI-GSR and/or Gage Village; and (3) GSR Condo Units owned by Individual Condo Unit Owners so as to maximize Defendant MEI-GSR's profits and devalue the GSR Condo Units owned by the Individual Condo Unit Owners.

92. Defendant MEI-GSR has rented the Individual Condo Units for as little as \$0.00 to \$25.00 a night.

93. Yet, MEI-GSR has charged “Daily Use Fees” of approximately \$22.38, resulting in revenue to the Individual Unit Owners as low as \$2.62 per night for the use of their GSR Condo Unit.

94. By functionally giving away the use of units owned by the Individual Unit Owners, Defendant MEI-GSR has received a benefit because those who rent the Individual

1 Condo Units frequently gamble and purchase food, beverages, merchandise, spa services and  
2 entertainment access from Defendant MEI-GSR.

3 95. Defendant MEI-GSR has rented Individual Condo Units to third parties without  
4 providing Individual Condo Unit Owners with any notice or compensation for the use of their  
5 unit.

6 96. Further, Defendant MEI-GSR has systematically endeavored to place a priority on  
7 the rental of Defendant MEI-GSR's hotel rooms, Defendant MEI-GSR's GSR Condo Units, and  
8 Defendant Gage Village's Condo Units.

9 97. Such prioritization effectively devalues the units owned by the Individual Condo  
10 Unit Owners.

11 98. Defendants MEI-GSR and Gage Village intend to purchase the devalued units at  
12 nominal, distressed prices when Individual Condo Unit Owners decide to, or are effectively  
13 forced to, sell their units because the units fail to generate sufficient revenue to cover expenses  
14 and have no prospect of selling their persistently loss-making units to any other buyer.

15 99. Some of the Individual Condo Unit Owners have retained the services of a third  
16 party to market and rent their GSR Condo Unit(s).

17 100. Defendant MEI-GSR has systematically thwarted the efforts of any third party to  
18 market and rent the GSR Condo Units owned by the Individual Unit Owners.

19 101. Defendant MEI-GSR has breached the Grand Sierra Resort Unit Rental  
20 Agreement with Individual Condo Unit Owners by failing to follow its terms, including but not  
21 limited to, the failure to implement an equitable Rotational System as referenced in the  
22 agreement.

23 102. Defendant MEI-GSR has failed to act in good faith as to exercise of its duties  
24 under the Grand Sierra Resort Unit Rental Agreements with the Individual Condo Unit Owners.

25 **FIRST CLAIM FOR RELIEF**  
26 **(Petition for Appointment of Receiver as to**  
27 **Defendant Grand Sierra Resort Unit-Owners' Association)**  
28

1           103. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
2 102 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
3 as if fully set forth below.

4           104. Because Defendant MEI-GSR and/or Gage Village controls more units of  
5 ownership than any other person or entity, Defendant MEI-GSR and Gage Village effectively  
6 control the Grand Sierra Resort Unit Owners' Association by having the ability to elect  
7 Defendant MEI-GSR's chosen representatives to the Board of Directors (the governing body  
8 over the GSR Condo Units).

9           105. As a result of Defendant MEI-GSR controlling the Grand Sierra Resort Unit-  
10 Owners' Association, Plaintiffs effectively have no input or control over the management of the  
11 Unit Owners' Association.

12           106. Defendant MEI-GSR has used, and continues to use, its control over the  
13 Defendant Grand Sierra Resort Unit-Owners' Association to advance Defendant MEI-GSR's  
14 economic objectives to the detriment of Plaintiffs.

15           107. Plaintiffs are entitled to a receiver pursuant to NRS § 32.010.

16           108. Pursuant to NRS § 32.010, a receiver is appropriately appointed in this case as a  
17 matter of statute and equity.

18           109. Unless a receiver is appointed, Defendant MEI-GSR will continue to control the  
19 Unit Owners' Association to advance Defendant MEI-GSR's economic objections to the  
20 detriment of Plaintiffs.

21           110. Without the grant of the remedies sought in this Complaint, Plaintiffs have no  
22 adequate remedy at law to enforce their rights and Plaintiffs will suffer irreparable harm unless  
23 granted the relief as prayed for herein.

24           **WHEREFORE**, Plaintiffs request judgment against the Defendant Grand Sierra Resort  
25 Unit Owners' Association, as set forth below.

**SECOND CLAIM FOR RELIEF**  
**(Intentional and/or Negligent Misrepresentation as to Defendant MEI-GSR)**

111. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through 110 of this Complaint as though fully stated herein and hereby incorporate them by this reference as if fully set forth below.

112. Defendant MEI-GSR made affirmative representations to Plaintiffs regarding the use, rental and maintenance of the Individual Condo Unit Owners' GSR Condo Units.

113. Plaintiffs are now informed and believe, and thereon allege, that these representations were false.

114. The Defendant MEI-GSR knew that the affirmative representations were false, in the exercise of reasonable care should have known that they were false, and/or knew or should have known that they lacked a sufficient basis for making said representations.

115. The representations were made with the intention of inducing Plaintiffs to contract with Defendant MEI-GSR for the marketing and rental of Plaintiffs' GSR Condo Units and otherwise act, as set out above, in reliance upon the representations.

116. Plaintiffs justifiably relied upon the affirmative representations of Defendant MEI-GSR in contracting with Defendant MEI-GSR for the rental of their GSR Condo Units.

117. As a direct and proximate result of Defendant MEI-GSR's misrepresentations, Plaintiffs have been, and will continue to be, harmed in the manner herein.

118. Plaintiffs are further informed and believe, and thereon allege, that said representations were made by Defendant MEI-GSR with the intent to commit an oppression directed toward Plaintiffs by intentionally devaluing there GSR Condo Units. As a result, Plaintiffs are entitled to an award of exemplary damages against the Defendant MEI-GSR, and each of them, according to proof at the time of trial.

119. In addition, as a direct, proximate and necessary result of Defendant MEI-GSR's bad faith and wrongful conduct, Plaintiffs have been forced to incur costs and attorneys' fees and thus Plaintiffs hereby seek an award of said costs and attorneys' fees as damages pursuant to statute, decisional law, common law and this Court's inherent powers.

1           **WHEREFORE**, Plaintiffs request judgment against the Defendant MEI-GSR, as set  
2 forth below.

3                           **THIRD CLAIM FOR RELIEF**  
4                           **(Breach of Contract as to Defendant MEI-GSR)**

5           120. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
6 119 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
7 as if fully set forth below.

8           121. Defendant MEI-GSR has entered into a Grand Sierra Resort Unit Rental  
9 Agreement with Individual Condo Unit Owners.

10          122. Defendant MEI-GSR has breached the Grand Sierra Resort Unit Rental  
11 Agreement with Individual Condo Unit Owners by failing to follow its terms, including but not  
12 limited to, the failure to implement an equitable Rotational System as referenced in the  
13 agreement.

14          123. The Grand Sierra Resort Unit Rental Agreement Defendant MEI-GSR entered  
15 into an enforceable contract with Plaintiffs.

16          124. Plaintiffs have performed all of their obligations and satisfied all of their  
17 conditions under the Agreement, and/or their performance and conditions were excused.

18          125. As a direct and proximate result of Defendant MEI-GSR's breaches of the  
19 Agreement as alleged herein, Plaintiffs have been, and will continue to be, harmed in the manner  
20 herein alleged.

21          126. In addition, as a direct, proximate and necessary result of Defendants' bad faith  
22 and wrongful conduct, Plaintiffs have been forced to incur costs and attorneys' fees which they  
23 are entitled to recover under the terms of the Agreement.

24           **WHEREFORE**, Plaintiffs request judgment against the Defendant MEI-GSR, as set  
25 forth below.

26                           **FOURTH CLAIM FOR RELIEF**  
27                           **(Quasi-Contract/Equitable Contract/Detrimental Reliance as to Defendant MEI-GSR)**

1           127. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
2 126 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
3 as if fully set forth below.

4           128. Defendant MEI-GSR is contractually obligated to Plaintiffs. The contractual  
5 obligations are based upon the underlying agreements between Defendant MEI-GSR and  
6 Plaintiffs, and principles of equity and representations.

7           129. Plaintiffs relied upon the representations of Defendant MEI-GSR and trusted  
8 Defendant MEI-GSR with the marketing and rental of their GSR Condo Units.

9           130. Due to the devaluation of the GSR Condo Units caused by Defendant MEI-GSR's  
10 actions, the expenses they have had to incur, and their inability to sell the Property in its current  
11 state, Plaintiffs have suffered damages.

12           131. Defendant MEI-GSR was informed of, and in fact knew of, Plaintiffs' reliance  
13 upon their representations.

14           132. Based on these facts, equitable or quasi-contracts existed between Plaintiffs and  
15 Defendant MEI-GSR's actions as described hereinabove.

16           133. Defendant MEI-GSR, however, has failed and refused to perform its obligations.

17           134. These refusals and failures constitute material breaches of their agreements.

18           135. Plaintiffs have performed all of their obligations and satisfied all conditions under  
19 the contracts, and/or their performance and conditions, under the contracts, were excused.

20           136. As a direct and proximate result of Defendant MEI-GSR's wrongful conduct as  
21 alleged herein, the Plaintiffs have been, and will continue to be, harmed in the manner herein  
22 alleged.

23           137. In addition, as a direct, proximate and necessary result of Defendant MEI-GSR's  
24 wrongful conduct, Plaintiffs have been forced to incur costs and attorneys' fees and thus  
25 Plaintiffs hereby seek an award of said costs and attorneys' fees as damages pursuant to statute,  
26 decisional law, common law and this Court's inherent powers.

27           **WHEREFORE**, Plaintiffs request judgment against the Defendant MEI-GSR, as set  
28 forth below.

1 **FIFTH CLAIM FOR RELIEF**  
2 **(Breach of the Implied Covenant of Good Faith and Fair Dealing as to**  
3 **Defendant MEI-GSR)**

4 138. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
5 137 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
6 as if fully set forth below.

7 139. As alleged herein, Plaintiffs entered into one or more contracts with Defendant  
8 MEI-GSR, including the Grand Sierra Resort Unit Rental Agreement.

9 140. Under the terms of their respective agreement(s), Defendant MEI-GSR was  
10 obligated to market and rent Plaintiffs' GSR Condo Units.

11 141. Defendant MEI-GSR has manipulated the rental of: (1) the hotel rooms owned by  
12 Defendant MEI-GSR; (2) GSR Condo Units owned by Defendant MEI-GSR and Defendant  
13 Gage Village; and (3) GSR Condo Units owned by Plaintiffs so as to maximize Defendant MEI-  
14 GSR's profits and devalue the GSR Condo Units owned by Plaintiffs.

15 142. Every contract in Nevada has implied into it, a covenant that the parties thereto  
16 will act in the spirit of good faith and fair dealing.

17 143. Defendant MEI-GSR has breached this covenant by intentionally making false  
18 and misleading statements to Plaintiffs, and for its other wrongful actions as alleged in this  
19 Complaint.

20 144. As a direct and proximate result of Defendant MEI-GSR's breaches of the implied  
21 covenant of good faith and fair dealing, Plaintiffs have been, and will continue to be, harmed in  
22 the manner herein alleged.

23 145. In addition, as a direct, proximate and necessary result of Defendant MEI-GSR's  
24 bad faith and wrongful conduct, Plaintiffs have been forced to incur costs and attorneys' fees  
25 and thus Plaintiffs hereby seek an award of said costs and attorneys' fees as damages pursuant to  
26 statute, decisional law, common law and this Court's inherent powers.

27 **WHEREFORE**, Plaintiffs request judgment against the Defendant MEI-GSR, as set  
28 forth below.



**SIXTH CLAIM FOR RELIEF**  
**(Consumer Fraud/Nevada Deceptive Trade Practices Act Against Defendant MEI-GSR)**

146. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through 145 of this Complaint as though fully stated herein and hereby incorporate them by this reference as if fully set forth below.

147. NRS § 41.600(1) provides that “[a]n action may be brought by any person who is a victim of consumer fraud.”

148. NRS § 41.600(2) explains, in part, “‘consumer fraud’ means . . . [a] deceptive trade practice as defined in NRS §§ 598.0915 to 598.0925, inclusive.”

149. NRS Chapter 598 identifies certain activities which constitute deceptive trade practices; many of those activities occurred in MEI-GSR's dealings with Plaintiffs.

150. Defendant MEI-GSR, in the course of their business or occupation, knowingly made false representations and/or misrepresentations to Plaintiffs.

151. Defendant MEI-GSR failed to represent the actual marketing and rental practices implemented by Defendant MEI-GSR, as the Defendant was contractually and legally required to do.

152. Defendant MEI-GSR's conduct, as described herein, constitutes deceptive trade practices and is in violation of, among other statutory provisions and administrative regulations, NRS §§ 598.0915 to 598.0925.

153. As a direct and proximate result of Defendant MEI-GSR's deceptive trade practices, Plaintiffs have suffered damages.

154. Plaintiffs are also entitled to recover their costs in this action and reasonable attorneys' fees, as allowed by law.

155. **WHEREFORE**, Plaintiffs request judgment against the Defendant MEI-GSR, as set forth below.

1                                   **SEVENTH CLAIM FOR RELIEF**  
2                                   **(Declaratory Relief as to Defendant MEI-GSR)**

3           156. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
4 154 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
5 as if fully set forth below.

6           157. As alleged hereinabove, an actual controversy has arisen and now exists between  
7 Plaintiffs and Defendant MEI-GSR, regarding the extent to which Defendant MEI-GSR has the  
8 legal right to control the Grand Sierra Resort Unit-Owners' Association to advance Defendant  
9 MEI-GSR's economic objections to the detriment of Plaintiffs.

10          158. The interests of Plaintiffs and Defendant MEI-GSR are completely adverse as the  
11 Plaintiffs.

12          159. Plaintiffs have a legal interest in this dispute as they are the owners of record of  
13 certain GSR Condo Units.

14          160. This controversy is ripe for judicial determination in that Plaintiffs have alluded to  
15 and raised this issue in this Complaint.

16          161. Accordingly, Plaintiffs seek a judicial declaration that Defendant MEI-GSR  
17 cannot control the Grand Sierra Resort Unit-Owners' Association to advance Defendant MEI-  
18 GSR's economic objectives to the detriment of Plaintiffs.

19           **WHEREFORE**, the Plaintiffs request judgment against the Defendant MEI-GSR, as set  
20 forth below.

21                                   **EIGHTH CLAIM FOR RELIEF**  
22                                   **(Conversion as to Defendant MEI-GSR)**

23          162. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
24 161 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
25 as if fully set forth below.

26          163. Defendant MEI-GSR wrongfully committed a distinct act of dominion over the  
27 Plaintiffs' property by renting their GSR Condo Units both at unreasonably low rates so as to  
28

1 only benefit Defendant MEI-GRS, and also renting said units without providing any  
2 compensation or notice to Plaintiffs.

3 164. Defendant MEI-GSR's acts were in denial of, or inconsistent with, Plaintiffs' title  
4 or rights therein.

5 165. Defendant MEI-GSR's acts were in derogation, exclusion, or defiance of the  
6 Plaintiffs' title or rights therein.

7 166. **WHEREFORE**, Plaintiffs request judgment against the Defendant MEI-GSR, as  
8 set forth below.

9 **NINTH CLAIM FOR RELIEF**  
10 **(Demand for Accounting as to Defendant MEI-GSR and Defendant Grand Sierra Unit**  
11 **Owners Association)**

12 167. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
13 165 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
14 as if fully set forth below.

15 168. The Nevada Revised Statutes impose certain duties and obligations upon trustees,  
16 fiduciaries, managers, advisors, and investors.

17 169. Defendant MEI-GSR has not fulfilled its duties and obligations.

18 170. Plaintiffs are informed and believe, and thereon allege, that they are interested  
19 parties in the Defendant Grand Sierra Unit Owners Association and Defendant MEI-GSR's  
20 endeavors to market, maintain, service and rent Plaintiffs' GSR Condo Units.

21 171. Among their duties, Defendant Grand Sierra Unit Owners Association and  
22 Defendant MEI-GSR are required to prepare accountings of their financial affairs as they pertain  
23 to Plaintiffs.

24 172. Defendant Grand Sierra Unit Owners Association and Defendant MEI-GSR have  
25 failed to properly prepare and distribute said accountings.

26 173. Accordingly, Plaintiffs are entitled to the relief set forth below.

27 174. **WHEREFORE**, Plaintiffs request judgment against the Defendants MEI-GSR  
28 and the Grand Sierra Unit Owners Association, as set forth below.

**TENTH CLAIM FOR RELIEF**  
**(Specific Performance Pursuant to NRS 116.112, Unconscionable Agreement)**

175. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through 173 of this Complaint as though fully stated herein and hereby incorporate them by this reference as if fully set forth below.

176. As alleged herein, Plaintiffs entered into one or more contracts with Defendant MEI-GSR, including the Grand Sierra Resort Unit Rental Agreement and the Unit Maintenance Agreement.

177. The Grand Sierra Resort Unit Rental Agreement is unconscionable pursuant to NRS § 116.112 because MEI-GSR has manipulated the rental of the: (1) hotel rooms owned by Defendant MEI-GSR; (2) GSR Condo Units owned or controlled by Defendant MEI-GSR; and (3) GSR Condo Units owned by Individual Condo Unit Owners so as to maximize Defendant MEI-GSR's profits and devalue the GSR Condo Units owned by the Individual Condo Units Owners.

178. The Unit Maintenance Agreement is unconscionable pursuant to NRS § 116.112 because of the excessive fees charged and the Individual Unit Owners' inability to reject fee increases.

179. **WHEREFORE**, Plaintiffs request judgment against the Defendant MEI-GSR, as set forth below.

**ELEVENTH CLAIM FOR RELIEF**  
**(Unjust Enrichment / Quantum Meruit against Defendant Gage Village**  
**Development)**

180. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through 178 of this Complaint as though fully stated herein and hereby incorporate them by this reference as if fully set forth below.

181. Defendant Gage Village has unjustly benefited from MEI-GSR's devaluation of the GSR Condo Units.

1 182. Defendant Gage Village has unjustly benefited from prioritization of their GSR  
2 Condo Units under MEI-GSR's rental scheme to the immediate detriment of the Individual Unit  
3 Owners.

4 183. It would be inequitable for the Defendant Gage Village to retain those benefits  
5 without full and just compensation to the Individual Unit Owners.

6 184. **WHEREFORE**, Plaintiffs request judgment against the Defendant Gage Village,  
7 as set forth below.

8 **TWELFTH CLAIM FOR RELIEF**  
9 **(Tortious Interference with Contract and /or Prospective Business Advantage**  
10 **against Defendants MEI-GSR and Gage Development)**

11 185. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
12 183 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
13 as if fully set forth below.

14 186. Individual Unit Owners have contracted with third parties to market and rent their  
15 GSR Condo Units.

16 187. Defendant MEI-GSR has systematically thwarted the efforts of those third parties  
17 to market and rent the GSR Condo Units owned by the Individual Unit Owners.

18 188. Defendant MEI-GSR has prioritized the rental of GSR Condo Units Owned by  
19 Defendant Gage Village to the economic detriment of the Individual Unit Owners.

20 189. Defendant Gage Village has worked in concert with Defendant MEI-GSR in its  
21 scheme to devalue the GSR Condo Units and repurchase them.

22 **WHEREFORE**, Plaintiffs request judgment against the Defendants as follows:

- 23 1. For the appointment of a neutral receiver to take over control of Defendant  
24 Grand Sierra Unit Owners' Association;
- 25 2. For compensatory damages according to proof, in excess of **\$10,000.00**;
- 26 3. For punitive damages according to proof;
- 27 4. For attorneys' fees and costs according to proof;
- 28 5. For declaratory relief;
6. For specific performance;

1           7.     For an accounting; and

2           8.     For such other and further relief as the Court may deem just and proper.

3                           **AFFIRMATION**

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

6           RESPECTFULLY SUBMITTED this 27<sup>th</sup> day of August, 2012.

7                           ROBERTSON, JOHNSON,  
8                           MILLER & WILLIAMSON  
9                           50 West Liberty Street, Suite 600  
                            Reno, Nevada 89501

10                          By: /s/ Jarrad C. Miller  
11                               G. David Robertson, Esq.  
12                               Jarrad C. Miller, Esq.  
                                Jonathan J. Tew, Esq.  
                                Attorneys for Plaintiffs

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2022-03-17 05:01:35 PM  
Alicia L. Lerud  
Clerk of the Court  
Transaction # 8953058 : yviloria

# Exhibit 7



**FILED**

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Joey Orduna Hastings  
Clerk of the Court  
Transaction # 3205997

1 CODE: 1090  
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9 Attorneys for Plaintiffs

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

**IN AND FOR THE COUNTY OF WASHOE**

9 ALBERT THOMAS, individually; JANE  
10 DUNLAP, individually; JOHN DUNLAP,  
11 individually; BARRY HAY, individually;  
12 MARIE-ANNE ALEXANDER, as Trustee of  
13 the MARIE-ANNIE ALEXANDER LIVING  
14 TRUST; MELISSA VAGUJHELYI and  
15 GEORGE VAGUJHELYI, as Trustees of the  
16 GEORGE VAGUJHELYI AND MELISSA  
17 VAGUJHELYI 2001 FAMILY TRUST  
18 AGREEMENT, U/T/A APRIL 13, 2001; D'  
19 ARCY NUNN, individually; HENRY  
20 NUNN, individually; MADELYN VAN DER  
21 BOKKE, individually; LEE VAN DER  
22 BOKKE, individually; DONALD  
23 SCHREIFELS, individually; ROBERT R.  
24 PEDERSON, individually and as Trustee of  
25 the PEDERSON 1990 TRUST; LOU ANN  
26 PEDERSON, individually and as Trustee of  
27 the PEDERSON 1990 TRUST; LORI  
28 ORDOVER, individually; WILLIAM A.  
HENDERSON, individually; CHRISTINE E.  
HENDERSON, individually; LOREN D.  
PARKER, individually; SUZANNE C.  
PARKER, individually; MICHAEL IZADY,  
individually; STEVEN TAKAKI,  
individually; FARAD TORABKHAN,  
individually; SAHAR TAVAKOL,  
individually; M&Y HOLDINGS, LLC;  
JL&YL HOLDINGS, LLC; SANDI RAINES,  
individually; R. RAGHURAM, individually;  
USHA RAGHURAM, individually; LORI K.  
TOKUTOMI, individually; GARRET TOM,  
individually; ANITA TOM, individually;  
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,

Case No. CV12-02222  
Dept. No. 10

**FIRST AMENDED COMPLAINT**

1 individually; BARBARA ROSE QUINN  
2 individually; KENNETH RICHE,  
3 individually; MAXINE RICHE, individually;  
4 NORMAN CHANDLER, individually;  
5 BENTON WAN, individually; TIMOTHY D.  
6 KAPLAN, individually; SILKSCAPE INC.;  
7 PETER CHENG, individually; ELISA  
8 CHENG, individually; GREG A.  
9 CAMERON, individually; TMI PROPERTY  
10 GROUP, LLC; RICHARD LUTZ,  
11 individually; SANDRA LUTZ, individually;  
12 MARY A. KOSSICK, individually; MELVIN  
13 CHEAH, individually; DI SHEN,  
14 individually; NADINE'S REAL ESTATE  
15 INVESTMENTS, LLC; AJIT GUPTA,  
16 individually; SEEMA GUPTA, individually;  
17 FREDRICK FISH, individually; LISA FISH,  
18 individually; ROBERT A. WILLIAMS,  
19 individually; JACQUELIN PHAM,  
20 individually; MAY ANN HOM, as Trustee of  
21 the MAY ANN HOM TRUST; MICHAEL  
22 HURLEY, individually; DOMINIC YIN,  
23 individually; DUANE WINDHORST,  
24 individually; MARILYN WINDHORST,  
25 individually; VINOD BHAN, individually;  
26 ANNE BHAN, individually; GUY P.  
27 BROWNE, individually; GARTH A.  
28 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 DEE 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

1 PLAINTIFFS 1 THROUGH 10, inclusive,  
2 Plaintiffs,  
3 vs.  
4 MEI-GSR Holdings, LLC, a Nevada Limited  
5 Liability Company, GRAND SIERRA  
6 RESORT UNIT OWNERS' ASSOCIATION,  
7 a Nevada nonprofit corporation, GAGE  
8 VILLAGE COMMERCIAL  
9 DEVELOPMENT, LLC, a Nevada Limited  
10 Liability Company and DOE DEFENDANTS  
11 1 THROUGH 10, inclusive,  
12 Defendants.

13 COME NOW Plaintiffs ("Plaintiffs" or "Individual Unit Owners"), by and through their  
14 counsel of record, Robertson, Johnson, Miller & Williamson, and for their causes of action  
15 against Defendants hereby complain as follows:

16 **GENERAL ALLEGATIONS**

17 **The Parties**

- 18 1. Plaintiff Albert Thomas is a competent adult and is a resident of the State of  
19 California.
- 20 2. Plaintiff Jane Dunlap is a competent adult and is a resident of the State of  
21 California.
- 22 3. Plaintiff John Dunlap is a competent adult and is a resident of the State of  
23 California.
- 24 4. Plaintiff Barry Hay is a competent adult and is a resident of the State of  
25 California.
- 26 5. Plaintiff Marie-Annie Alexander, as Trustee of the Marie-Annie Alexander Living  
27 Trust, is a competent adult and is a resident of the State of California.
- 28 6. Plaintiff Melissa Vagujhelyi, as Co-Trustee of the George Vagujhelyi and Melissa  
Vagujhelyi 2001 Family Trust Agreement U/T/A April 13, 2001, is a competent adult and is a  
resident of the State of Nevada.

1           7.       Plaintiff George Vagujhelyi, as Co-Trustee of the George Vagujhelyi and Melissa  
2 Vagujhelyi 2001 Family Trust Agreement U/T/A April 13, 2001, is a competent adult and is a  
3 resident of the State of Nevada.

4           8.       Plaintiff D'Arcy Nunn is a competent adult and is a resident of the State of  
5 California.

6           9.       Plaintiff Henry Nunn is a competent adult and is a resident of the State of  
7 California.

8           10.      Plaintiff Lee Van Der Bokke is a competent adult and is a resident of the State of  
9 California.

10          11.      Plaintiff Madelyn Van Der Bokke is a competent adult and is a resident of the  
11 State of California.

12          12.      Plaintiff Donald Schreifels is a competent adult and is a resident of the State of  
13 Minnesota.

14          13.      Plaintiff Robert R. Pederson, individually and as Trustee of the Pederson 1990  
15 Trust, is a competent adult and is a resident of the State of California.

16          14.      Plaintiff Lou Ann Pederson, individually and as Trustee of the Pederson 1990  
17 Trust, is a competent adult and is a resident of the State of California.

18          15.      Plaintiff Lori Ordoover is a competent adult and is a resident of the State of  
19 Connecticut.

20          16.      Plaintiff William A. Henderson is a competent adult and is a resident of the State  
21 of California.

22          17.      Plaintiff Christine E. Henderson is a competent adult and is a resident of the State  
23 of California.

24          18.      Plaintiff Loren D. Parker is a competent adult and is a resident of the State of  
25 Washington.

26          19.      Plaintiff Suzanne C. Parker is a competent adult and is a resident of the State of  
27 Washington.

28

1           20.     Plaintiff Michael Izady is a competent adult and is a resident of the State of New  
2     York.  
3           21.     Plaintiff Steven Takaki is a competent adult and is a resident of the State of  
4     California.  
5           22.     Plaintiff Farad Torabkhan is a competent adult and is a resident of the State of  
6     New York.  
7           23.     Plaintiff Sahar Tavakol is a competent adult and is a resident of the State of New  
8     York.  
9           24.     Plaintiff M&Y Holdings is a Nevada Limited Liability Company with its  
10    principal place of business in Nevada.  
11          25.     Plaintiff JL&YL Holdings, LLC is a Nevada Limited Liability Company with its  
12    principal place of business in Nevada.  
13          26.     Plaintiff Sandi Raines is a competent adult and is a resident of the State of  
14    Minnesota.  
15          27.     Plaintiff R. Raghuram is a competent adult and is a resident of the State of  
16    California.  
17          28.     Plaintiff Usha Raghuram is a competent adult and is a resident of the State of  
18    California.  
19          29.     Plaintiff Lori K. Tokutomi is a competent adult and is a resident of the State of  
20    California.  
21          30.     Plaintiff Garett Tom is a competent adult and is a resident of the State of  
22    California.  
23          31.     Plaintiff Anita Tom is a competent adult and is a resident of the State of  
24    California.  
25          32.     Plaintiff Ramon Fadrilan is a competent adult and is a resident of the State of  
26    California.  
27          33.     Plaintiff Faye Fadrilan is a competent adult and is a resident of the State of  
28    California.

1           34.     Plaintiff Peter K. Lee, as Trustee of the Lee Family 2002 Revocable Trust, is a  
2 competent adult and is a resident of the State of California.

3           35.     Plaintiff Monica L. Lee, as Trustee of the Lee Family 2002 Revocable Trust, is a  
4 competent adult and is a resident of the State of California.

5           36.     Plaintiff Dominic Yin is a competent adult and is a resident of the State of  
6 California.

7           37.     Plaintiff Elias Shamieh is a competent adult and is a resident of the State of  
8 California.

9           38.     Plaintiff Nadine's Real Estate Investments, LLC, is a North Dakota Limited  
10 Liability Company.

11          39.     Plaintiff Jeffery James Quinn is a competent adult and is a resident of the State of  
12 Hawaii.

13          40.     Plaintiff Barbara Rose Quinn is a competent adult and is a resident of the State of  
14 Hawaii.

15          41.     Plaintiff Kenneth Riche is a competent adult and is a resident of the State of  
16 Wisconsin.

17          42.     Plaintiff Maxine Riche is a competent adult and is a resident of the State of  
18 Wisconsin.

19          43.     Plaintiff Norman Chandler is a competent adult and is a resident of the State of  
20 Alabama.

21          44.     Plaintiff Benton Wan is a competent adult and is a resident of the State of  
22 California.

23          45.     Plaintiff Timothy Kaplan is a competent adult and is a resident of the State of  
24 California.

25          46.     Plaintiff Silkscape Inc. is a California Corporation.

26          47.     Plaintiff Peter Cheng is a competent adult and is a resident of the State of  
27 California.

28

1           48.     Plaintiff Elisa Cheng is a competent adult and is a resident of the State of  
2 California.  
3           49.     Plaintiff Greg A. Cameron is a competent adult and is a resident of the State of  
4 California.  
5           50.     Plaintiff TMI Property Group, LLC is a California Limited Liability Company.  
6           51.     Plaintiff Richard Lutz is a competent adult and is a resident of the State of  
7 California.  
8           52.     Plaintiff Sandra Lutz is a competent adult and is a resident of the State of  
9 California.  
10          53.     Plaintiff Mary A. Kossick is a competent adult and is a resident of the State of  
11 California.  
12          54.     Plaintiff Melvin H. Cheah is a competent adult and is a resident of the State of  
13 California.  
14          55.     Plaintiff Di Shen is a competent adult and is a resident of the State of Texas.  
15          56.     Plaintiff Ajit Gupta is a competent adult and is a resident of the State of  
16 California.  
17          57.     Plaintiff Seema Gupta is a competent adult and is a resident of the State of  
18 California.  
19          58.     Plaintiff Fredrick Fish is a competent adult and is a resident of the State of  
20 Minnesota.  
21          59.     Plaintiff Lisa Fish is a competent adult and is a resident of the State of Minnesota.  
22          60.     Plaintiff Robert A. Williams is a competent adult and is a resident of the State of  
23 Minnesota.  
24          61.     Plaintiff Jacquelin Pham is a competent adult and is a resident of the State of  
25 California.  
26          62.     Plaintiff May Ann Hom, as Trustee of the May Ann Hom Trust, is a competent  
27 adult and is a resident of the State of California.  
28



1           63.     Plaintiff Michael Hurley is a competent adult and is a resident of the State of  
2 Minnesota.  
3           64.     Plaintiff Dominic Yin is a competent adult and is a resident of the State of  
4 California.  
5           65.     Plaintiff Duane Windhorst is a competent adult and is a resident of the State of  
6 Minnesota.  
7           66.     Plaintiff Marilyn Windhorst is a competent adult and is a resident of the State of  
8 Minnesota.  
9           67.     Plaintiff Vinod Bhan is a competent adult and is a resident of the State of  
10 California.  
11           68.     Plaintiff Anne Bhan is a competent adult and is a resident of the State of  
12 California.  
13           69.     Plaintiff Guy P. Browne is a competent adult and is a resident of the State of  
14 California.  
15           70.     Plaintiff Garth Williams is a competent adult and is a resident of the State of  
16 California.  
17           71.     Plaintiff Darleen Lindgren is a competent adult and is a resident of the State of  
18 Minnesota.  
19           72.     Plaintiff Laverne Roberts is a competent adult and is a resident of the State of  
20 Nevada.  
21           73.     Plaintiff Doug Mecham is a competent adult and is a resident of the State of  
22 Nevada.  
23           74.     Plaintiff Chrisine Mecham is a competent adult and is a resident of the State of  
24 Nevada.  
25           75.     Plaintiff Kwangsoo Son is a competent adult and is a resident of Vancouver,  
26 British Columbia.  
27           76.     Plaintiff Soo Yeun Moon is a competent adult and is a resident of Vancouver,  
28 British Columbia.

1           77.     Plaintiff Johnson Akindodunse is a competent adult and is a resident of the State  
2 of California.

3           78.     Plaintiff Irene Weiss, as Trustee of the Weiss Family Trust, is a competent adult  
4 and is a resident of the State of Texas.

5           79.     Plaintiff Pravesh Chopra is a competent adult and is a resident of the State of  
6 California.

7           80.     Plaintiff Terry Pope is a competent adult and is a resident of the State of Nevada.

8           81.     Plaintiff Nancy Pope is a competent adult and is a resident of the State of Nevada.

9           82.     Plaintiff James Taylor is a competent adult and is a resident of the State of  
10 California.

11          83.     Plaintiff Ryan Taylor is a competent adult and is a resident of the State of  
12 California.

13          84.     Plaintiff Ki Ham is a competent adult and is a resident of Surry B.C.

14          85.     Plaintiff Young Ja Choi is a competent adult and is a resident of Coquitlam, B.C.

15          86.     Plaintiff Kuk Hyung (“Connie”) is a competent adult and is a resident of  
16 Coquitlam, B.C.

17          87.     Plaintiff Sang (“Mike”) Yoo is a competent adult and is a resident of Coquitlam,  
18 British Columbia.

19          88.     Plaintiff Brett Menmuir, as Trustee of the Cayenne Trust, is a competent adult and  
20 is a resident of the State of Nevada.

21          89.     Plaintiff William Miner, Jr., is a competent adult and is a resident of the State of  
22 California.

23          90.     Plaintiff Chanh Truong is a competent adult and is a resident of the State of  
24 California.

25          91.     Plaintiff Elizabeth Anders Mecua is a competent adult and is a resident of the  
26 State of California.

27          92.     Plaintiff Shepherd Mountain, LLC is a Texas Limited Liability Company with its  
28 principal place of business in Texas.

1           93.     Plaintiff Robert Brunner is a competent adult and is a resident of the State of  
2 Minnesota.

3           94.     Plaintiff Amy Brunner is a competent adult and is a resident of the State of  
4 Minnesota.

5           95.     Plaintiff Jeff Riopelle is a competent adult and is a resident of the State of  
6 California.

7           96.     Plaintiff Patricia M. Moll is a competent adult and is a resident of the State of  
8 Illinois.

9           97.     Plaintiff Daniel Moll is a competent adult and is a resident of the State of Illinois.

10          98.     Plaintiffs are informed and believe and thereon allege that at all relevant times  
11 herein, Defendant MEI-GSR Holdings, LLC (“MEI-GSR”) is a Nevada Limited Liability  
12 Company with its principal place of business in Nevada.

13          99.     Plaintiffs are informed and believe and thereon allege that at all relevant times  
14 herein, Defendant Gage Village Commercial Development, LLC (“Gage Village”) is a Nevada  
15 Limited Liability Company with its principal place of business in Nevada.

16          100.    Plaintiffs are informed and believe and thereon allege that Gage Village is related  
17 to, controlled by, affiliated with, and/or a subsidiary of MEI-GSR.

18          101.    Plaintiffs are informed and believe and thereon allege that at all relevant times  
19 herein, Defendant Grand Sierra Resort Unit Owners’ Association (the “Unit Owners’  
20 Association”) is a Nevada nonprofit corporation with its principal place of business in Nevada.

21          102.    The true names and capacities whether individual, corporate, associate or  
22 otherwise of Plaintiff Does and Defendant Does 1 through 10, are unknown to Plaintiffs, and  
23 Plaintiffs therefore include them by such fictitious names. Plaintiffs will amend this Complaint  
24 to allege their true names and capacities when such are ascertained. Plaintiffs are informed and  
25 believe and thereon allege that each of the fictitiously named Defendant Does is liable to  
26 Plaintiffs in some manner for the occurrences that are herein alleged.

1                   **MEI-GSR's Control of the Unit Owners' Association is to Plaintiffs' Detriment**

2                   103. The Individual Unit Owners re-allege each and every allegation contained in  
3 paragraphs 1 through 102 of this Complaint as though fully stated herein and hereby incorporate  
4 them by this reference as if fully set forth below.

5                   104. The Grand Sierra Resort Condominium Units ("GSR Condo Units") are part of  
6 the Grand Sierra Unit Owners Association, which is an apartment style hotel condominium  
7 development of 670 units in one 27-story building. The GSR Condo Units occupy floors 17  
8 through 24 of the Grand Sierra Resort and Casino, a large-scale hotel casino, located at 2500  
9 East Second Street, Reno, Nevada.

10                  105. All of the Individual Unit Owners: hold an interest in, own, or have owned, one or  
11 more GSR Condo Units.

12                  106. Defendants Gage Village and MEI-GSR own multiple GSR Condo Units.

13                  107. Defendant MEI-GSR owns the Grand Sierra Resort and Casino.

14                  108. Under the Declaration of Covenants, Conditions, Restrictions and Reservations of  
15 Easements for Hotel-Condominiums at Grand Sierra Resort ("CC&Rs"), there is one voting  
16 member for each unit of ownership (thus, an owner with multiple units has multiple votes).

17                  109. Because Defendants MEI-GSR and Gage Village control more units of ownership  
18 than any other person or entity, they effectively control the Unit Owners' Association by having  
19 the ability to elect Defendant MEI-GSR's chosen representatives to the Board of Directors (the  
20 governing body over the GSR Condo Units).

21                  110. As a result of Defendants MEI-GSR and Gage Village controlling the Unit  
22 Owners' Association, the Individual Unit Owners effectively have no input or control over the  
23 management of the Unit Owners' Association.

24                  111. Defendants MEI-GSR and Gage Village have used, and continue to use, their  
25 control over the Defendant Unit Owners' Association to advance Defendants MEI-GSR and  
26 Gage Villages' economic objectives to the detriment of the Individual Unit Owners.

1           112. Defendants MEI-GSR and Gage Villages' control of the Unit Owners'  
2 Association violates Nevada law as it defeats the purpose of forming and maintaining a  
3 homeowners' association.

4           113. Further, the Nevada Division of Real Estate requires a developer to sell off the  
5 units within 7 years, exit and turn over the control and management to the owners.

6           114. Under the CC&Rs, the Individual Unit Owners are required to enter into a "Unit  
7 Maintenance Agreement" and participate in the "Hotel Unit Maintenance Program," wherein  
8 Defendant MEI-GSR provides certain services (including, without limitation, reception desk  
9 staffing, in-room services, guest processing services, housekeeping services, Hotel Unit  
10 inspection, repair and maintenance services, and other services).

11           115. The Unit Owners' Association maintains capital reserve accounts that are funded  
12 by the owners of GSR Condo Units. The Unit Owners' Association collects association dues of  
13 approximately \$25 per month per unit, with some variation depending on a particular unit's  
14 square footage.

15           116. The Individual Unit Owners pay for contracted "Hotel Fees," which include taxes,  
16 deep cleaning, capital reserve for the room, capital reserve for the building, routine maintenance,  
17 utilities, etc.

18           117. Defendant MEI-GSR has systematically allocated and disproportionately charged  
19 capital reserve contributions to the Individual Unit Owners, so as to force the Individual Unit  
20 Owners to pay capital reserve contributions in excess of what should have been charged.

21           118. Defendants MEI-GSR and Gage Development have failed to pay proportionate  
22 capital reserve contribution payments in connection with their Condo Units.

23           119. Defendant MEI-GSR has failed to properly account for, or provide an accurate  
24 accounting for the collection and allocation of the collected capital reserve contributions.

25           120. The Individual Unit Owners also pay "Daily Use Fees" (a charge for each night a  
26 unit is occupied by any guest for housekeeping services, etc.).

27           121. Defendants MEI-GSR and Gage Village have failed to pay proportionate Daily  
28 Use Fees for the use of Defendants' GSR Condo Units.

1 122. Defendant MEI-GSR has failed to properly account for the contracted “Hotel  
2 Fees” and “Daily Use Fees.”

3 123. Further, the Hotel Fees and Daily Use Fees are not included in the Unit Owners’  
4 Association’s annual budget with other assessments that provide the Individual Unit Owners’ the  
5 ability to reject assessment increases and proposed budget ratification.

6 124. Defendant MEI-GSR has systematically endeavored to increase the various fees  
7 that are charged in connection with the use of the GSR Condo Units in order to devalue the units  
8 owned by Individual Unit Owners.

9 125. The Individual Unit Owners’ are required to abide by the unilateral demands of  
10 MEI-GSR, through its control of the Unit Owners’ Association, or risk being considered in  
11 default under Section 12 of the Agreement, which provides lien and foreclosure rights pursuant  
12 to Section 6.10(f) of the CC&R’s.

13 126. Defendants MEI-GSR and/or Gage Village have attempted to purchase, and  
14 purchased, units devalued by their own actions, at nominal, distressed prices when Individual  
15 Unit Owners decide to, or are effectively forced to, sell their units because the units fail to  
16 generate sufficient revenue to cover expenses.

17 127. Defendant MEI-GSR and/or Gage Village have, in late 2011 and 2012, purchased  
18 such devalued units for \$30,000 less than the amount they purchased units for in March of 2011.

19 128. The Individual Unit Owners effectively pay association dues to fund the Unit  
20 Owners’ Association, which acts contrary to the best interests of the Individual Unit Owners.

21 129. Defendant MEI-GSR’s interest in maximizing its profits is in conflict with the  
22 interest of the Individual Unit Owners. Accordingly, Defendant MEI-GSR’s control of the Unit  
23 Owners’ Association is a conflict of interest.

24 **MEI-GSR’s Rental Program**

25 130. As part of Defendant MEI-GSR’s Grand Sierra Resort and Casino business  
26 operations, it rents: (1) hotel rooms owned by Defendant MEI-GSR that are not condominium  
27 units; (2) GSR Condo Units owned by Defendant MEI-GSR and/or Gage Village; and (3) GSR  
28 Condo Units owned by the Individual Condo Unit Owners.

1           131. Defendant MEI-GSR has entered into a Grand Sierra Resort Unit Rental  
2 Agreement with Individual Unit Owners.

3           132. Defendant MEI-GSR has manipulated the rental of the: (1) hotel rooms owned by  
4 Defendant MEI-GSR; (2) GSR Condo Units owned by Defendant MEI-GSR and/or Gage  
5 Village; and (3) GSR Condo Units owned by Individual Condo Unit Owners so as to maximize  
6 Defendant MEI-GSR's profits and devalue the GSR Condo Units owned by the Individual Unit  
7 Owners.

8           133. Defendant MEI-GSR has rented the Individual Condo Units for as little as \$0.00  
9 to \$25.00 a night.

10          134. Yet, MEI-GSR has charged "Daily Use Fees" of approximately \$22.38, resulting  
11 in revenue to the Individual Unit Owners as low as \$2.62 per night for the use of their GSR  
12 Condo Unit (when the unit was rented for a fee as opposed to being given away).

13          135. By functionally, and in some instances actually, giving away the use of units  
14 owned by the Individual Unit Owners, Defendant MEI-GSR has received a benefit because those  
15 who rent the Individual Units frequently gamble and purchase food, beverages, merchandise, spa  
16 services and entertainment access from Defendant MEI-GSR.

17          136. Defendant MEI-GSR has rented Individual Condo Units to third parties without  
18 providing Individual Unit Owners with any notice or compensation for the use of their unit.

19          137. Further, Defendant MEI-GSR has systematically endeavored to place a priority on  
20 the rental of Defendant MEI-GSR's hotel rooms, Defendant MEI-GSR's GSR Condo Units, and  
21 Defendant Gage Village's Condo Units.

22          138. Such prioritization effectively devalues the units owned by the Individual Unit  
23 Owners.

24          139. Defendants MEI-GSR and Gage Village intend to purchase the devalued units at  
25 nominal, distressed prices when Individual Unit Owners decide to, or are effectively forced to,  
26 sell their units because the units fail to generate sufficient revenue to cover expenses and have no  
27 prospect of selling their persistently loss-making units to any other buyer.



1           140. Some of the Individual Unit Owners have retained the services of a third party to  
2 market and rent their GSR Condo Unit(s).

3           141. Defendant MEI-GSR has systematically thwarted the efforts of any third party to  
4 market and rent the GSR Units owned by the Individual Unit Owners.

5           142. Defendant MEI-GSR has breached the Grand Sierra Resort Unit Rental  
6 Agreement with Individual Condo Unit Owners by failing to follow its terms, including but not  
7 limited to, the failure to implement an equitable Rotational System as referenced in the  
8 agreement.

9           143. Defendant MEI-GSR has failed to act in good faith in exercising its duties under  
10 the Grand Sierra Resort Unit Rental Agreements with the Individual Unit Owners.

11                                   **FIRST CLAIM FOR RELIEF**  
12                                   **(Petition for Appointment of Receiver as to**  
13                                   **Defendant Grand Sierra Resort Unit Owners' Association)**

14           144. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
15 143 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
16 as if fully set forth below.

17           145. Because Defendant MEI-GSR and/or Gage Village controls more units of  
18 ownership than any other person or entity, Defendant MEI-GSR and Gage Village effectively  
19 control the Grand Sierra Resort Unit Owners' Association by having the ability to elect  
20 Defendant MEI-GSR's chosen representatives to the Board of Directors (the governing body  
21 over the GSR Condo Units).

22           146. As a result of Defendant MEI-GSR controlling the Grand Sierra Resort Unit-  
23 Owners' Association, Plaintiffs effectively have no input or control over the management of the  
24 Unit Owners' Association.

25           147. Defendant MEI-GSR has used, and continues to use, its control over the  
26 Defendant Grand Sierra Resort Unit Owners' Association to advance Defendant MEI-GSR's  
27 economic objectives to the detriment of Plaintiffs.

28           148. Plaintiffs are entitled to a receiver pursuant to NRS § 32.010.

149. Pursuant to NRS § 32.010, the appointment of a receiver is appropriate in this case as a matter of statute and equity.

150. Unless a receiver is appointed, Defendant MEI-GSR will continue to control the Unit Owners' Association to advance Defendant MEI-GSR's economic objections to the detriment of Plaintiffs.

151. Without the grant of the remedies sought in this Complaint, Plaintiffs have no adequate remedy at law to enforce their rights and Plaintiffs will suffer irreparable harm unless granted the relief as prayed for herein.

**WHEREFORE**, Plaintiffs request judgment against the Defendant Grand Sierra Resort Unit Owners' Association, as set forth below.

**SECOND CLAIM FOR RELIEF**  
**(Intentional and/or Negligent Misrepresentation as to Defendant MEI-GSR)**

152. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through 151 of this Complaint as though fully stated herein and hereby incorporate them by this reference as if fully set forth below.

153. Defendant MEI-GSR made affirmative representations to Plaintiffs regarding the use, rental and maintenance of the Individual Unit Owners' GSR Condo Units.

154. Plaintiffs are now informed and believe, and thereon allege, that these representations were false.

155. The Defendant MEI-GSR knew that the affirmative representations were false, in the exercise of reasonable care should have known that they were false, and/or knew or should have known that it lacked a sufficient basis for making said representations.

156. The representations were made with the intention of inducing Plaintiffs to contract with Defendant MEI-GSR for the marketing and rental of Plaintiffs' GSR Condo Units and otherwise act, as set out above, in reliance upon the representations.

157. Plaintiffs justifiably relied upon the affirmative representations of Defendant MEI-GSR in contracting with Defendant MEI-GSR for the rental of their GSR Condo Units.

1           158. As a direct and proximate result of Defendant MEI-GSR's misrepresentations,  
2 Plaintiffs have been, and will continue to be, harmed in the manner herein.

3           159. Plaintiffs are further informed and believe, and thereon allege, that said  
4 representations were made by Defendant MEI-GSR with the intent to commit an oppression  
5 directed toward Plaintiffs by intentionally devaluing there GSR Condo Units. As a result,  
6 Plaintiffs are entitled to an award of exemplary damages against the Defendant, according to  
7 proof at the time of trial.

8           160. In addition, as a direct, proximate and necessary result of Defendant MEI-GSR's  
9 bad faith and wrongful conduct, Plaintiffs have been forced to incur costs and attorneys' fees and  
10 thus Plaintiffs hereby seek an award of said costs and attorneys' fees as damages pursuant to  
11 statute, decisional law, common law and this Court's inherent powers.

12           **WHEREFORE**, Plaintiffs request judgment against Defendant MEI-GSR, as set forth  
13 below.

14                                   **THIRD CLAIM FOR RELIEF**  
15                                   **(Breach of Contract as to Defendant MEI-GSR)**

16           161. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
17 160 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
18 as if fully set forth below.

19           162. Defendant MEI-GSR has entered into a Grand Sierra Resort Unit Rental  
20 Agreement (the "Agreement") with Individual Condo Unit Owners.

21           163. Defendant MEI-GSR has breached the Agreement with Individual Unit Owners  
22 by failing to follow its terms, including but not limited to, the failure to implement an equitable  
23 Rotational System as referenced in the agreement.

24           164. The Agreement is an enforceable contract between Defendant MEI-GSR and  
25 Plaintiffs.

26           165. Plaintiffs have performed all of their obligations and satisfied all of their  
27 conditions under the Agreement, and/or their performance and conditions were excused.

166. As a direct and proximate result of Defendant MEI-GSR's breaches of the Agreement as alleged herein, Plaintiffs have been, and will continue to be, harmed in the manner herein alleged.

167. In addition, as a direct, proximate and necessary result of Defendant's bad faith and wrongful conduct, Plaintiffs have been forced to incur costs and attorneys' fees which they are entitled to recover under the terms of the Agreement.

**WHEREFORE**, Plaintiffs request judgment against Defendant MEI-GSR, as set forth below.

**FOURTH CLAIM FOR RELIEF**  
**(Quasi-Contract/Equitable Contract/Detrimental Reliance as to Defendant MEI-GSR)**

168. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through 167 of this Complaint as though fully stated herein and hereby incorporate them by this reference as if fully set forth below.

169. Defendant MEI-GSR is contractually obligated to Plaintiffs. The contractual obligations are based upon the underlying agreements between Defendant MEI-GSR and Plaintiffs, and principles of equity and representations made by MEI-GSR.

170. Plaintiffs relied upon the representations of Defendant MEI-GSR and trusted Defendant MEI-GSR with the marketing and rental of their GSR Condo Units.

171. Due to the devaluation of the GSR Condo Units caused by Defendant MEI-GSR's actions, the expenses they have had to incur, and their inability to sell the Property in its current state, Plaintiffs have suffered damages.

172. Defendant MEI-GSR was informed of, and in fact knew of, Plaintiffs' reliance upon its representations.

173. Based on these facts, equitable or quasi-contracts existed between Plaintiffs and Defendant MEI-GSR's actions as described hereinabove.

174. Defendant MEI-GSR, however, has failed and refused to perform its obligations.

175. These refusals and failures constitute material breaches of their agreements.

1 176. Plaintiffs have performed all of their obligations and satisfied all conditions under  
2 the contracts, and/or their performance and conditions, under the contracts, were excused.

3 177. As a direct and proximate result of Defendant MEI-GSR's wrongful conduct as  
4 alleged herein, the Plaintiffs have been, and will continue to be, harmed in the manner herein  
5 alleged.

6 178. In addition, as a direct, proximate and necessary result of Defendant MEI-GSR's  
7 wrongful conduct, Plaintiffs have been forced to incur costs and attorneys' fees and thus  
8 Plaintiffs hereby seek an award of said costs and attorneys' fees as damages pursuant to statute,  
9 decisional law, common law and this Court's inherent powers.

10 **WHEREFORE**, Plaintiffs request judgment against Defendant MEI-GSR, as set forth  
11 below.

12 **FIFTH CLAIM FOR RELIEF**  
13 **(Breach of the Implied Covenant of Good Faith and Fair Dealing as to**  
14 **Defendant MEI-GSR)**

15 179. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
16 178 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
as if fully set forth below.

17 180. As alleged herein, Plaintiffs entered into one or more contracts with Defendant  
18 MEI-GSR, including the Grand Sierra Resort Unit Rental Agreement.

19 181. Under the terms of their respective agreement(s), Defendant MEI-GSR was  
20 obligated to market and rent Plaintiffs' GSR Condo Units.

21 182. Defendant MEI-GSR has manipulated the rental of: (1) the hotel rooms owned by  
22 Defendant MEI-GSR; (2) GSR Condo Units owned by Defendant MEI-GSR and Defendant  
23 Gage Village; and (3) GSR Condo Units owned by Plaintiffs so as to maximize Defendant MEI-  
24 GSR's profits and devalue the GSR Condo Units owned by Plaintiffs.

25 183. Every contract in Nevada has implied into it, a covenant that the parties thereto  
26 will act in the spirit of good faith and fair dealing.

1 184. Defendant MEI-GSR has breached this covenant by intentionally making false  
2 and misleading statements to Plaintiffs, and for its other wrongful actions as alleged in this  
3 Complaint.

4 185. As a direct and proximate result of Defendant MEI-GSR's breaches of the implied  
5 covenant of good faith and fair dealing, Plaintiffs have been, and will continue to be, harmed in  
6 the manner herein alleged.

7 186. In addition, as a direct, proximate and necessary result of Defendant MEI-GSR's  
8 bad faith and wrongful conduct, Plaintiffs have been forced to incur costs and attorneys' fees  
9 and thus Plaintiffs hereby seek an award of said costs and attorneys' fees as damages pursuant to  
10 statute, decisional law, common law and this Court's inherent powers.

11 **WHEREFORE**, Plaintiffs request judgment against Defendant MEI-GSR, as set forth  
12 below.

13 **SIXTH CLAIM FOR RELIEF**  
14 **(Consumer Fraud/Nevada Deceptive Trade Practices Act Against Defendant MEI-GSR)**

15 187. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
16 186 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
17 as if fully set forth below.

18 188. NRS § 41.600(1) provides that "[a]n action may be brought by any person who is  
19 a victim of consumer fraud."

20 189. NRS § 41.600(2) explains, in part, "'consumer fraud' means . . . [a] deceptive  
21 trade practice as defined in NRS §§ 598.0915 to 598.0925, inclusive."

22 190. NRS Chapter 598 identifies certain activities which constitute deceptive trade  
23 practices; many of those activities occurred in MEI-GSR's dealings with Plaintiffs.

24 191. Defendant MEI-GSR, in the course of its business or occupation, knowingly made  
25 false representations and/or misrepresentations to Plaintiffs.

26 192. Defendant MEI-GSR failed to represent the actual marketing and rental practices  
27 implemented by Defendant MEI-GSR, as the Defendant was contractually and legally required  
28 to do.

1           193. Defendant MEI-GSR's conduct, as described in this Complaint, constitutes  
2 deceptive trade practices and is in violation of, among other statutory provisions and  
3 administrative regulations, NRS §§ 598.0915 to 598.0925.

4           194. As a direct and proximate result of Defendant MEI-GSR's deceptive trade  
5 practices, Plaintiffs have suffered damages.

6           195. Plaintiffs are also entitled to recover their costs in this action and reasonable  
7 attorneys' fees, as allowed by law.

8           **WHEREFORE**, Plaintiffs request judgment against Defendant MEI-GSR, as set forth  
9 below.

10                                   **SEVENTH CLAIM FOR RELIEF**  
11                                   **(Declaratory Relief as to Defendant MEI-GSR)**

12           196. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
13 195 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
14 as if fully set forth below.

15           197. As alleged hereinabove, an actual controversy has arisen and now exists between  
16 Plaintiffs and Defendant MEI-GSR, regarding the extent to which Defendant MEI-GSR has the  
17 legal right to control the Grand Sierra Resort Unit-Owners' Association to advance Defendant  
18 MEI-GSR's economic objections to the detriment of Plaintiffs.

19           198. The interests of Plaintiffs and Defendant MEI-GSR are completely adverse as to  
20 the Plaintiffs.

21           199. Plaintiffs have a legal interest in this dispute as they are the owners of record of  
22 certain GSR Condo Units.

23           200. This controversy is ripe for judicial determination in that Plaintiffs have alluded to  
24 and raised this issue in this Complaint.

25           201. Accordingly, Plaintiffs seek a judicial declaration that Defendant MEI-GSR  
26 cannot control the Grand Sierra Resort Unit-Owners' Association to advance Defendant MEI-  
27 GSR's economic objectives to the detriment of Plaintiffs.

1           **WHEREFORE**, the Plaintiffs request judgment against Defendant MEI-GSR, as set  
2 forth below.

3                           **EIGHTH CLAIM FOR RELIEF**  
4                           **(Conversion as to Defendant MEI-GSR)**

5           202. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
6 201 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
7 as if fully set forth below.

8           203. Defendant MEI-GSR wrongfully committed a distinct act of dominion over the  
9 Plaintiffs' property by renting their GSR Condo Units both at unreasonably low rates so as to  
10 only benefit Defendant MEI-GSR, and also renting said units without providing any  
11 compensation or notice to Plaintiffs.

12           204. Defendant MEI-GSR's acts were in denial of, or inconsistent with, Plaintiffs' title  
13 or rights therein.

14           205. Defendant MEI-GSR's acts were in derogation, exclusion, or defiance of the  
15 Plaintiffs' title or rights therein.

16           **WHEREFORE**, Plaintiffs request judgment against the Defendant MEI-GSR, as set  
17 forth below.

18                           **NINTH CLAIM FOR RELIEF**  
19                           **(Demand for Accounting as to Defendant MEI-GSR and Defendant Grand Sierra Unit**  
20                           **Owners Association)**

21           206. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
22 205 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
23 as if fully set forth below.

24           207. The Nevada Revised Statutes impose certain duties and obligations upon trustees,  
25 fiduciaries, managers, advisors, and investors.

26           208. Defendant MEI-GSR has not fulfilled its duties and obligations.  
27  
28



1           209. Plaintiffs are informed and believe, and thereon allege, that they are interested  
2 parties in the Defendant Grand Sierra Unit Owners Association and Defendant MEI-GSR's  
3 endeavors to market, maintain, service and rent Plaintiffs' GSR Condo Units.

4           210. Among their duties, Defendant Grand Sierra Unit Owners Association and  
5 Defendant MEI-GSR are required to prepare accountings of their financial affairs as they pertain  
6 to Plaintiffs.

7           211. Defendant Grand Sierra Unit Owners Association and Defendant MEI-GSR have  
8 failed to properly prepare and distribute said accountings.

9           212. Accordingly, Plaintiffs are entitled to a full and proper accounting.

10           **WHEREFORE**, Plaintiffs request judgment against the Defendants MEI-GSR and the  
11 Grand Sierra Unit Owners Association, as set forth below.

12                                   **TENTH CLAIM FOR RELIEF**  
13                                   **(Specific Performance Pursuant to NRS 116.112, Unconscionable Agreement)**

14           213. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
15 212 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
16 as if fully set forth below.

17           214. As alleged herein, Plaintiffs entered into one or more contracts with Defendant  
18 MEI-GSR, including the Grand Sierra Resort Unit Rental Agreement and the Unit Maintenance  
19 Agreement.

20           215. The Grand Sierra Resort Unit Rental Agreement is unconscionable pursuant to  
21 NRS § 116.112 because MEI-GSR has manipulated the rental of the: (1) hotel rooms owned by  
22 Defendant MEI-GSR; (2) GSR Condo Units owned or controlled by Defendant MEI-GSR; and  
23 (3) GSR Condo Units owned by Individual Unit Owners so as to maximize Defendant MEI-  
24 GSR's profits and devalue the GSR Condo Units owned by the Individual Unit Owners.

25           216. The Unit Maintenance Agreement is unconscionable pursuant to NRS § 116.112  
26 because of the excessive fees charged and the Individual Unit Owners' inability to reject fee  
27 increases.

1           **WHEREFORE**, Plaintiffs request judgment against the Defendant MEI-GSR, as set  
2 forth below.

3                                   **ELEVENTH CLAIM FOR RELIEF**  
4                           **(Unjust Enrichment / Quantum Meruit against Defendant Gage Village**  
5   **Development)**

6           217. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
7 216 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
8 as if fully set forth below.

9           218. Defendant Gage Village has unjustly benefited from MEI-GSR's devaluation of  
10 the GSR Condo Units.

11           219. Defendant Gage Village has unjustly benefited from prioritization of its GSR  
12 Condo Units under MEI-GSR's rental scheme to the immediate detriment of the Individual Unit  
13 Owners.

14           220. It would be inequitable for the Defendant Gage Village to retain those benefits  
15 without full and just compensation to the Individual Unit Owners.

16           **WHEREFORE**, Plaintiffs request judgment against the Defendant Gage Village, as set  
17 forth below.

18                                   **TWELFTH CLAIM FOR RELIEF**  
19                           **(Tortious Interference with Contract and /or Prospective Business Advantage**  
20   **against Defendants MEI-GSR and Gage Development)**

21           221. Plaintiffs re-allege each and every allegation contained in paragraphs 1 through  
22 220 of this Complaint as though fully stated herein and hereby incorporate them by this reference  
23 as if fully set forth below.

24           222. Individual Unit Owners have contracted with third parties to market and rent their  
25 GSR Condo Units.

26           223. Defendant MEI-GSR has systematically thwarted the efforts of those third parties  
27 to market and rent the GSR Condo Units owned by the Individual Unit Owners.

28           224. Defendant MEI-GSR has prioritized the rental of GSR Condo Units Owned by  
Defendant Gage Village to the economic detriment of the Individual Unit Owners.

225. Defendant Gage Village has worked in concert with Defendant MEI-GSR in its scheme to devalue the GSR Condo Units and repurchase them.

**WHEREFORE**, Plaintiffs request judgment against the Defendants as follows:

1. For the appointment of a neutral receiver to take over control of Defendant Grand Sierra Unit Owners' Association;
2. For compensatory damages according to proof, in excess of \$10,000.00;
3. For punitive damages according to proof;
4. For attorneys' fees and costs according to proof;
5. For declaratory relief;
6. For specific performance;
7. For an accounting; and
8. For such other and further relief as the Court may deem just and proper.

## AFFIRMATION

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

RESPECTFULLY SUBMITTED this 10<sup>th</sup> day of September, 2012.

ROBERTSON, JOHNSON,  
MILLER & WILLIAMSON  
50 West Liberty Street, Suite 600  
Reno, Nevada 89501

By: /s/ Jarrad C. Miller  
G. David Robertson, Esq.  
Jarrad C. Miller, Esq.  
Jonathan J. Tew, Esq.  
Attorneys for Plaintiffs

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CV12-02222  
2022-03-17 05:01:35 PM  
Alicia L. Lerud  
Clerk of the Court  
Transaction # 8953058 : yviloria

# Exhibit 8

CASE NO. CV12-02222      **ALBERT THOMAS ETAL VS. MEI-GSR HOLDINGS ETAL**

<b>DATE, JUDGE OFFICERS OF COURT PRESENT</b>	<b>PAGE 1</b>	<b>CONT'D TO</b>
<b>10/23/13</b> <b>HONORABLE</b> <b>ELLIOTT A.</b> <b>SATTLER</b> <b>DEPT. NO.10</b> <b>M. Merkouris</b> <b>(Clerk)</b> <b>P. Hoogs</b> <b>(Reporter)</b>	<p><b><u>CONT'D HEARING ON PLAINTIFFS' MOTION FOR SANCTIONS</u></b></p> <p>8:33 a.m. – Court convened.</p> <p>Jarad Miller, Esq., and Jonathan Tew, Esq., were present on behalf of the Plaintiffs.</p> <p>Sean Brohawn, Esq., and Rachel Wise, Esq., were present on behalf of the Defendants.</p> <p>Counsel Brohawn advised the Court that Mr. Reese is very sick and will not be present today. Counsel Brohawn presented argument in opposition of the Plaintiffs' Motion for Sanctions Under NRCP 37(b) for Failure to Comply With Court Orders.</p> <p>Counsel Tew presented further argument in support of the Plaintiffs' Motion for Sanctions.</p> <p>Upon questioning by the Court, counsel Miller gave the Court information regarding the Plaintiffs' preparedness for trial in light of the testimony presented during this hearing.</p> <p>Discussion ensued between the Court and respective counsel regarding the trial date.</p> <p>Counsel Tew further presented argument in support of the Plaintiffs' Motion for Sanctions.</p> <p>9:55 a.m. – Court stood in recess, to reconvene at 2:00 p.m.</p> <p>2:04 p.m. – Court reconvened.</p> <p><b>COURT</b> set forth finding of fact and conclusions of law; <b>COURT ORDERED</b> that case concluding sanctions shall not be imposed, however, the Defendants' counterclaim is hereby stricken and the Defendants shall pay all attorney fees and costs (including Mr. Green's fees) associated with this 3-day hearing on the Motion for Sanctions. <b>COURT FURTHER ORDERED</b> that Plaintiffs shall be allowed to conduct additional discovery, and this Court shall supervise any discovery issues in this case from this point forward.</p> <p>Upon questioning by the Court, counsel Miller stated that a trial continuance will be necessary, however he would request that the HOA be ordered to stop foreclosing on the Plaintiffs pending the new trial date.</p> <p>Counsel Brohawn responded.</p> <p><b>COURT ORDERED:</b> Counsel Miller's oral motion to stop the HOA from foreclosing on the Plaintiffs must be fully briefed before the Court will rule on this issue.</p> <p>Discussion ensued regarding potential new trial dates.</p> <p>3:02 p.m. – Court stood in recess.</p>	<p><b>1/6/14</b>  <b>8:30 a.m.</b>  <b>Jury Trial</b>  <b>(2 weeks)</b></p>

CASE NO. CV12-02222      **ALBERT THOMAS ETAL VS. MEI-GSR HOLDINGS ETAL**

**DATE, JUDGE  
OFFICERS OF**

**PAGE 2**

**COURT PRESENT**

**APPEARANCES-HEARING**

**CONT'D TO**

10/23/13      **CONT'D HEARING ON PLAINTIFFS' MOTION FOR SANCTIONS**

HONORABLE      3:10 p.m. – Court reconvened.

ELLIOTT A.      **COURT ORDERED:** The Jury Trial set to commence on October 28, 2013  
SATTLER      is hereby vacated and reset to Monday, January 6, 2014 at 8:30 a.m., and it  
DEPT. NO.10      shall be set for two (2) weeks.

M. Merkouris      3:15 p.m. – Court concluded and stood in recess.

(Clerk)

P. Hoogs

(Reporter)

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Clerk of the Court  
Transaction # 8953058 : yvilorla

# Exhibit 9

CV12-02222  
DC-09900061780-022  
ALBERT THOMAS ETAL. VS. MEI- 2 Pages  
District Court 11/26/2014 10:03 AM  
Washoe County  
1550-  
K10NPF

CODE: 1550

FILED

2014 NOV 26 AM 10:03

ACTING CLERK OF THE COURT

BY *[Signature]*  
DEPUTY

*Jaqueline Bryant*

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

ALBERT THOMAS, individually; *et al.*,

Plaintiffs,

vs.

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

Defendants.

Case No. CV12-02222  
Dept. No. 10

DEFAULT

WHEREAS, on or about January 27, 2014, the Plaintiffs herein filed *Plaintiffs' Motion for Case-Terminating Sanctions* under NRCP 37 ("Motion"), the Motion having been fully briefed, this Court having conducted hearings on the Motion and entered an *Order Granting Plaintiffs' Motion for Case-Terminating Sanctions* on or about October 3, 2014, which struck Defendants' Answer, Default is hereby entered against the above-named Defendants as to the Plaintiffs' Second Amended Complaint on file herein.

DATED this 26<sup>th</sup> day of November, 2014.

JACQUELINE BRYANT  
CLERK OF THE COURT,

By: *[Signature]*

Deputy Clerk

Robertson, Johnson,  
Miller & Williamson  
50 West Liberty Street,  
Suite 600  
Reno, Nevada 89501

DEFAULT  
PAGE 1

PA1324



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

3  
4 **AFFIRMATION**  
5 **Pursuant to NRS 239B.030**

6 The undersigned does hereby affirm that the preceding document, **Default:**

7 ☒ Document does not contain the social security number of any person

8 -OR-

9 ☐ Document contains the social security number of a person as required by:

10 ☐ A specific state or federal law, to wit:

11 \_\_\_\_\_  
(State specific state or federal law)

12 -or-

13 ☐ For the administration of a public program

14 -or-

15 ☐ For an application for a federal or state grant

16 -or-

17 ☐ Confidential Family Court Information Sheet  
18 (NRS 125.130, NRS 125.230 and NRS 125B.055)

19 Date: November 26, 2014

20   
(Signature)

21 Jarrad C. Miller  
(Print Name)

22 Plaintiff  
23 (for)

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CV12-02222  
2022-03-17 05:01:35 PM  
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Clerk of the Court  
Transaction # 8953058 : yvilorla

# Exhibit 10

1  
2  
3  
4  
5 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA  
6 IN AND FOR THE COUNTY OF WASHOE  
7 \* \* \*

8 ALBERT THOMAS, individually, et al,

9 Plaintiffs,

Case No: CV12-02222

10 vs.

Dept. No: 10

11 MEI-GSR Holdings, LLC, a Nevada Limited  
12 Liability Company, et al,

13 Defendants.  
14 \_\_\_\_\_/

15 **FINDINGS OF FACT, CONCLUSIONS OF LAW AND JUDGMENT**

16 This action was commenced on August 27, 2012, with the filing of a COMPLAINT ("the  
17 Complaint"). The Complaint alleged twelve causes of action: 1) Petition for Appointment of a  
18 Receiver as to Defendant Grand Sierra Resort Unit-Owners' Association; 2) Intentional and/or  
19 Negligent Misrepresentation as to Defendant MEI-GSR; 3) Breach of Contract as to Defendant  
20 MEI-GSR; 4) Quasi-Contract/Equitable Contract/Detrimental Reliance as to Defendant MEI-GSR;  
21 5) Breach of the Implied Covenant of Good Faith and Fair Dealing as to Defendant MEI-GSR;  
22 6) Consumer Fraud/Nevada Deceptive Trade Practices Act Violations as to Defendant MEI-GSR; 7)  
23 Declaratory Relief as to Defendant MEI-GSR; 8) Conversion as to Defendant MEI-GSR; 9) Demand  
24 for an Accounting as to Defendant MEI-GSR and Defendant Grand Sierra Unit Owners Association;  
25 10) Specific Performance Pursuant to NRS 116.122, Unconscionable Agreement; 11) Unjust  
26 Enrichment/Quantum Meruit against Defendant Gage Village Development; 12) Tortious  
27 Interference with Contract and/or Prospective Business Advantage against Defendants MEI-GSR  
28

1 and Gage Development. The Plaintiffs (as more fully described *infra*) were individuals or other  
2 entities who had purchased condominiums in the Grand Sierra Resort ("GSR"). A FIRST  
3 AMENDED COMPLAINT ("the First Amended Complaint") was filed on September 10, 2012.  
4 The First Amended Complaint had the same causes of action as the Complaint.

5 The Defendants (as more fully described *infra*) filed an ANSWER AND COUNTERCLAIM  
6 ("the Answer") on November 21, 2012. The Answer denied the twelve causes of action; asserted  
7 eleven affirmative defenses; and alleged three Counterclaims. The Counterclaims were for: 1)  
8 Breach of Contract; 2) Declaratory Relief; 3) Injunctive Relief.

9 The Plaintiffs filed a SECOND AMENDED COMPLAINT ("the Second Amended  
10 Complaint") on March 26, 2013. The Second Amended Complaint had the same causes of action as  
11 the Complaint and the First Amended Complaint. The Defendants filed an ANSWER TO SECOND  
12 AMENDED COMPLAINT AND COUNTER CLAIM ("the Second Answer") on May 23, 2013.  
13 The Second Answer generally denied the allegations in the Second Amended Complaint and  
14 contained ten affirmative defenses. The Counterclaims mirrored the Counterclaims in the Answer.

15 The matter has been the subject of extensive motion practice. There were numerous  
16 allegations of discovery abuses by the Defendants. The record speaks for itself regarding the  
17 protracted nature of these proceedings and the systematic attempts at obfuscation and intentional  
18 deception on the part of the Defendants. Further, the Court has repeatedly had to address the  
19 lackadaisical and inappropriate approach the Defendants have exhibited toward the Nevada Rules of  
20 Civil Procedure, the District Court Rules, the Washoe District Court Rules, and the Court's orders.  
21 The Defendants have consistently, and repeatedly, chosen to follow their own course rather than  
22 respect the need for orderly process in this case. NRCP 1 states that the rules of civil procedure  
23 should be "construed and administered to secure the just, speedy, and inexpensive determination of  
24 every action." The Defendants have turned this directive on its head and done everything possible to  
25 make the proceedings unjust, dilatory, and costly.

26 The Court twice has addressed a request to impose case concluding sanctions against the  
27 Defendants because of their repeated discovery abuses. The Court denied a request for case  
28 concluding sanctions in its ORDER REGARDING ORIGINAL MOTION FOR CASE

1 CONCLUDING SANCTIONS filed December 18, 2013 ("the December Order"). The Court found  
2 that case concluding sanctions were not appropriate; however, the Court felt that some sanctions  
3 were warranted based on the Defendants' repeated discovery violations. The Court struck all of the  
4 Defendants' Counterclaims in the December Order and required the Defendants to pay for the costs  
5 of the Plaintiffs' representation in litigating that issue.

6 The parties continued to fight over discovery issues after the December Order. The Court  
7 was again required to address the issue of case concluding sanctions in January of 2014. It became  
8 clear that the Defendants were disingenuous with the Court and Plaintiffs' counsel when the first  
9 decision regarding case concluding sanctions was argued and resolved. Further, the Defendants  
10 continued to violate the rules of discovery and other court rules even after they had their  
11 Counterclaims struck in the December Order. The Court conducted a two day hearing regarding the  
12 renewed motion for case concluding sanctions. An ORDER GRANTING PLAINTIFFS' MOTION  
13 FOR CASE-TERMINATING SANCTIONS was entered on October 3, 2014 ("the October Order").  
14 The Defendants' Answer was stricken in the October Order. A DEFAULT was entered against the  
15 Defendants on November 26, 2014.

16 The Court conducted a "prove-up hearing" regarding the issue of damages from March 23  
17 through March 25, 2015. The Court entered an ORDER on February 5, 2015 ("the February Order")  
18 establishing the framework of the prove-up hearing pursuant to *Foster v. Dingwall*, 126 Nev. Adv.  
19 Op. 6, 227 P.3d 1042 (2010). The February Order limited, but did not totally eliminate, the  
20 Defendants' ability to participate in the prove-up hearing. The Court heard expert testimony from  
21 Craig L. Greene, CPA/CFF, CFE, CCEP, MAFF ("Greene") at the prove-up hearing. Greene  
22 calculated the damages owed the Plaintiffs using information collected and provided by the  
23 Defendants. The Court finds Greene to be very credible and his methodology to be sound. Further,  
24 the Court notes that Greene attempted to be "conservative" in his calculations. Greene used  
25 variables and factors that would eliminate highly suspect and/or unreliable data. The Court has also  
26 received and reviewed supplemental information provided as a result of an inquiry made by the  
27 Court during the prove-up hearing.

28

1 The GSR is a high rise hotel/casino in Reno, Nevada. The GSR has approximately 2000  
2 rooms. The Plaintiffs purchased individual rooms in the GSR as condominiums. It appears to the  
3 Court that the primary purpose of purchasing a condominium in the GSR would be as an investment  
4 and revenue generating proposition. The condominiums were the subject of statutory limitations on  
5 the number of days the owners could occupy them during the course of a calendar year. The owners  
6 would not be allowed to "live" in the condominium. When the owners were not in the rooms they  
7 could either be rented out or they had to remain empty.

8 As noted, *supra*, the Court stripped all of the Defendants general and affirmative defenses in  
9 the October Order. The Defendants stand before the Court having involuntarily conceded all of the  
10 allegations contained in the Second Amended Complaint. The Court makes the following findings  
11 of fact:

#### 12 **I. FINDINGS OF FACT**

- 13 1. Plaintiff Albert Thomas is a competent adult and is a resident of the State of  
14 California.
- 15 2. Plaintiff Jane Dunlap is a competent adult and is a resident of the State of California.
- 16 3. Plaintiff John Dunlap is a competent adult and is a resident of the State of California.
- 17 4. Plaintiff Barry Hay is a competent adult and is a resident of the State of California.
- 18 5. Plaintiff Marie-Annie Alexander, as Trustee of the Marie-Annie Alexander Living  
19 Trust, is a competent adult and is a resident of the State of California.
- 20 6. Plaintiff Melissa Vagujhelyi, as Co-Trustee of the George Vagujhelyi and Melissa  
21 Vagujheyli 2001 Family Trust Agreement U/T/A April 13, 2001, is a competent adult and is a  
22 resident of the State of Nevada.
- 23 7. Plaintiff George Vagujhelyi, as Co-Trustee of the George Vagujhelyi and Melissa  
24 Vagujheyli 2001 Family Trust Agreement U/T/A April 13, 2001, is a competent adult and is a  
25 resident of the State of Nevada.
- 26 8. Plaintiff D'Arcy Nunn is a competent adult and is a resident of the State of California.
- 27 9. Plaintiff Henry Nunn is a competent adult and is a resident of the State of California.
- 28

1           10.   Plaintiff Lee Van Der Bokke is a competent adult and is a resident of the State of  
2 California.  
3           11.   Plaintiff Madelyn Van Der Bokke is a competent adult and is a resident of the State of  
4 California.  
5           12.   Plaintiff Donald Schreifels is a competent adult and is a resident of the State of  
6 Minnesota.  
7           13.   Plaintiff Robert R. Pederson, individually and as Trustee of the Pederson 1990 Trust,  
8 is a competent adult and is a resident of the State of California.  
9           14.   Plaintiff Lou Ann Pederson, individually and as Trustee of the Pederson 1990 Trust,  
10 is a competent adult and is a resident of the State of California.  
11           15.   Plaintiff Lori Ordoover is a competent adult and is a resident of the State of  
12 Connecticut.  
13           16.   Plaintiff William A. Henderson is a competent adult and is a resident of the State of  
14 California.  
15           17.   Plaintiff Christine E. Henderson is a competent adult and is a resident of the State of  
16 California.  
17           18.   Plaintiff Loren D. Parker is a competent adult and is a resident of the State of  
18 Washington.  
19           19.   Plaintiff Suzanne C. Parker is a competent adult and is a resident of the State of  
20 Washington.  
21           20.   Plaintiff Michael Izady is a competent adult and is a resident of the State of New  
22 York.  
23           21.   Plaintiff Steven Takaki is a competent adult and is a resident of the State of  
24 California.  
25           22.   Plaintiff Farad Torabkhan is a competent adult and is a resident of the State of New  
26 York.  
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- 1           23.     Plaintiff Sahar Tavakol is a competent adult and is a resident of the State of New  
2     York.
- 3           24.     Plaintiff M&Y Holdings is a Nevada Limited Liability Company with its principal  
4     place of business in Nevada.
- 5           25.     Plaintiff JL&YL Holdings, LLC is a Nevada Limited Liability Company with its  
6     principal place of business in Nevada.
- 7           26.     Plaintiff Sandi Raines is a competent adult and is a resident of the State of Minnesota.
- 8           27.     Plaintiff R. Raghuram is a competent adult and is a resident of the State of California.
- 9           28.     Plaintiff Usha Raghuram is a competent adult and is a resident of the State of  
10     California.
- 11           29.     Plaintiff Lori K. Tokutomi is a competent adult and is a resident of the State of  
12     California.
- 13           30.     Plaintiff Garrett Tom is a competent adult and is a resident of the State of California.
- 14           31.     Plaintiff Anita Tom is a competent adult and is a resident of the State of California.
- 15           32.     Plaintiff Ramon Fadrilan is a competent adult and is a resident of the State of  
16     California.
- 17           33.     Plaintiff Faye Fadrilan is a competent adult and is a resident of the State of California.
- 18           34.     Plaintiff Peter K. Lee, as Trustee of the Lee Family 2002 Revocable Trust, is a  
19     competent adult and is a resident of the State of California.
- 20           35.     Plaintiff Monica L. Lee, as Trustee of the Lee Family 2002 Revocable Trust, is a  
21     competent adult and is a resident of the State of California.
- 22           36.     Plaintiff Dominic Yin is a competent adult and is a resident of the State of California.
- 23           37.     Plaintiff Elias Shamieh is a competent adult and is a resident of the State of  
24     California.
- 25           38.     Plaintiff Nadine's Real Estate Investments, LLC, is a North Dakota Limited Liability  
26     Company.
- 27  
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1           39.   Plaintiff Jeffery James Quinn is a competent adult and is a resident of the State of  
2 Hawaii.  
3           40.   Plaintiff Barbara Rose Quinn is a competent adult and is a resident of the State of  
4 Hawaii.  
5           41.   Plaintiff Kenneth Riche is a competent adult and is a resident of the State of  
6 Wisconsin.  
7           42.   Plaintiff Maxine Riche is a competent adult and is a resident of the State of  
8 Wisconsin.  
9           43.   Plaintiff Norman Chandler is a competent adult and is a resident of the State of  
10 Alabama.  
11           44.   Plaintiff Benton Wan is a competent adult and is a resident of the State of California.  
12           45.   Plaintiff Timothy Kaplan is a competent adult and is a resident of the State of  
13 California.  
14           46.   Plaintiff Silkscape Inc. is a California Corporation.  
15           47.   Plaintiff Peter Cheng is a competent adult and is a resident of the State of California.  
16           48.   Plaintiff Elisa Cheng is a competent adult and is a resident of the State of California.  
17           49.   Plaintiff Greg A. Cameron is a competent adult and is a resident of the State of  
18 California.  
19           50.   Plaintiff TMI Property Group, LLC is a California Limited Liability Company.  
20           51.   Plaintiff Richard Lutz is a competent adult and is a resident of the State of California.  
21           52.   Plaintiff Sandra Lutz is a competent adult and is a resident of the State of California.  
22           53.   Plaintiff Mary A. Kossick is a competent adult and is a resident of the State of  
23 California.  
24           54.   Plaintiff Melvin H. Cheah is a competent adult and is a resident of the State of  
25 California.  
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- 1           55.    Plaintiff Di Shen is a competent adult and is a resident of the State of Texas.
- 2           56.    Plaintiff Ajit Gupta is a competent adult and is a resident of the State of California.
- 3           57.    Plaintiff Seema Gupta is a competent adult and is a resident of the State of California.
- 4           58.    Plaintiff Fredrick Fish is a competent adult and is a resident of the State of Minnesota.
- 5           59.    Plaintiff Lisa Fish is a competent adult and is a resident of the State of Minnesota.
- 6           60.    Plaintiff Robert A. Williams is a competent adult and is a resident of the State of
- 7   Minnesota.
- 8           61.    Plaintiff Jacquelin Pham is a competent adult and is a resident of the State of
- 9   California.
- 10          62.    Plaintiff May Ann Hom, as Trustee of the May Ann Hom Trust, is a competent adult
- 11   and is a resident of the State of California.
- 12          63.    Plaintiff Michael Hurley is a competent adult and is a resident of the State of
- 13   Minnesota.
- 14          64.    Plaintiff Dominic Yin is a competent adult and is a resident of the State of California.
- 15          65.    Plaintiff Duane Windhorst is a competent adult and is a resident of the State of
- 16   Minnesota.
- 17          66.    Plaintiff Marilyn Windhorst is a competent adult and is a resident of the State of
- 18   Minnesota.
- 19          67.    Plaintiff Vinod Bhan is a competent adult and is a resident of the State of California.
- 20          68.    Plaintiff Anne Bhan is a competent adult and is a resident of the State of California.
- 21          69.    Plaintiff Guy P. Browne is a competent adult and is a resident of the State of
- 22   California.
- 23          70.    Plaintiff Garth Williams is a competent adult and is a resident of the State of
- 24   California.
- 25          71.    Plaintiff Pamela Y. Aratani is a competent adult and is a resident of the State of
- 26   California.
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1           72.   Plaintiff Darleen Lindgren is a competent adult and is a resident of the State of  
2 Minnesota.  
3           73.   Plaintiff Laverne Roberts is a competent adult and is a resident of the State of  
4 Nevada.  
5           74.   Plaintiff Doug Mecham is a competent adult and is a resident of the State of Nevada.  
6           75.   Plaintiff Chrisine Mecham is a competent adult and is a resident of the State of  
7 Nevada.  
8           76.   Plaintiff Kwangsoo Son is a competent adult and is a resident of Vancouver, British  
9 Columbia.  
10          77.   Plaintiff Soo Yeun Moon is a competent adult and is a resident of Vancouver, British  
11 Columbia.  
12          78.   Plaintiff Johnson Akindodunse is a competent adult and is a resident of the State of  
13 California.  
14          79.   Plaintiff Irene Weiss, as Trustee of the Weiss Family Trust, is a competent adult and  
15 is a resident of the State of Texas.  
16          80.   Plaintiff Pravesh Chopra is a competent adult and is a resident of the State of  
17 California.  
18          81.   Plaintiff Terry Pope is a competent adult and is a resident of the State of Nevada.  
19          82.   Plaintiff Nancy Pope is a competent adult and is a resident of the State of Nevada.  
20          83.   Plaintiff James Taylor is a competent adult and is a resident of the State of California.  
21          84.   Plaintiff Ryan Taylor is a competent adult and is a resident of the State of California.  
22          85.   Plaintiff Ki Ham is a competent adult and is a resident of Surry B.C.  
23          86.   Plaintiff Young Ja Choi is a competent adult and is a resident of Coquitlam, B.C.  
24          87.   Plaintiff Sang Dae Sohn is a competent adult and is a resident of Vancouver, B.C.  
25          88.   Plaintiff Kuk Hyung ("Connie") is a competent adult and is a resident of Coquitlam,  
26 B.C.  
27  
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1           89.    Plaintiff Sang (“Mike”) Yoo is a competent adult and is a resident of Coquitlam, B.C.  
2           90.    Plaintiff Brett Menmuir, as Trustee of the Cayenne Trust, is a competent adult and is  
3 a resident of the State of Nevada.  
4           91.    Plaintiff William Miner, Jr., is a competent adult and is a resident of the State of  
5 California.  
6           92.    Plaintiff Chanh Truong is a competent adult and is a resident of the State of  
7 California.  
8           93.    Plaintiff Elizabeth Anders Mecua is a competent adult and is a resident of the State of  
9 California.  
10          94.    Plaintiff Shepherd Mountain, LLC is a Texas Limited Liability Company with its  
11 principal place of business in Texas.  
12          95.    Plaintiff Robert Brunner is a competent adult and is a resident of the State of  
13 Minnesota.  
14          96.    Plaintiff Amy Brunner is a competent adult and is a resident of the State of  
15 Minnesota.  
16          97.    Plaintiff Jeff Riopelle is a competent adult and is a resident of the State of California.  
17          98.    Plaintiff Patricia M. Moll is a competent adult and is a resident of the State of Illinois.  
18          99.    Plaintiff Daniel Moll is a competent adult and is a resident of the State of Illinois.  
19          100.   The people and entities listed above represent their own individual interests. They are  
20 not suing on behalf of any entity including the Grand Sierra Unit Home Owner’s Association. The  
21 people and entities listed above are jointly referred to herein as “the Plaintiffs”.  
22          101.   Defendant MEI-GSR Holdings, LLC (“MEI-GSR”) is a Nevada Limited Liability  
23 Company with its principal place of business in Nevada.  
24          102.   Defendant Gage Village Commercial Development, LLC (“Gage Village”) is a  
25 Nevada Limited Liability Company with its principal place of business in Nevada.  
26  
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1           103. Gage Village is related to, controlled by, affiliated with, and/or a subsidiary of MEI-  
2 GSR.

3           104. Defendant Grand Sierra Resort Unit Owners' Association ("the Unit Owners'  
4 Association") is a Nevada nonprofit corporation with its principal place of business in Nevada.

5           105. MEI-GSR transferred interest in one hundred forty-five (145) condominium units to  
6 AM-GSR Holdings, LLC ("AM-GSR") on December 22, 2014.

7           106. Defendants acknowledged to the Court on January 13, 2015, that AM-GSR would be  
8 added to these proceedings and subject to the same procedural posture as MEI-GSR. Further, the  
9 parties stipulated that AM-GSR would be added as a defendant in this action just as if AM-GSR was  
10 a named defendant in the Second Amended Complaint. Said stipulation occurring and being ordered  
11 on January 21, 2015.

12           107. MEI-GSR, Gage Village and the Unit Owner's Association are jointly referred to  
13 herein as "the Defendants".

14           108. The Grand Sierra Resort Condominium Units ("GSR Condo Units") are part of the  
15 Grand Sierra Unit Owners Association, which is an apartment style hotel condominium development  
16 of 670 units in one 27-story building. The GSR Condo Units occupy floors 17 through 24 of the  
17 Grand Sierra Resort and Casino, a large-scale hotel casino, located at 2500 East Second Street,  
18 Reno, Nevada.

19           109. All of the Individual Unit Owners: hold an interest in, own, or have owned, one or  
20 more GSR Condo Units.

21           110. Gage Village and MEI-GSR own multiple GSR Condo Units.

22           111. MEI-GSR owns the Grand Sierra Resort and Casino.

23           112. Under the Declaration of Covenants, Conditions, Restrictions and Reservations of  
24 Easements for Hotel-Condominiums at Grand Sierra Resort ("CC&Rs"), there is one voting member  
25 for each unit of ownership (thus, an owner with multiple units has multiple votes).  
26  
27  
28

1           113. Because MEI-GSR and Gage Village control more units of ownership than any other  
2 person or entity, they effectively control the Unit Owners' Association by having the ability to elect  
3 MEI-GSR's chosen representatives to the Board of Directors (the governing body over the GSR  
4 Condo Units).

5           114. As a result of MEI-GSR and Gage Village controlling the Unit Owners' Association,  
6 the Individual Unit Owners effectively have no input or control over the management of the Unit  
7 Owners' Association.

8           115. MEI-GSR and Gage Village have used, and continue to use, their control over the  
9 Unit Owners' Association to advance MEI-GSR and Gage Villages' economic objectives to the  
10 detriment of the Individual Unit Owners.

11           116. MEI-GSR and Gage Villages' control of the Unit Owners' Association violates  
12 Nevada law as it defeats the purpose of forming and maintaining a homeowners' association.

13           117. Further, the Nevada Division of Real Estate requires a developer to sell off the units  
14 within 7 years, exit and turn over the control and management to the owners.

15           118. Under the CC&Rs, the Individual Unit Owners are required to enter into a "Unit  
16 Maintenance Agreement" and participate in the "Hotel Unit Maintenance Program," wherein MEI-  
17 GSR provides certain services (including, without limitation, reception desk staffing, in-room  
18 services, guest processing services, housekeeping services, Hotel Unit inspection, repair and  
19 maintenance services, and other services).

20           119. The Unit Owners' Association maintains capital reserve accounts that are funded by  
21 the owners of GSR Condo Units. The Unit Owners' Association collects association dues of  
22 approximately \$25 per month per unit, with some variation depending on a particular unit's square  
23 footage.

24           120. The Individual Unit Owners pay for contracted "Hotel Fees," which include taxes,  
25 deep cleaning, capital reserve for the room, capital reserve for the building, routine maintenance,  
26 utilities, etc.  
27  
28

1           121. MEI-GSR has systematically allocated and disproportionately charged capital reserve  
2 contributions to the Individual Unit Owners, so as to force the Individual Unit Owners to pay capital  
3 reserve contributions in excess of what should have been charged.

4           122. MEI-GSR and Gage Development have failed to pay proportionate capital reserve  
5 contribution payments in connection with their Condo Units.

6           123. MEI-GSR has failed to properly account for, or provide an accurate accounting for  
7 the collection and allocation of the collected capital reserve contributions.

8           124. The Individual Unit Owners also pay "Daily Use Fees" (a charge for each night a unit  
9 is occupied by any guest for housekeeping services, etc.).

10           125. MEI-GSR and Gage Village have failed to pay proportionate Daily Use Fees for the  
11 use of Defendants' GSR Condo Units.

12           126. MEI-GSR has failed to properly account for the contracted "Hotel Fees" and "Daily  
13 Use Fees."

14           127. Further, the Hotel Fees and Daily Use Fees are not included in the Unit Owners'  
15 Association's annual budget with other assessments that provide the Individual Unit Owners' the  
16 ability to reject assessment increases and proposed budget ratification.

17           128. MEI-GSR has systematically endeavored to increase the various fees that are charged  
18 in connection with the use of the GSR Condo Units in order to devalue the units owned by  
19 Individual Unit Owners.

20           129. The Individual Unit Owners' are required to abide by the unilateral demands of MEI-  
21 GSR, through its control of the Unit Owners' Association, or risk being considered in default under  
22 Section 12 of the Agreement, which provides lien and foreclosure rights pursuant to Section 6.10(f)  
23 of the CC&R's.

24           130. Defendants MEI-GSR and/or Gage Village have attempted to purchase, and  
25 purchased, units devalued by their own actions, at nominal, distressed prices when Individual Unit  
26  
27  
28

1 Owners decide to, or are effectively forced to, sell their units because the units fail to generate  
2 sufficient revenue to cover expenses.

3 131. MEI-GSR and/or Gage Village have, in late 2011 and 2012, purchased such devalued  
4 units for \$30,000 less than the amount they purchased units for in March of 2011.

5 132. The Individual Unit Owners effectively pay association dues to fund the Unit  
6 Owners' Association, which acts contrary to the best interests of the Individual Unit Owners.

7 133. MEI-GSR's interest in maximizing its profits is in conflict with the interest of the  
8 Individual Unit Owners. Accordingly, Defendant MEI-GSR's control of the Unit Owners'  
9 Association is a conflict of interest.

10 134. As part of MEI-GSR's Grand Sierra Resort and Casino business operations, it rents:  
11 (1) hotel rooms owned by MEI-GSR that are not condominium units; (2) GSR Condo Units owned  
12 by MEI-GSR and/or Gage Village; and (3) GSR Condo Units owned by the Individual Condo Unit  
13 Owners.

14 135. MEI-GSR has entered into a Grand Sierra Resort Unit Rental Agreement with  
15 Individual Unit Owners.

16 136. MEI-GSR has manipulated the rental of the: (1) hotel rooms owned by MEI-GSR; (2)  
17 GSR Condo Units owned by MEI-GSR and/or Gage Village; and (3) GSR Condo Units owned by  
18 Individual Condo Unit Owners so as to maximize MEI-GSR's profits and devalue the GSR Condo  
19 Units owned by the Individual Unit Owners.

20 137. MEI-GSR has rented the Individual Condo Units for as little as \$0.00 to \$25.00 a  
21 night.

22 138. Yet, MEI-GSR has charged "Daily Use Fees" of approximately \$22.38, resulting in  
23 revenue to the Individual Unit Owners as low as \$2.62 per night for the use of their GSR Condo Unit  
24 (when the unit was rented for a fee as opposed to being given away).

25 139. By functionally, and in some instances actually, giving away the use of units owned  
26 by the Individual Unit Owners, MEI-GSR has received a benefit because those who rent the  
27  
28



1 Individual Units frequently gamble and purchase food, beverages, merchandise, spa services and  
2 entertainment access from MEI-GSR.

3 140. MEI-GSR has rented Individual Condo Units to third parties without providing  
4 Individual Unit Owners with any notice or compensation for the use of their unit.

5 141. Further, MEI-GSR has systematically endeavored to place a priority on the rental of  
6 MEI-GSR's hotel rooms, MEI-GSR's GSR Condo Units, and Gage Village's Condo Units.

7 142. Such prioritization effectively devalues the units owned by the Individual Unit  
8 Owners.

9 143. MEI-GSR and Gage Village intend to purchase the devalued units at nominal,  
10 distressed prices when Individual Unit Owners decide to, or are effectively forced to, sell their units  
11 because the units fail to generate sufficient revenue to cover expenses and have no prospect of  
12 selling their persistently loss-making units to any other buyer.

13 144. Some of the Individual Unit Owners have retained the services of a third party to  
14 market and rent their GSR Condo Unit(s).

15 145. MEI-GSR has systematically thwarted the efforts of any third party to market and  
16 rent the GSR Units owned by the Individual Unit Owners.

17 146. MEI-GSR has breached the Grand Sierra Resort Unit Rental Agreement with  
18 Individual Condo Unit Owners by failing to follow its terms, including but not limited to, the failure  
19 to implement an equitable Rotational System as referenced in the agreement.

20 147. MEI-GSR has failed to act in good faith in exercising its duties under the Grand  
21 Sierra Resort Unit Rental Agreements with the Individual Unit Owners.

22 The Court is intimately familiar with all of the allegations in the twelve causes of action  
23 contained in the Second Amended Complaint. The Court's familiarity is a result of reviewing all of  
24 the pleadings and exhibits in this matter to include the various discovery disputes, the testimony at  
25 the numerous hearings conducted to date, and the other documents and exhibits on file. The Court  
26 finds that the facts articulated above support the twelve causes of action contained in the Second  
27 Amended Complaint.  
28

## II. CONCLUSIONS OF LAW

- 1
- 2 A. The Court has jurisdiction over MEI-GSR, Gage Village, the Unit Owner's Association
- 3 and the Plaintiffs.
- 4 B. The appointment of a receiver is appropriate when: (1) the plaintiff has an interest in
- 5 the property; (2) there is potential harm to that interest in property; and (3) no other
- 6 adequate remedies exist to protect the interest. *See generally Bowler v. Leonard*, 70
- 7 Nev. 370, 269 P.2d 833 (1954). *See also* NRS 32.010. The Court appointed a receiver
- 8 to oversee the Unit Owner's Association on January 7, 2015. The Court concludes that
- 9 MEI-GSR and/or Gage Village have operated the Unit Owner's Association in a way
- 10 inconsistent with the best interests of all of the unit owners. The continued
- 11 management of the Unit Owner's Association by the receiver is appropriate under the
- 12 circumstances of this case and will remain in effect absent additional direction from the
- 13 Court.
- 14 C. Negligent misrepresentation is when "[o]ne who, in the course of his business,
- 15 profession or employment, or in any other action in which he has a pecuniary interest,
- 16 supplies false information for the guidance of others in their business transactions, is
- 17 subject to liability for pecuniary loss caused to them by their justifiable reliance upon
- 18 the information, if he fails to exercise reasonable care or competence in obtaining or
- 19 communicating the information." *Barmettler v. Reno Air, Inc.*, 114 Nev. 441, 956 P.2d
- 20 1382, 1387 (1998) (quoting *Restatement (Second) of Torts § 552(1) (1976)*). Intentional
- 21 misrepresentation is when "a false representation made with knowledge or belief that it
- 22 is false or without a sufficient basis of information, intent to induce reliance, and
- 23 damage resulting from the reliance. *Lubbe v. Barba*, 91 Nev. 596, 599, 540 P.2d 115,
- 24
- 25
- 26
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1 117 (1975).” *Collins v. Burns*, 103 Nev. 394, 397, 741 P.2d 819, 821 (1987). MEI-  
2 GSR is liable for intentionally and/or negligent misrepresentation as alleged in the  
3 Second Cause of Action.

4  
5 D. An enforceable contract requires, “an offer and acceptance, meeting of the minds, and  
6 consideration.” *Certified Fire Protection, Inc. v. Precision Construction, Inc.* 128 Nev.  
7 Adv. Op. 35, 283 P.3d 250, 255 (2012)(citing *May v. Anderson*, 121 Nev. 668, 672, 119  
8 P.3d 1254, 1257 (2005)). There was a contract between the Plaintiffs and MEI-GSR.  
9 MEI-GSR has breached the contract and therefore MEI-GSR is liable for breach of  
10 contract as alleged in the Third Cause of Action.

11  
12 E. MEI-GSR is liable for Quasi-Contract/Equitable Contract/Detrimental Reliance as  
13 alleged in the Fourth Cause of Action.

14  
15 F. An implied covenant of good faith and fair dealing exists in every contract in Nevada.  
16 *Hilton Hotels Corp. v. Butch Lewis Productions, Inc.*, 109 Nev. 1043, 1046, 862 P.2d  
17 1207, 1209 (1993). “The duty not to act in bad faith or deal unfairly thus becomes part  
18 of the contract, and, as with any other element of the contract, the remedy for its breach  
19 generally is on the contract itself.” *Id.* (citing *Wagenseller v. Scottsdale Memorial*  
20 *Hospital*, 147 Ariz. 370, 383, 710 P.2d 1025, 1038 (1985)). “It is well established that  
21 in contracts cases, compensatory damages ‘are awarded to make the aggrieved party  
22 whole and ... should place the plaintiff in the position he would have been in had the  
23 contract not been breached.’ This includes awards for lost profits or expectancy  
24 damages.” *Road & Highway Builders, LLC v. Northern Nevada Rebar, Inc.*, 128 Nev.  
25 Adv. Op. 36, 284 P.3d 377, 382 (2012)(*internal citations omitted*). “When one party  
26 performs a contract in a manner that is unfaithful to the purpose of the contract and the  
27  
28

1 justified expectations of the other party are thus denied, damages may be awarded  
2 against the party who does not act in good faith.” *Perry v. Jordan*, 111 Nev. 943, 948,  
3 900 P.2d 335, 338 (1995)(*citation omitted*). “Reasonable expectations are to be  
4 ‘determined by the various factors and special circumstances that shape these  
5 expectations.’” *Id.* (citing *Butch Lewis*, 107 Nev. at 234, 808 P.2d at 923). MEI-GSR is  
6 liable for breach of the covenant of good faith and fair dealing as set forth in the Fifth  
7 Cause of Action.  
8

- 9  
10 G. MEI-GSR has violated NRS 41.600(1) and (2) and NRS 598.0915 through 598.0925,  
11 inclusive and is therefore liable for the allegations contained in the Sixth Cause of  
12 Action. Specifically, MEI-GSR violated NRS 598.0915(15) and NRS 598.0923(2).  
13 H. The Plaintiffs are entitled to declaratory relief as more fully described below and  
14 prayed for in the Seventh Cause of Action.  
15 I. MEI-GSR wrongfully committed numerous acts of dominion and control over the  
16 property of the Plaintiffs, including but not limited to renting their units at discounted  
17 rates, renting their units for no value in contravention of written agreements between  
18 the parties, failing to account for monies received by MEI-GSR attributable to specific  
19 owners, and renting units of owners who were not even in the rental pool. All of said  
20 activities were in derogation, exclusion or defiance of the title and/or rights of the  
21 individual unit owners. Said acts constitute conversion as alleged in the Eighth Cause  
22 of Action.  
23 J. The demand for an accounting as requested in Ninth Cause of Action is moot pursuant  
24 to the discovery conducted in these proceedings and the appointment of a receiver to  
25 oversee the interaction between the parties.  
26 K. The Unit Maintenance Agreement and Unit Rental Agreement proposed by MEI-GSR  
27 and adopted by the Unit Owner’s Association are unconscionable. An unconscionable  
28

1 clause is one where the circumstances existing at the time of the execution of the  
2 contract are so one-sided as to oppress or unfairly surprise an innocent party. *Bill*  
3 *Stremmel Motors, Inc. v. IDS Leasing Corp.*, 89 Nev. 414, 418, 514 P.2d 654, 657  
4 (1973). MEI-GSR controls the Unit Owner's Association based on its majority  
5 ownership of the units in question. It is therefore able to propose and pass agreements  
6 that affect all of the unit owners. These agreements require unit owners to pay  
7 unreasonable Common Expense fees, Hotel Expenses Fees, Shared Facilities Reserves,  
8 and Hotel Reserves ("the Fees"). The Fees are not based on reasonable expectation of  
9 need. The Fees have been set such that an individual owner may actually *owe* money  
10 as a result of having his/her unit rented. They are unnecessarily high and imposed  
11 simply to penalize the individual unit owners. Further, MEI-GSR and/or Gage Village  
12 have failed to fund their required portion of these funds, while demanding the  
13 individual unit owners continue to pay the funds under threat of a lien. MEI-GSR has  
14 taken the Fees paid by individual unit owners and placed the funds in its general  
15 operating account rather than properly segregating them for the use of the Unit Owner's  
16 Association. All of said actions are unconscionable and unenforceable pursuant to NRS  
17 116.112(1). The Court will grant the Tenth Cause of Action and not enforce these  
18 portions of the agreements.  
19

20 L. The legal concept of *quantum meruit* has two applications. The first application is in  
21 actions based upon contracts implied-in-fact. The second application is providing  
22 restitution for unjust enrichment. *Certified Fire*, at 256. In the second application,  
23 "[l]iability in restitution for the market value of goods or services is the remedy  
24 traditionally known as quantum meruit. Where unjust enrichment is found, the law  
25 implies a quasi-contract which requires the defendant to pay to the plaintiff the value of  
26 the benefit conferred. In other words, the defendant makes restitution to the plaintiff in  
27 *quantum meruit*." *Id.* at 256-57. Gage Village has been unjustly enriched based on the  
28

1 orchestrated action between it and MEI-GSR to the detriment of the individual unit  
2 owners as alleged in the Eleventh Cause of Action.

3 M. Many of the individual unit owners attempted to rent their units through third-party  
4 services rather than through the use of MEI-GSR. MEI-GSR and Gage Village  
5 intentionally thwarted, interfered with and/or disrupted these attempts with the goal of  
6 forcing the sale of the individual units back to MEI-GSR. All of these actions were to  
7 the economic detriment of the individual unit owners as alleged in the Twelfth Cause of  
8 Action.

9 N. The Plaintiffs are entitled to both equitable and legal relief. "As federal courts have  
10 recognized, the long-standing distinction between law and equity, though abolished in  
11 procedure, continues in substance, *Coca-Cola Co. v. Dixi-Cola Labs.*, 155 F.2d 59, 63  
12 (4th Cir. 1946); 30A C.J.S. *Equity* § 8 (2007). A judgment for damages is a legal  
13 remedy, whereas other remedies, such as avoidance or attachment, are equitable  
14 remedies. See 30A *Equity* § 1 (2007)." *Cadle Co. v. Woods & Erickson, LLP*, 131  
15 Nev. Adv. Op. 15, 345 P.3d 1049, 1053 (2015).

16 O. "[W]here default is entered as a result of a discovery sanction, the non-offending party  
17 'need only establish a *prima facie* case in order to obtain the default." *Foster*, 227 P.3d  
18 at 1049 (*citing Young v. Johnny Ribeiro Building, Inc.*, 106 Nev. 88, 94, 787 P.2d 777,  
19 781 (1990)). "[W]here a district court enters a default, the facts alleged in the pleadings  
20 will be deemed admitted. Thus, during a NRCP 55(b)(2) prove-up hearing, the district  
21 court shall consider the allegations deemed admitted to determine whether the non-  
22 offending party has established a *prima facie* case for liability." *Foster*, 227 P.3d at  
23 1049-50. A *prima facie* case requires only "sufficiency of evidence in order to send the  
24 question to the jury." *Id.* 227 P.3d at 1050 (*citing Vancheri v. GNLV Corp.*, 105 Nev.  
25 417, 420, 777 P.2d 366, 368 (1989)). The Plaintiffs have met this burden regarding all  
26 of their causes of action.  
27  
28

- 1 P. "Damages need not be determined with mathematical certainty." *Perry*, 111 Nev. at  
2 948, 900 P.2d at 338. The party requesting damages must provide an evidentiary basis  
3 for determining a "reasonably accurate amount of damages." *Id. See also*,  
4 *Countrywide Home Loans, Inc. v. Thitchener*, 124 Nev. 725, 733, 192 P.3d 243, 248  
5 (2008) and *Mort Wallin of Lake Tahoe, Inc. v. Commercial Cabinet Co., Inc.*, 105 Nev.  
6 855, 857, 784 P.2d 954, 955 (1989).
- 7 Q. Disgorgement is a remedy designed to dissuade individuals from attempting to profit  
8 from their inappropriate behavior. "Disgorgement as a remedy is broader than  
9 restitution or restoration of what the plaintiff lost." *American Master Lease LLC v.*  
10 *Idanta Partners, Ltd*, 225 Cal. App. 4th 1451, 1482, 171 Cal. Rptr. 3d 548, 572  
11 (2014)(*internal citation omitted*). "Where 'a benefit has been received by the defendant  
12 but the plaintiff has not suffered a corresponding loss or, in some cases, any loss, but  
13 nevertheless the enrichment of the defendant would be unjust . . . the defendant may be  
14 under a duty to give to the plaintiff the amount by which [the defendant] has been  
15 enriched.'" *Id.* 171 Cal. Rptr. 3d at 573 (*internal citations omitted*). *See also Miller v.*  
16 *Bank of America, N.A.*, 352 P.3d 1162 (N.M. 2015) and *Cross v. Berg Lumber Co.*, 7  
17 P.3d 922 (Wyo. 2000).  
18  
19

### 20 **III. JUDGMENT**

21 Judgment is hereby entered against MEI-GSR, Gage Village and the Unit Owner's  
22 Association as follows:

#### 23 **Monetary Relief:**

- 24 1. Against MEI-GSR in the amount of \$442,591.83 for underpaid revenues to Unit owners;  
25 2. Against MEI-GSR in the amount of \$4,152,669.13 for the rental of units of owners who had no  
26 rental agreement;  
27 3. Against MEI-GSR in the amount of \$1,399,630.44 for discounting owner's rooms without  
28 credits;

- 1 4. Against MEI-GSR in the amount of \$31,269.44 for discounted rooms with credits;
- 2 5. Against MEI-GSR in the amount of \$96,084.96 for “comp’d” or free rooms;
- 3 6. Against MEI-GSR in the amount of \$411,833.40 for damages associated with the bad faith
- 4 “preferential rotation system”;
- 5 7. Against MEI-GSR in the amount of \$1,706,798.04 for improperly calculated and assessed
- 6 contracted hotel fees;
- 7 8. Against MEI-GSR in the amount of \$77,338.31 for improperly collected assessments;
- 8 9. MEI-GSR will fund the FF&E reserve, shared facilities reserve and hotel reserve in the amount of
- 9 \$500,000.00 each. The Court finds that MEI-GSR has failed to fund the reserves for the units it, or
- 10 any of its agents, own. However, the Court has also determined, *supra*, that these fees were
- 11 themselves unconscionable. The Court does not believe that the remedy for MEI-GSR’s failure to
- 12 fund the unconscionable amount should be some multiple of that unreasonable sum. Further, the
- 13 Court notes that Plaintiffs are individual owners: not the Unit Owner’s Association. Arguably, the
- 14 reserves are an asset of the Unit Owner’s Association and the Plaintiffs have no individual interest in
- 15 this sum. The Court believes that the “seed funds” for these accounts are appropriate under the
- 16 circumstances of the case; and
- 17 10. The Court finds that it would be inappropriate to give MEI-GSR any “write downs” or credits
- 18 for sums they may have received had they rented the rooms in accordance with appropriate business
- 19 practices. These sums will be disgorged.

20

21 **Non-Monetary Relief:**

- 22 1. The receiver will remain in place with his current authority until this Court rules otherwise;
- 23 2. The Plaintiffs shall not be required to pay any fees, assessments, or reserves allegedly due or
- 24 accrued prior to the date of this ORDER;
- 25 3. The receiver will determine a reasonable amount of FF&E, shared facilities and hotel reserve fees
- 26 required to fund the needs of these three ledger items. These fees will be determined within 90 days
- 27 of the date of this ORDER. No fees will be required until the implementation of these new
- 28



1 amounts. They will be collected from *all* unit owners and properly allocated on the Unit Owner's  
2 Association ledgers; and

3 4. The current rotation system will remain in place.

4 **Punitive Damages:**

5 The Court specifically declined to hear argument regarding punitive damages during the  
6 prove-up hearing. *See* Transcript of Proceedings 428:6 through 430:1. Where a defendant has been  
7 guilty of oppression, fraud, or malice express or implied in an action *not arising from contract*,  
8 punitive damages may be appropriate. NRS 42.005(1). Many of the Plaintiff's causes of action  
9 sound in contract; therefore, they are not the subject of a punitive damages award. Some of the  
10 causes of action may so qualify. The Court requires additional argument on whether punitive  
11 damages would be appropriate in the non-contract causes of action. NRS 42.005(3). An appropriate  
12 measure of punitive damages is based on the financial position of the defendant, its culpability and  
13 blameworthiness, the vulnerability of, and injury suffered by, the offended party, the offensiveness  
14 of the punished conduct, and the means necessary to deter further misconduct. *See generally*  
15 *Ainsworth v. Combined Insurance Company of America*, 104 Nev. 587, 763 P.2d 673 (1988).  
16 Should the Court determine that punitive damages are appropriate it will conduct a hearing to  
17 consider all of the stated factors. NRS 42.005(3). The parties shall contact the Judicial Assistant  
18 within 10 days of the date of this ORDER to schedule a hearing regarding punitive damages.  
19 Counsel will be prepared to discuss all relevant issues and present testimony and/or evidence  
20 regarding NRS 42.005 at that subsequent hearing.

21 DATED this 9 day of October, 2015.

22   
23 ELLIOTT A. SATTLER  
24 District Judge  
25  
26  
27  
28

**CERTIFICATE OF SERVICE**

I hereby certify that I electronically filed the foregoing with the Clerk of the Court by using the ECF system which served the following parties electronically:

Jonathan Tew, Esq.

Jarrad Miller, Esq.

Stan Johnson, Esq.

Mark Wray, Esq.

**DATED** this 9 day of October, 2015.

  
SHEILA MANSFIELD  
Judicial Assistant

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# Exhibit 11

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

ALBERT THOMAS, et. al.,

Plaintiffs,

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,

Defendants.

Case No. CV12-02222

Dept No. OJ37

**DEFENDANTS' REPLY IN SUPPORT OF MOTION FOR DISMISSAL OF CLAIMS OF  
DECEASED PARTY PLAINTIFFS DUE TO UNTIMELY FILING OF NOTICE OR  
SUGGESTION OF DEATH AND MOTION TO SUBSTITUTE PARTY**

Defendants MEI-GSR HOLDINGS, LLC ("MEI-GSR"), AM-GSR Holdings, LLC,  
GRAND SIERRA RESORT UNIT OWNERS' ASSOCIATION ("GSRUOA"), and GAGE

116301516.1

VILLAGE COMMERCIAL DEVELOPMENT, LLC (collectively “Defendants”) by and through their counsel at the law firm of Lewis Roca Rothgerber Christie LLP, hereby submit their Reply in Support of Motion for Dismissal of Claims of Deceased Party Plaintiffs Due to Untimely Filing of Notice or Suggestion of Death and Motion to Substitute Party (“Reply”). Defendants’ Reply is supported by the following memorandum of points and authorities, exhibits thereto, the papers and pleadings on file herein, and any oral argument the Court will entertain.

#### MEMORANDUM OF POINTS AND AUTHORITIES

##### **I. INTRODUCTION**

Plaintiffs had the affirmative obligation to comply with NRCP 25. Similarly, their counsel had an affirmative and independent duty to comply with the statutory obligations imposed by NRS 7.075. Neither Plaintiffs or their counsel complied with their duties. The questions posed for the Court, at least as postured by their Opposition, are 1) whether wholly improper non-compliance with rules and statutes is “ok” as long as there was no opposition to it, and 2) can the Court ignore the words “shall dismiss” claims as mandated by the Legislature in this exact instance?

The answer to both questions is no.

Plaintiffs, in opposing the Motion for Dismissal of Claims of Deceased Party Plaintiffs Due to Untimely Filing of Notice or Suggestion of Death and Motion to Substitute Party (“Motion to Dismiss”), largely do not dispute that the Motions to Substitute Party failed to comply with the mandatory and strict requirements of NRS 7.075 and NRCP 25. Instead, Plaintiffs ask the Court to ignore the clear lack of compliance because Defendants did not formally oppose those motions and thus, now should be precluded from requesting dismissal of the deceased parties and claims under the doctrine of judicial estoppel. This tees up the issue of whether the Court can or should simply approve any motion based on non-opposition even though the Court would otherwise be obligated by law to deny such a motion in the first place.

Plaintiffs’ casual disregard for the requirements of Nevada law on the substitution of parties cannot and should not be condoned. Critically, there is no indication that the substituted parties are real parties in interest much less proper parties to this suit—yet here they are prosecuting claims

1 and claiming damages. The Court has the inherent authority pursuant to NRCP 54(b) to consider  
2 Defendants' Motion to Dismiss and correct erroneous or otherwise slide-by rulings related to the  
3 four deceased plaintiffs, Thomas, Weiss, Pederson and Torabkhan.

4 As for judicial estoppel, Plaintiffs' request is off base. Plaintiffs improperly request that the  
5 Court apply the doctrine of judicial estoppel to deny the Motion to Dismiss, claiming Defendants  
6 have taken inconsistent positions on the Motions to Substitute. However, it is well-established the  
7 doctrine does not apply in circumstances where the party who has purportedly taken inconsistent  
8 positions did so for reasons other than to obtain an unfair advantage or to sabotage the judicial  
9 process. Plaintiffs rely upon the Nevada Supreme Court's prior application of the doctrine in this  
10 case on issues and facts unrelated to the Motion to Dismiss currently before the Court—specifically,  
11 whether Defendants can seek dismissal of the case after default judgment due to Plaintiffs' failure  
12 to mediate under NRS 38.310 prior to filing suit. However, Plaintiffs do not point to any evidence  
13 that Defendants, by bringing the instant Motion to Dismiss, are attempting to sabotage the judicial  
14 process or have some sort of improper motive to justify application of the doctrine. Nor can they  
15 as Defendants' Motion to Dismiss was filed simply because Defendants conducted a review of the  
16 current recorded owners of Plaintiffs' Units and recognized that some of the named Plaintiffs do  
17 not own any property subject to this lawsuit, which in turn triggered a scrutiny of the defects in the  
18 Motions to Substitute Parties. ~~y.~~

19 Accordingly, the circumstances do not warrant application of the doctrine of judicial  
20 estoppel, and Defendants submit that dismissal of the claims for relief and any damages awarded  
21 to the four deceased Plaintiffs, Albert Thomas, Irene Weiss, Robert Peterson and Farhad  
22 Torabkhan, is proper.

## 23 II. LEGAL DISCUSSION

### 24 A. THE COURT HAS INHERENT AUTHORITY TO CORRECT ERRORS IN ITS PRIOR 25 ORDERS

26 NRCP 54(b) permits the district court to revise an order that adjudicates the rights of less  
27 than all the parties until it enters judgment adjudicating the rights of all the parties. *See Bower v.*

1 *Harrah's Laughlin, Inc.*, 125 Nev. 470, 479, 215 P.3d 709, 716 (2009); *In re Manhattan W. Mech. 's*  
2 *Lien Litig.*, 131 Nev. 702, 707 n.3, 359 P.3d 125, 128 n.3 (2015). Specifically, "any order or other  
3 decision, however designated, that adjudicates fewer than all the claims or the rights and liabilities  
4 of fewer than all the parties ... may be revised at any time before the entry of a judgment  
5 adjudicating all the claims and all the parties' rights and liabilities." NRCP 54(b) (emphasis added);  
6 *see also Dietz v. Bouldin*, 136 S. Ct. 1885, 1892 (2016) ("a district court ordinarily has the power  
7 to modify or rescind its orders at any point prior to final judgment in a civil case").<sup>1</sup> Because the  
8 court has not yet entered a final judgment adjudicating the claims of all the parties, the Court has  
9 inherent authority to correct erroneous rulings. *Ins. Co. of the West v. Gibson Tile Co.*, 122 Nev.  
10 455, 466 n.4, 134 P.3d 698, 705 n.4 (2006) (Maupin, J., concurring) (citing NRCP 54(b)).

11 Indeed, such holding comports with the inherent authority of the court. *See Civil Rights for*  
12 *Seniors v. AOC*, 129 Nev. 752, 758, 313 P.3d 216, 220 (2013) ("As a separate branch of  
13 government under the Nevada Constitution, the judiciary has the inherent authority to manage its  
14 own affairs, make rules, and carry out other incidental powers when reasonable and necessary for  
15 the administration of justice.") (internal quotations and citation omitted). *See also City of Los*  
16 *Angeles, Harbor Div. v. Santa Monica Baykeeper*, 254 F.3d 882, 889 (9th Cir. 2001) (explaining  
17 a district court "possesses the inherent procedural power to reconsider, rescind, or modify an  
18 interlocutory order for cause seen by it to be sufficient."); *Gemini Ins. Co. v. N. Am. Capacity Ins.*  
19 *Co.*, No. 3:14-CV-00121-LRH-WGC, 2015 WL 3891423, at \*2 (D. Nev. June 18, 2015) ("Under  
20 Rule 54(b), this Court has wide latitude to revise prior orders and an order may be revised at any  
21 time before the entry of a judgment....") (citation and quotation omitted).

22 The failure of Plaintiffs' counsel and/or substituted parties to comply with the mandates of  
23 NRS 7.075 and NRCP 25 renders each Order Granting Motion to Substitute Party defective.  
24 Defendants submit that the Court has the authority to review and the defects in those interlocutory

25 <sup>1</sup> Plaintiffs themselves have told this Court multiple times that a "district court can, in its discretion,  
26 modify any interlocutory order prior to entry of a final judgment under NRCP 54(b)." (1/21/2021  
27 Pls.' Opp'n to Defs.' Mot. for Leave to File Mot. for Reconsideration at 3; *see also id.* at 14 ("the  
28 District Court can revisit an interlocutory order at any time") (emphasis added); 2/25/2021 Pls.'  
Opp'n to Defs.' Emergency Motion to Stay at 3, 12, 13 ("*Gibson Tile* ... notes the Court's authority  
to rely upon NRCP 54(b) to make modifications to interlocutory orders").)



1 orders pursuant to NRCP 54(b). “[The Nevada Supreme] Court has strictly interpreted the language  
2 of NRCP 25(a)(1).” *Wharton, By & Through Wharton v. City of Mesquite*, 113 Nev. 796, 798, 942  
3 P.2d 155, 157 (1997). In fact, the Nevada Supreme Court has determined “[t]he rule is quite clear  
4 that unless the motion for substitution is made within ninety days [or after March 1, 2019, 180 days]  
5 after the death is suggested upon the record, the action ‘shall be dismissed as to the deceased  
6 party.’” *Bennett v. Topping*, 102 Nev. 151, 152, 717 P.2d 44, 45 (1986).

7 Neither WDCR 12(8) nor DCR 12(7)<sup>2</sup> nullify the inherent authority of the court under  
8 NRCP 54(b) to revise interlocutory orders at any time. Nor does either rule require a court to  
9 enter incorrect and legally unsupported rulings. Plaintiffs’ argument, if accepted as true, would  
10 effectively eviscerate the express terms of NRCP 54(b). Instead, correcting the defects in those  
11 Orders would be in the interest of justice and consistent with the purpose of the Nevada Rules of  
12 Civil Procedure. *See* NRCP 1 (explaining the Nevada Rules of Civil Procedure should be  
13 construed, administered, and employed by the court and the parties to secure the *just*, speedy, and  
14 inexpensive determination of every action and proceeding) (emphasis added). *Cf. Gemini Ins. Co.*,  
15 2015 WL 3891423, at \*2 (“Under Rule 54(b), district courts have complete power over non-final  
16 orders and may vacate or revise them at any time, if doing so would be consonant with equity.”);  
17 *Shervington v. Vill. of Piermont*, 732 F. Supp. 2d 423, 425 (S.D.N.Y. 2010) (“The Court has  
18 “discretion to consider a motion for reargument notwithstanding the movant’s failure to comply  
19 with Local Rule 6.3’s requirements, but it will only exercise this discretion when justice so  
20 requires.”).

21 **B. PLAINTIFFS DO NOT DISPUTE THE MERITS OF THE MOTION TO DISMISS**

22 Plaintiffs do not dispute the law or facts in Defendants’ Motion to Dismiss. They offer no  
23 substantive argument that directly addresses much less contests Defendants’ arguments that the  
24 four Suggestions of Death and Motions to Substitute Party wholly failed comply with the

25  
26 <sup>2</sup> DCR 13(3) states: “Failure of the opposing party to serve and file his written opposition *may* be  
27 construed as an admission that the motion is meritorious and a consent to granting the same.”  
28 (emphasis added). None of the orders granting the Motions to Substitute Party indicate that the  
Court granted the motions because Defendants did not file an opposition or deemed Defendants to  
consent to granting the same.



requirements of Nevada law—which mandate dismissal of these plaintiffs. *See* NRCP 25(a)(1) (“If the motion [for substitution] is not made within 180 days [or prior to March 1, 2019, 90 days] after service of a statement noting the death, the claims by or against the decedent must be dismissed.”)

Accordingly, there is no dispute as to the following:

- Plaintiffs’ counsel filed Suggestions of Death for Thomas, Weiss, and Pederson beyond the deadline set forth in NRS 7.075 and NRCP 25—90 days after the death of the person.
- From the time of Robert Pederson’s death on March 7, 2015, until the entry of the Order Granting the Substitution of Party on May 8, 2019, the court had no jurisdiction as to Pederson or as to his claims for relief. *See Walker v. Burkham*, 68 Nev. 250, 253-54, 229 P.2d 158, 160 (1951) (explaining on the death of the party his interest ceases, and the jurisdiction of the Court ceases also).
  - Pederson was already deceased before Plaintiffs filed their Application for Default Judgment on March 17, 2015 and prior to the prove up hearing that occurred March 23, 2015 through March 25, 2015.
  - Despite the fact that he had died prior to entry of the October 9, 2015 FFCL&J, paragraph 13 of the FFCL&J erroneously states: “Plaintiff, Robert R. Pederson, individually and as trustee of the Pederson 1990 Trust is a competent adult and is a resident of the State of California.”
  - The Court proceeded to award damages in the FFCL&J to Pederson who was not alive at the time of the prove-up hearing or entry of Judgment.
- From the date of Thomas’ death on September 19, 2017, until entry of the Court Order approving the Substitution of Party on May 8, 2019, the Court had no jurisdiction and Plaintiffs’ counsel had no authority to file any substantive motions on his behalf.
- From the date of Weiss’ death on August 17, 2018, until entry of the Court Order approving the Substitution of Party on May 8, 2019, the Court had no jurisdiction and Plaintiffs’ counsel had no authority to file any substantive motions on her behalf.

- None of the four Suggestions of Death and Motions to Substitute Party were signed by the party seeking substitution or their counsel. The only signatures were those of the attorneys for Plaintiffs.
- The certificate of service attached to each of the four Suggestions of Death and Motions to Substitute Party show that service was solely upon attorneys for the defendants and attorneys for the receiver. There was no service on non-parties per the express terms of NRCPC 25(a)(3)

Thus, the failure of Plaintiffs' counsel and/or substituted parties to comply with the mandates of NRS 7.075 and NRCPC 25 requires dismissal of the claims of Thomas, Weiss, Pederson and Torabkhan and the setting aside of any damages awarded to them. See NRS 0.025 ("shall impose a duty to act", or in other words, the Court has a duty to dismiss these claims.)

Further, Plaintiffs do not attempt to identify the substituted parties and their relationship to the decedents to demonstrate to the Court that the substituted parties are real parties in interest. The proper party who may take the place of the deceased party within the meaning of NRCPC 25(a)(1) includes either an individual named in the will of the deceased party and appointed by the court to administer the estate or an individual appointed by the court to do the same." *Gonor v. Dale*, 134 Nev. 898, 901, 432 P.3d 723, 726 (2018). Plaintiffs' failure to address whether the substituted party is a proper party is an outright admission that some or all of the substituted parties do not qualify as real parties in interest or heirs, executors, administrators, etc. Thus, as there is no evidence that the proper parties were substituted, any claims by and damages awarded to Thomas, Weiss, Pederson, and Torabkhan should be dismissed.

#### C. JUDICIAL ESTOPPEL DOES NOT APPLY

Despite Plaintiffs' attempts to claim the Nevada Supreme Court addressed the issue before the Court, the Nevada Supreme Court has made no such ruling. The question previously before the Nevada Supreme Court was whether Defendants could seek dismissal of the case due to Plaintiffs' failure to institute pre-suit mediation under NRS 38.310 or whether judicial estoppel could apply. The Nevada Supreme Court did not weigh in on whether the Court can review an interlocutory

1 order pursuant to NRCP 54(b) much less determine whether judicial estoppel applies with respect  
2 to Plaintiffs' failure to follow Nevada law in substituting deceased parties after remand to constitute  
3 law of the case on the issues subject to the Motion to Dismiss. (See 02/26/2018 Order Reversing  
4 and Remanding.) Cf. *Wheeler Springs Plaza, LLC v. Beemon*, 119 Nev. 260, 266, 71 P.3d 1258,  
5 1262 (2003) (noting the law of the case "doctrine only applies to issues previously determined, not  
6 to matters left open by the appellate court"). Plaintiffs have failed to identify any authority showing  
7 that NRS 7.075 and NRCP 25 can or should be subject to the same treatment under the relevant  
8 circumstances.

9 "Judicial estoppel is an equitable doctrine used to protect the judiciary's integrity and is  
10 invoked by a court at its discretion." *NOLM, LLC v. Cnty. of Clark*, 120 Nev. 736, 743, 100 P.3d  
11 658, 663 (2004). The Nevada Supreme Court has established a five-factor test for courts to consider  
12 when determining whether judicial estoppel applies: whether "(1) the same party has taken two  
13 positions; (2) the positions were taken in judicial or quasi-judicial administrative proceedings; (3)  
14 the party was successful in asserting the first position (i.e., the tribunal adopted the position or  
15 accepted it as true); (4) the two positions are totally inconsistent; and (5) the first position was not  
16 taken as a result of ignorance, fraud, or mistake." *Kaur v. Singh*, 136 Nev. Adv. Op. 77, 477 P.3d  
17 358, 362-63 (2020). Judicial estoppel, however, "should be applied only when "a party's  
18 inconsistent position arises from intentional wrongdoing or an attempt to obtain an unfair  
19 advantage." *NOLM, LLC*, 120 Nev. at 743, 100 P.3d at 663. "Judicial estoppel does not preclude  
20 changes in position that are not intended to sabotage the judicial process." *Id. See Sterling Builders,*  
21 *Inc. v. Fuhrman*, 80 Nev. 543, 550, 396 P.2d 850, 854 (1964) (providing that the purpose of the  
22 doctrine "is to suppress fraud, and to prohibit the deliberate shifting of position to suit exigencies  
23 of each particular case that may arise") (internal quotation omitted). See also *Deja Vu Showgirls*  
24 *of Las Vegas, LLC v. State, Dep't of Taxation*, 130 Nev. 711, 717-18, 334 P.3d 387, 391-92 (2014)  
25 (concluding that judicial estoppel did not apply when there was no attempt to mislead the court).

26 Here, Plaintiffs fail to address the requisite five factors. Even if they had, an application of  
27 those factors to the facts in this case demonstrate judicial estoppel does not apply. For one,  
28

1 Defendants never made *any* statements in briefing or during a judicial proceeding that is contrary  
2 to the statements in the Motion to Dismiss. While Defendants did not file a response or opposition  
3 to the Motions to Substitute Party, Defendants in no way affirmatively took the position that the  
4 motions were meritorious. Critically, and contrary to Plaintiffs' claim, the Court made no finding  
5 that Defendants consented to the granting of those motions in any of orders granting the Motions  
6 to Substitute. (*See* 05/08/2019 Order Granting Motion to Substitute Party-Thomas, 05/08/2019  
7 Order Granting Motion to Substitute Party-Weiss, 05/08/2019 Order Granting Motion to Substitute  
8 Party-Pederson, and 12/12/2019 Order Granting Motion to Substitute Party-Torabkhan.) *See also*  
9 DCR 13(3) ("Failure of the opposing party to serve and file his written opposition *may* be construed  
10 as an admission that the motion is meritorious and a consent to granting the same.") (emphasis  
11 added).

12 Further, the fact that Defendants did not file a response to the Motions to Substitute Party  
13 was not due to any intentional wrongdoing or an attempt to obtain an unfair advantage by  
14 Defendants in this case and certainly not to sabotage the judicial process. Rather, three of the four  
15 Motions to Substitute Party came on the very heels of the remand from the Nevada Supreme Court  
16 with new litigation counsel seeking to get up to speed on the case. As time progressed and the  
17 Defendants Once Defendants conducted a reviewed of the current recorded owners of Plaintiffs'  
18 Units and counsel went back to review those filings, Defendants brought the Motion to Dismiss.<sup>3</sup>  
19 Nevertheless, Plaintiffs fail to identify any intentional wrongdoing by the Defendants on the part  
20 of Plaintiffs with respect to the Motions to Substitute Party or show that Defendants sought to  
21 obtain an unfair advantage sufficient to justify application of the doctrine of judicial estoppel—a

22 <sup>3</sup> As set forth in the Motion to Dismiss Claims of Deceased Plaintiffs, it appears that in addition to  
23 the four deceased Plaintiffs addressed therein, at least 16 additional Plaintiffs identified as Unit  
24 owners in the Second Amended Complaint have assigned or transferred their Units to new third  
25 party owners who are not identified as party Plaintiffs in the Second Amended Complaint. (Mot. at  
26 8 n.2). Plaintiffs fail to address this argument as well. They make no effort to address the  
27 discrepancy much less show that the reasons Plaintiffs no longer own an interest in their Units, the  
28 nature of the conveyance, and whether their interests were properly transferred to a real party in  
interest—yet they all purport to be entitled to damages from the Defendants and are actively  
prosecuting those claims. - It is quite disconcerting that persons or entities who are entirely  
strangers to this litigation may be pursuing claims within wholly unchecked and without being real  
parties in interest.



1 doctrine the Nevada Supreme Court has clearly indicated “does not preclude changes in position  
2 that are not intended to sabotage the judicial process.” *See NOLM, LLC*, 120 Nev. at 743, 100 P.3d  
3 at 663.<sup>4</sup> Indeed, there is nothing in the procedural history of this case since the Motions to  
4 Substitute Party were filed (after remand from the Nevada Supreme Court) to indicate otherwise.

5 Therefore, the Court should reject Plaintiffs’ efforts to apply the doctrine of judicial estoppel  
6 under circumstances that do not warrant ~~application~~ its application.

### 7 III. CONCLUSION

8 Plaintiffs and their counsel do not dispute that they failed to comply with the requirements  
9 of NRS 7.075 and NRCP 25. Rather, their Opposition attempts to bypass the mandatory  
10 requirements of NRS 7.075 and NRCP 25, claiming the Court has no authority to ensure that real  
11 parties in interest are currently before the Court and must ignore the fact that Plaintiffs’ counsel  
12 proceeded on behalf of these deceased Plaintiffs without the Court’s jurisdiction. To be clear,  
13 NRCP 25 and NRS 7.075 impose separate and independent obligations upon the Plaintiffs and  
14 their counsel, and no representative of the deceased Plaintiffs—and certainly not their counsel—  
15 complied with these duties. NRCP 54(b) demonstrates the Court can revisit and correct  
16 interlocutory orders at any time before final judgment. Therefore, the claims for relief and any  
17 damages claimed or awarded to the deceased Plaintiffs, Albert Thomas, Irene Weiss, Robert  
18 Peterson and Farhad Torabkhan, should be dismissed due to Plaintiffs’ failure to abide by the  
19 mandatory requirements of NRS 7.075 and NRCP 25.

20 Contrary to Plaintiffs’ allegations, the doctrine of judicial estoppel cannot apply to preclude

21  
22 <sup>4</sup> Plaintiffs claim the Motion to Dismiss is part of Defendants “new 2021 scorched-earth campaign  
23 in front of a new Judge,” which is unsupported. (Opp’n at 7.) The record reflects that the motion  
24 practice in 2021, especially the last five months, has been instituted by Plaintiffs and/or the  
25 Receiver seeking to impermissibly expand his powers under the Order Appointing Receiver.  
26 Plaintiffs also claim the doctrine of judicial estoppel should apply because Defendants’ have  
27 purportedly caused delay in this litigation and thus, certain Plaintiffs have died during the delay.  
28 (*Id.*) But, Plaintiffs cannot credibly attribute the deaths of certain Plaintiffs to Defendants.  
Plaintiffs’ counsel is well-aware that trial dates are often continued for a variety of reasons; simply  
because trial did not take place in January 2014 as originally scheduled and instead a default  
judgment was entered does not support the giant leap that Defendants sought to obtain an unfair  
advantage as to the deceased plaintiffs. In fact, if a trial on the merits had proceeded, instead of  
default judgment, there is no guarantee any of the plaintiffs would have had a judgment entered in  
their favor.

**CERTIFICATE OF SERVICE**

Pursuant to NRCP 5(b), I certify that I am an employee of LEWIS ROCA ROTHGERBER CHRISTIE LLP and that on this 5th day of November 2021, I served a true and correct copy of the foregoing **DEFENDANTS' REPLY IN SUPPORT OF MOTION FOR DISMISSAL OF CLAIMS OF DECEASED PARTY PLAINTIFFS DUE TO UNTIMELY FILING OF NOTICE OR SUGGESTION OF DEATH AND MOTION TO SUBSTITUTE PARTY** to the parties listed below, via electronic service through the Second Judicial District Court's eFlex Electronic Filing system.

G. David Robertson, Esq., SBN 1001  
Jarrad C. Miller, Esq., SBN 7093  
Jonathan J. Tew, Esq., SBN 11874  
ROBERTSON, JOHNSON, MILLER & WILLIAMSON  
50 West Liberty Street, Suite 600  
Reno, Nevada 89501  
Tel: (775) 329-5600  
[jon@nvlawyers.com](mailto:jon@nvlawyers.com)  
[jarrad@nvlawyers.com](mailto:jarrad@nvlawyers.com)

*Attorneys for Plaintiffs*

F. DeArmond Sharp, Esq., SBN 780  
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Tel: (775) 329-3151  
Tel: (775) 329-7169  
[dsharp@rssblaw.com](mailto:dsharp@rssblaw.com)  
[ssharp@rssblaw.com](mailto:ssharp@rssblaw.com)

*Attorneys for the Receiver  
Richard M. Teichner*

I declare under penalty of perjury under the laws of the State of Nevada, that the foregoing is true and correct.

Dated this 27th day of December, 2021.

/s/ Dawn M. Hayes  
An Employee of Lewis Roca Rothgerber Christie LLP

**INDEX OF EXHIBITS**

<b>Exhibit No.</b>	<b>Description</b>	<b>No. of Pages</b>
1		

FILED  
Electronically  
CV12-02222  
2022-03-17 05:01:35 PM  
Alicia L. Lerud  
Clerk of the Court  
Transaction # 8953058 : yvilorla

# Exhibit 12



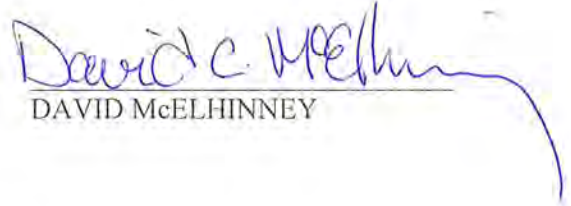
**AFFIDAVIT OF DAVID C. McELHINNEY**

STATE OF NEVADA     )  
                                  )SS  
COUNTY OF WASHOE    )

I, DAVID C. McELHINNEY, do hereby swear under penalty of perjury that the following assertions are true and correct.

1. I am an attorney licensed in the State of Nevada since 1981.
2. I have personal knowledge of the matters herein set forth as a counsel of record for the Defendants in this matter since January, 2019.
3. The matter entitled *Thomas v. MEI-GSR HOLDINGS, LLC, et al, CV12-02222*, has been pending in the Second Judicial District Court since 2012, for approximately 10 years.
4. The Notice requirements of the Bylaws, CC&Rs and statutes for a sale or termination of condominium units in this matter are extensive. Not only have we engaged specific counsel that specializes in common interest communities, the Declarant was required to pull all title reports for non-defendant owners and notify all first deed of trust holders of the vote of the unit owners in both November 2021 and February, 2022.
5. Since November, 2021, the President, majority of the Board of the UOA and more than 80% of the unit owners have been trying to set this matter for a meeting at which they can exercise their rights to sale and termination.
6. As of today, March 17, 2022, the named Defendants AM-GSR Holdings, LLC and Gage Village LLC own 550 condominium units out of the total 670 units. This represents more than 82% of all of the unit owners and owners of the common areas.
7. In October, 2021, the Board of Directors of the UOA selected William Kimmel as the appraiser in this matter, and he conducted an appraisal of all units.
8. The Defendants have specifically relied on the plain language of the CC&Rs in acquiring more than 80% of all outstanding units, as well as other provisions in the 9<sup>th</sup> Amended and 7<sup>th</sup> Amended CC&Rs.
9. Defendants have incurred in excess of \$26,000.00 pulling the title reports, obtaining title guarantees and notifying first deed of trust holders as required when there is a termination or sale. In addition, the Defendants have incurred in excess of \$11,000.00 for the two separate mailings to all unit owners as required by the bylaws, CC&Rs and statutes.
10. Because of the entry of the TRO in this matter, the vote scheduled for March 14, 2022, was cancelled. Defendants will have to mail notice to first deed of trust holders and all unit owners for a third time in order to exercise its right to sale and termination.

DATED this 17<sup>th</sup> day of March, 2022

  
DAVID McELHINNEY

SUBSCRIBED AND SWORN TO BEFORE ME

This 17<sup>th</sup> day of March, 2022

  
NOTARY PUBLIC



FILED  
Electronically  
CV12-02222  
2022-03-17 05:01:35 PM  
Alicia L. Lerud  
Clerk of the Court  
Transaction # 8953058 : yvilorla

# Exhibit 13

## GRAND SIERRA RESORT UNIT OWNERS ASSOCIATION (UOA)

Email: [GSRservice@associasn.com](mailto:GSRservice@associasn.com)

Date: December 6, 2021

**NOTICE OF SPECIAL MEMBERS MEETING &  
SPECIAL BOARD MEETING (FOLLOWING)**

Dear Grand Sierra Resort Unit Owner,

Notice is hereby given that a Special Meeting of the Members of the Grand Sierra Resort UOA will be held on Thursday, January 6, 2022, 1:00 PM via Zoom.

**MEETING AGENDAS.** Enclosed is the Special Members Meeting Notice/Agenda with Zoom invite instructions. The purpose of this meeting is to vote on the termination of the condominium hotel, sale of Units as provided in Article 9 of the Declaration and other matters related to the termination and sale. An agenda for a Special Board Meeting following the Members Meeting is also enclosed.

**ENCLOSURES: PROXY, AGREEMENT TO TERMINATE and SALES AGREEMENT-** In addition to the meeting agendas, enclosed is a Revocable Proxy (optional to use if you are not able to attend the meeting), the Agreement to Terminate with Exhibits including the Termination and the Sales Agreement with Rescission and Notice of Termination of the Declaration of Covenants, Conditions, Restrictions and Easements for the Hotel-condominium at Grand Sierra. **Note: If you own more than one unit, indicate all units on one proxy form.**

Should you have any questions about the information in this mailing or about the Association, please contact our Associa Sierra North Community Manager Jeanne Tarantino at 775-334-7403 or via email at [GSRservice@associasn.com](mailto:GSRservice@associasn.com).

Respectfully Submitted,  
THE GRAND SIERRA REPORT UOA BOARD OF DIRECTORS  
Kent Vaughan, President; Barry Hay, Secretary; & Christopher Balaban, Treasurer

Date: December 6, 2021

**GRAND SIERRA RESORT UNIT OWNERS ASSOCIATION (UOA)**Email [gsrservice@associasn.com](mailto:gsrservice@associasn.com)**SPECIAL 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) UOA Meeting of the Members. 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, if the association is unable to provide the copy or summary in electronic format, in paper format at a cost not to exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter). Minutes are also posted on [www.TownSq.io](http://www.TownSq.io).

**Date & Time: Thursday, January 6, 2022 | 1:00p.m. | Zoom**

Zoom Invite: <https://us02web.zoom.us/j/87886601846>  
Call in via phone: +1 669 900 6833 US  
(or Find your local number: <https://us02web.zoom.us/j/kVCYRpZxTl>)  
Meeting ID: 878 8660 1846

**SPECIAL MEMBERS' MEETING AGENDA**

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.
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, 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, vote yes, the Declaration shall be terminated.

- c) Upon termination of the condominium hotel, 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.
  - 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, vote yes, the Association shall be terminated
4. Adjournment

A BOARD OF DIRECTORS MEETING TO FOLLOW – SEE SEPARATE NOTICE/AGENDA

Date: 12/6/21

## GRAND SIERRA RESORT UNIT OWNERS ASSOCIATION

**SPECIAL BOARD OF DIRECTORS MEETING NOTICE & AGENDA**

**Date & Time: Thursday January 6, 2022 | 1:15 p.m.(approx.) Immediately following Member Meeting  
Via Zoom**

Zoom Invite: <https://us02web.zoom.us/j/87886601846>  
Call in via phone: +1 669 900 6833 US  
(or Find your local number: <https://us02web.zoom.us/j/kVCYRpZxT>)  
Meeting ID: 878 8660 1846

**SPECIAL BOARD MEETING AGENDA**

***Please note action may be taken on any item on the agenda.***

1. **Call to Order, Board Introductions, Roll Call, and Determination of Quorum** - A unit's owner may record a meeting of the board (except executive sessions) if the unit's owner, before recording the meeting, provides notice of his or her intent to record the meeting to all present.
2. **Unit Owner Comments** - Owners have the right to speak to the Board. This period is devoted to comments from property owners and discussion of those comments related to items on the agenda. Please note that the Board has the authority to limit the time for individual comments. A time limit of three minutes has been allotted per owner. No owner can give away their allotted time to expand another owner's time.
3. **New Business – Consider Appraisal of Properties and Units** – If at the Members Meeting conducted immediately before this Board meeting, the hotel unit owner and at least eighty percent of the units' owners entitled to vote, terminated the condominium hotel and agreed to sell the property in accordance with the amounts allocated by the appraiser, Approve the independent appraiser, William G. Kimmel, MAI, SREA, Certified General Appraiser.  
Action
6. **Unit Owner Comments**
7. **Adjournment of Board Meeting**

**MEETING DISCLOSURES:**

The purpose of this notice/agenda is to inform you of the date, time, place and action items of the upcoming scheduled meeting of the Board of Directors. This meeting will be recorded in accordance with NRS 116B. Draft minutes of this meeting will be available within 30 days after the meeting date. A copy of the audio recording, the minutes or a summary of the minutes of the meeting shall be provided to the unit's owner upon request, in electronic format at no charge to the unit's owner or, if the association is unable to provide the copy or summary in electronic format, in paper format at a cost not to exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter. A unit's owner may record a meeting of the board (except executive sessions) if the unit's owner, before recording the meeting, provides notice of his or her intent to record the meeting to all present. An Executive Session of the Board may be held prior to, or after, the regular session board meeting to discuss CC&R violations and attorney client privilege items (please note that the executive session is a closed session for Board Members only).

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 January 6, 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: \_\_\_\_\_  
President

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

**LOOSE NOTARIES FOLLOW EXHIBIT B**

EXHIBIT A

**Legal Description**

## LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of, described as follows:

### PARCEL 1:

All that certain lot, piece or parcel of land situated in the City of Reno, County of Washoe, State of Nevada, Section Seven (7), Township Nineteen (19) North, Range Twenty (20) East, M.D.M.:

BEGINNING at the Northwest corner of Parcel Map No. 340, recorded November 10, 1976, Official Records, Washoe County, Nevada, said POINT OF BEGINNING being further described as lying on the Southerly right of way of Glendale Avenue;

THENCE North 88°15'47" East along said Southerly right of way 347.44 feet to a found 5/8" rebar with cap, stamped "Summit Engineers RLS 4787", said point also being the Northeast corner of Parcel 1 of Parcel Map 338, recorded November 10, 1976, Official Records, Washoe County, Nevada;

THENCE South 00°06'54" East along the East line of said Parcel 1, a distance of 208.59 feet;

THENCE South 89°53'06" West, 174.30 feet;

THENCE South 00°06'54" East, 158.86 feet to the South line of said Parcel 2;

THENCE North 89°23'54" West along said South line, a distance of 174.31 feet to a found 5/8" rebar, being the Southwest corner of said Parcel 1;

THENCE North 00°05'36" East along the West line of Parcel 1, a distance of 355.44 feet to the POINT OF BEGINNING.

Said parcel is also shown as Adjusted Parcel 2 on Record of Survey No. 3004.

APN: 012-211-24.

### PARCEL 1-A:

A non-exclusive easement for the right, privilege and authority  
Continued on next page

for the purpose only of ingress and egress of vehicles and/or persons in, upon and over the roadway and cuts, located on the land and premises, situated in the County of Washoe, State of Nevada, described as follows:

The following describes a parcel of ground located within the South 1/2 of Section 7, Township 19 North, Range 20 East, M.D.B.&M., County of Washoe, State of Nevada, and being more particularly described as follows:

BEGINNING at the Northeast corner of Parcel B, as shown on Parcel Map No. 227, filed in the office of the Washoe County Recorder on the 26th day of February, 1976, File No. 397925; thence South 89°23'54" East, 51.51 feet;

THENCE North 89°53'06" East, 10.00 feet to the true point of beginning; thence North 0°06'54" West, 29.91 feet, thence 15.71 feet on the arc of a tangent curve to the left, having a radius of 10.00 feet and a central angle of 90°00'00"; thence North 0°06'54" West, 60.00 feet; thence 15.71 feet on the arc of a curve to the left whose tangent bears North 89°53'06" East, having a radius of 10.00 feet and a central angle of 90°00'00"; thence North 0°06'54" West, 80.00 feet; thence 15.71 feet on the arc of a tangent curve to the left, having a radius of 10.00 feet and a central angle of 90°00'00";

THENCE North 0°06'54" West, 60.00 feet; thence 15.71 feet on the arc of a curve to the left, whose tangent bears North 89°53'06" East, having a radius of 10.00 feet and a central angle of 90°00'00"; thence North 0°06'54" West, 90.00 feet;

THENCE 15.55 feet on the arc of a tangent curve to the right, having a radius of 9.72 feet and a central angle of 91°37'19" to a point on the Southerly right of way of Glendale Avenue; thence along said Southerly right of way line North 88°15'47" East, 69.74 feet; thence departing said Southerly right of way line, 15.42 feet on the arc of a curve to the right, whose tangent bears South 88°15'47" West, having a radius of 10.00 feet and a central angle of 88°22'41"; thence South 0°06'54" East, 361.61 feet; thence South 89°53'06" West, 50.00 feet to the true point of beginning.

Continued on next page



EXCEPT all that portion of said easement lying within the hereinabove described Parcel 1.

Document Number 2292338 is provided pursuant to the requirements of Section 1. NRS 111.312

PARCEL 2:

A portion of the North Half (N 1/2) of Section 18, Township 19 North, Range 20 East, M.D.M., more particularly described as follows:

COMMENCING at the Section corner common to Sections 7, 8, 17 and 18, Township 19 North, Range 20 East, M.D.M. and proceeding South 10°25'59" East, a distance of 99.98 feet to a 1/2 inch diameter pin, said pin being at the Northeast corner of that land conveyed from Matley, et al. to Lee Brothers, in a deed recorded as Document No. 306898 of the Official Records of Washoe County, Nevada; thence North 89°00'20" West, along the Northerly line of said Parcel, a distance of 663.20 feet to a 1/2 inch diameter iron pin; thence South 00°59'40" West, a distance of 187.77 feet to a 1/2 inch diameter iron pin; thence North 84°35'28" West, a distance of 24.46 feet to the TRUE POINT OF BEGINNING; thence North 84°35'28" West, a distance of 231.51 feet; thence South 00°54'52" West, a distance of 370.06 feet to a galvanized steel fence post; thence North 54°40'01" West, a distance of 335.84 feet to a point on the Southerly right of way line of Greg Street; thence along the Southerly right of way line of Greg Street the following four (4) courses and distances: 1) North 47°58'37" East, a distance of 232.02 feet; 2) from a tangent which bears the last named course, along a circular curve to the right with a radius of 760.00 feet and a central angle of 19°23'42", an arc length of 257.27 feet to a point of compound curvature; 3) along said compound circular curve to the right with a radius of 45.00 feet and central angle of 83°54'13", an arc length of 65.90 feet; 4) South 28°43'28" East a distance of 134.97 feet to the TRUE POINT OF BEGINNING, all as shown and set forth on that certain Record of Survey for MGM GRAND, filed in the office of the County Recorder of Washoe County, Nevada, on November 24, 1981, as File No. 769946.

APN: 012-231-29

Continued on next page



Document Number 2292339 is provided pursuant to the requirements of Section 1. NRS 111.312

PARCEL 3:

A parcel of land situate in Sections 7 & 18, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada, and more particularly described as follows:

Beginning at the intersection of the Northerly line of Mill Street with the Easterly line of U.S. Highway 395 as shown on Record of Survey Map Number 1518, File Number 769946 of the Official Records of Washoe County, Nevada, from which the Northeast corner of said Section 18 bears North  $86^{\circ}22'05''$  East a distance of 3260.13 feet; thence along the Easterly line of Interstate 580 the following eight (8) courses and distances; 1) North  $09^{\circ}34'52''$  West, a distance of 352.44 feet; 2) North  $03^{\circ}28'05''$  West, a distance of 425.16 feet; 3) North  $01^{\circ}26'55''$  West, a distance of 498.41 feet; 4) North  $01^{\circ}24'09''$  West, a distance of 434.30 feet; 5) from a tangent which bears North  $01^{\circ}25'23''$  West, along a circular curve to the right with a radius of 858.06 feet and a central angle of  $36^{\circ}09'39''$ , an arc length of 541.54 feet; 6) from an tangent which bears North  $34^{\circ}44'16''$  East along a circular curve to the left with a radius of 900.00 feet and a central angle of  $28^{\circ}28'08''$ , an arc length of 447.19 feet; 7) North  $06^{\circ}16'08''$  East a distance of 117.19 feet; 8) from a tangent which bears the last named course, along a circular curve to the right with a radius of 61.15 feet and a central angle of  $83^{\circ}37'49''$ , an arc length of 89.26 feet to a point on the Southerly line of Glendale Avenue; thence along the Southerly line of Glendale Avenue the following four (4) courses and distances; 1) North  $89^{\circ}53'57''$  East, a distance of 196.41 feet; 2) North  $00^{\circ}06'21''$  East, a distance of 4.00 feet; 3) North  $89^{\circ}53'57''$  East, a distance of 11.17 feet; 4) North  $88^{\circ}16'07''$  East, a distance of 80.83 feet to a point on the Westerly line of Watson and Meehan Corporation Property, said point being the Northeasterly corner of Parcel No. 1, as shown on the Parcel Map No. 340, filed in the Office of Washoe County Recorder on November 10, 1976 File No. 434453; thence along the Westerly, Southerly, and Easterly lines of said Watson and Meehan Corporation Property the following three (3) courses and distances: 1) South  $00^{\circ}05'56''$  West, a distance of 355.44 feet; 2) South

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89°23'34" East, a distance of 348.62 feet; 3) North  
 00°06'34" West, a distance of 369.63 feet to a point on the  
 Southerly right of way line of Glendale Avenue, said point  
 being the Northeasterly corner of Parcel No. 1, as shown on  
 the Parcel Map No. 338, filed in the Office of Washoe  
 County Recorder on November 10, 1976, File No. 434451;  
 thence North 88°16'07" East, along the Southerly right of  
 way line of Glendale Avenue, a distance of 156.65 feet;  
 thence South 02°12'06" East a distance of 4.24 feet to the  
 Northeast corner of a concrete block wall, thence South  
 02°12'06" East, along Easterly face of said block wall, a  
 distance of 13.05 feet to an angle point in said block  
 wall; thence North 88°00'20" East, along the Northerly  
 line of said block wall, a distance of 61.31 feet to a chain  
 link fence; thence along said chain link fence the  
 following seventeen (17) courses and distances; 1) South  
 88°11'19" East, a distance of 10.04 feet; 2) South 79°03'12"  
 East, a distance of 10.54 feet; 3) South 70°04'24" East, a  
 distance of 9.08 feet; 4) South 56°48'54" East, a distance  
 of 10.33 feet; 5) South 52°50'24" East, a distance of 49.76  
 feet; 6) South 49°03'32" East, a distance of 10.57 feet; 7)  
 South 38°43'47" East, a distance of 78.93 feet; 8) South  
 41°22'11" East, a distance of 10.14 feet; 9) South  
 48°20'20" East, a distance of 10.07 feet; 10) South  
 54°50'53" East, a distance of 10.04 feet; 11) South  
 59°44'13" East, a distance of 39.96 feet; 12) South  
 50°21'10" East, a distance of 10.37 feet; 13) South  
 39°50'28" East, a distance of 10.12 feet; 14) South  
 31°57'47" East, a distance of 105.60 feet; 15) South  
 20°08'38" East, a distance of 76.52 feet; 16) South  
 34°19'10" East, a distance of 165.32 feet; 17) South  
 14°17'58" East, a distance of 279.78 feet; thence along a  
 line that is more or less coincident with said chain link  
 fence the following fifteen (15) courses and distances; 1)  
 South 06°44'18" East, a distance of 109.36 feet; 2) South  
 05°15'13" East, a distance of 158.53 feet; 3) South  
 27°57'06" East, a distance of 129.07 feet; 4) South  
 43°18'46" East, a distance of 228.10 feet; 5) South  
 44°58'46" East, a distance of 133.07 feet; 6) South 38°2'46"  
 East, a distance of 64.06 feet; 7) South 47°15'56" East, a  
 distance of 107.92 feet; 8) South 50°50'59" East, a  
 distance of 489.05 feet; 9) South 55°41'02" East, a distance  
 of 45.51 feet; 10) South 46°38'29" East, a distance of 98.99  
 feet; 11) South 63°53'42" East a distance of 151.28 feet;  
 12) South 52°31'06" East, a distance of 151.08 feet; 13)

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North 78°53'28" East, a distance of 75.55 feet; 14) South 73°46'40" East, a distance of 132.04 feet; 15) South 64°35'20" East, a distance of 98.69 feet to a point on the Northerly right of way line of Greg Street; thence along the Northerly right of way line of Greg Street the following ten (10) courses and distances: 1) South 20°40'40" West, a distance of 294.78 feet; 2) from a tangent which bears South 47°48'19" West, along a circular curve to the right with a radius of 750.00 feet and a central angle of 27°10'38", and arc length of 155.75 feet; 3) South 74°58'57" West, a distance of 120.67 feet; 4) from a tangent which bears the last named course, along a circular curve to the right with a radius of 36.00 feet and a central angle of 31°49'47", an arc length of 20.00 feet to a point of compound curvature; 5) along said compound circular curve to the right with a radius of 116.00 feet and a central angle of 32°40'13", an arc length of 66.14 feet; 6) South 71°14'17" West, a distance of 50.82 feet; 7) South 11°03'06" East, a distance of 8.54 feet; 8) from a tangent which bears the last named course, along a circular curve to the right with a radius of 36.00 feet and a central angle of 76°26'01", an arc length of 48.02 feet to a point of reverse curvature; 9) along said reverse circular curve to the left with a radius of 604.00 feet and a central angle of 17°23'58", an arc length of 183.42 feet; 10) South 47°58'57" West, a distance of 824.52 feet to the Northeast corner of parcel conveyed to Bruno Benna, et al, recorded as Document No. 83899, Official Records of Washoe County, Nevada; thence North 63°46'57" West along the Northerly line of said Benna Parcel, a distance of 1099.66 feet to the Northeast corner of Parcel B as shown on Parcel Map No. 341, filed in the office of Washoe County recorded on November 10, 1976, File No. 434454, thence South 26°13'03" West, along the Easterly line of said Parcel B, a distance of 266.37 feet; thence South 18°46'57" East and distance of 28.28 feet to a point on the Northerly right of way line of Mill Street; thence North 63°44'52" West, along said Northerly right of way line, a distance of 80.00 feet; thence North 26°13'03" East, a distance of 286.32 feet to the Northerly line of said Benna Parcel; thence from a tangent which bears North 03°43'05" East, along a circular curve to the left with a radius of 88.58 feet and a central angle of 81°31'20" an arc length of 123.19 feet; thence North 77°48'23" West a distance of 234.00 feet; thence South 26°13'03" West a distance of 280.15 feet to the

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Northerly line of Mill Street; thence North 63°44'52" West, along the Northerly line of Mill Street, a distance of 208.34 feet to the Point of Beginning.

said land is shown and delineated as Parcel A on Record of Survey Map No. 3804, recorded June 23, 2000 as Document No. 2458502, Official Records.

BASIS OF BEARINGS: Recorded of Survey Map Number 2775, File No. 1834848 of the Official Records of Washoe County, Nevada; NAD 83, Nevada West Zone.

APN: 012-211-26

Document Number 2458501 is provided pursuant to the requirements of Section 1. NRS 111.312

**LEGAL DESCRIPTION OF THE PARCEL**



LEGAL DESCRIPTION  
HOTEL CONDOMINIUMS AT GRAND SIERRA RESORT  
June 12, 2007

PHASE 1A:

A portion of Parcel A as shown on Record of Survey Map Number 3804, located between an elevation of 4630.80 and an elevation of 4642.05 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.

PHASE 1B:

A portion of Parcel A as shown on Record of Survey Map Number 3804, located between an elevation of 4642.05 and an elevation of 4653.30 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.

PHASE 2:

A portion of Parcel A as shown on Record of Survey Map Number 3804, located between an elevation of 4653.30 and an elevation of 4664.55 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.

PHASE 3:

A portion of Parcel A as shown on Record of Survey Map Number 3804, located between an elevation of 4664.55 and an elevation of 4675.80 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.



PHASE 4:

A portion of Parcel A as shown on Record of Survey Map Number 3804, located between an elevation of 4675.80 and an elevation of 4687.05 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.

PHASE 5:

A portion of Parcel A as shown on Record of Survey Map Number 3804, located between an elevation of 4687.05 and an elevation of 4698.30 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.



PHASE 6:

A portion of Parcel 3 as shown on Tract Map 4760, located between an elevation of 4698.30 and an elevation of 4709.55 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.

PHASE 7:

A portion of Parcel 4 as shown on Tract Map 4760, located between an elevation of 4709.55 and an elevation of 4722.80 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.

BASIS OF BEARINGS: Nevada State Plane Coordinate System, West Zone (NAD 83/94).

BASIS OF ELEVATIONS: NGVD 1988.

Description Prepared By:  
Don M. McHarg P.L.S. 4787  
Summit Engineering Corporation  
5405 Mae Anne Avenue  
Reno, Nevada 89523



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EXHIBIT B

**Purchase Agreement**

## 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

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

**BUYER:**

SUMMIT UNITS ACQUISITION LLC,  
a Nevada limited liability company

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

EXHIBIT A  
CONDOMINIUM HOTEL

## LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of, described as follows:

### PARCEL 1:

All that certain lot, piece or parcel of land situated in the City of Reno, County of Washoe, State of Nevada, Section Seven (7), Township Nineteen (19) North, Range Twenty (20) East, M.D.M.:

BEGINNING at the Northwest corner of Parcel Map No. 340, recorded November 10, 1976, Official Records, Washoe County, Nevada, said POINT OF BEGINNING being further described as lying on the Southerly right of way of Glendale Avenue;

THENCE North 88°15'47" East along said Southerly right of way 347.44 feet to a found 5/8" rebar with cap, stamped "Summit Engineers RLS 4787", said point also being the Northeast corner of Parcel 1 of Parcel Map 338, recorded November 10, 1976, Official Records, Washoe County, Nevada;

THENCE South 00°06'54" East along the East line of said Parcel 1, a distance of 208.59 feet;

THENCE South 89°53'06" West, 174.30 feet;

THENCE South 00°06'54" East, 158.86 feet to the South line of said Parcel 2;

THENCE North 89°23'54" West along said South line, a distance of 174.31 feet to a found 5/8" rebar, being the Southwest corner of said Parcel 1;

THENCE North 00°05'36" East along the West line of Parcel 1, a distance of 355.44 feet to the POINT OF BEGINNING.

Said parcel is also shown as Adjusted Parcel 2 on Record of Survey No. 3004.

APN: 012-211-24.

### PARCEL 1-A:

A non-exclusive easement for the right, privilege and authority  
Continued on next page

for the purpose only of ingress and egress of vehicles and/or persons in, upon and over the roadway and cuts, located on the land and premises, situated in the County of Washoe, State of Nevada, described as follows:

The following describes a parcel of ground located within the South 1/2 of Section 7, Township 19 North, Range 20 East, M.D.B.&M., County of Washoe, State of Nevada, and being more particularly described as follows:

BEGINNING at the Northeast corner of Parcel B, as shown on Parcel Map No. 227, filed in the office of the Washoe County Recorder on the 26th day of February, 1976, File No. 397925; thence South 89°23'54" East, 51.51 feet;

THENCE North 89°53'06" East, 10.00 feet to the true point of beginning; thence North 0°06'54" West, 29.91 feet, thence 15.71 feet on the arc of a tangent curve to the left, having a radius of 10.00 feet and a central angle of 90°00'00"; thence North 0°06'54" West, 60.00 feet; thence 15.71 feet on the arc of a curve to the left whose tangent bears North 89°53'06" East, having a radius of 10.00 feet and a central angle of 90°00'00"; thence North 0°06'54" West, 80.00 feet; thence 15.71 feet on the arc of a tangent curve to the left, having a radius of 10.00 feet and a central angle of 90°00'00";

THENCE North 0°06'54" West, 60.00 feet; thence 15.71 feet on the arc of a curve to the left, whose tangent bears North 89°53'06" East, having a radius of 10.00 feet and a central angle of 90°00'00"; thence North 0°06'54" West, 90.00 feet;

THENCE 15.55 feet on the arc of a tangent curve to the right, having a radius of 9.72 feet and a central angle of 91°37'19" to a point on the Southerly right of way of Glendale Avenue; thence along said Southerly right of way line North 88°15'47" East, 69.74 feet; thence departing said Southerly right of way line, 15.42 feet on the arc of a curve to the right, whose tangent bears South 88°15'47" West, having a radius of 10.00 feet and a central angle of 88°22'41"; thence South 0°06'54" East, 361.61 feet; thence South 89°53'06" West, 50.00 feet to the true point of beginning.

Continued on next page



EXCEPT all that portion of said easement lying within the hereinabove described Parcel 1.

Document Number 2292338 is provided pursuant to the requirements of Section 1. NRS 111.312

PARCEL 2:

A portion of the North Half (N 1/2) of Section 18, Township 19 North, Range 20 East, M.D.M., more particularly described as follows:

COMMENCING at the Section corner common to Sections 7, 8, 17 and 18, Township 19 North, Range 20 East, M.D.M. and proceeding South 10°25'59" East, a distance of 99.98 feet to a 1/2 inch diameter pin, said pin being at the Northeast corner of that land conveyed from Matley, et al. to Lee Brothers, in a deed recorded as Document No. 306898 of the Official Records of Washoe County, Nevada; thence North 89°00'20" West, along the Northerly line of said Parcel, a distance of 663.20 feet to a 1/2 inch diameter iron pin; thence South 00°59'40" West, a distance of 187.77 feet to a 1/2 inch diameter iron pin; thence North 84°35'28" West, a distance of 24.46 feet to the TRUE POINT OF BEGINNING; thence North 84°35'28" West, a distance of 231.51 feet; thence South 00°54'52" West, a distance of 370.06 feet to a galvanized steel fence post; thence North 54°40'01" West, a distance of 335.84 feet to a point on the Southerly right of way line of Greg Street; thence along the Southerly right of way line of Greg Street the following four (4) courses and distances: 1) North 47°58'37" East, a distance of 232.02 feet; 2) from a tangent which bears the last named course, along a circular curve to the right with a radius of 760.00 feet and a central angle of 19°23'42", an arc length of 257.27 feet to a point of compound curvature; 3) along said compound circular curve to the right with a radius of 45.00 feet and central angle of 83°54'13", an arc length of 65.90 feet; 4) South 28°43'28" East a distance of 134.97 feet to the TRUE POINT OF BEGINNING, all as shown and set forth on that certain Record of Survey for MGM GRAND, filed in the office of the County Recorder of Washoe County, Nevada, on November 24, 1981, as File No. 769946.

APN: 012-231-29

Continued on next page

Document Number 2292339 is provided pursuant to the requirements of Section 1. NRS 111.312

**PARCEL 3:**

A parcel of land situate in Sections 7 & 18, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada, and more particularly described as follows:

Beginning at the intersection of the Northerly line of Mill Street with the Easterly line of U.S. Highway 395 as shown on Record of Survey Map Number 1518, File Number 769946 of the Official Records of Washoe County, Nevada, from which the Northeast corner of said Section 18 bears North  $86^{\circ}22'05''$  East a distance of 3260.13 feet; thence along the Easterly line of Interstate 580 the following eight (8) courses and distances; 1) North  $09^{\circ}34'52''$  West, a distance of 352.44 feet; 2) North  $03^{\circ}28'05''$  West, a distance of 425.16 feet; 3) North  $01^{\circ}26'55''$  West, a distance of 498.41 feet; 4) North  $01^{\circ}24'09''$  West, a distance of 434.30 feet; 5) from a tangent which bears North  $01^{\circ}25'23''$  West, along a circular curve to the right with a radius of 858.06 feet and a central angle of  $36^{\circ}09'39''$ , an arc length of 541.54 feet; 6) from an tangent which bears North  $34^{\circ}44'16''$  East along a circular curve to the left with a radius of 900.00 feet and a central angle of  $28^{\circ}28'08''$ , an arc length of 447.19 feet; 7) North  $06^{\circ}16'08''$  East a distance of 117.19 feet; 8) from a tangent which bears the last named course, along a circular curve to the right with a radius of 61.15 feet and a central angle of  $83^{\circ}37'49''$ , an arc length of 89.26 feet to a point on the Southerly line of Glendale Avenue; thence along the Southerly line of Glendale Avenue the following four (4) courses and distances; 1) North  $89^{\circ}53'57''$  East, a distance of 196.41 feet; 2) North  $00^{\circ}06'21''$  East, a distance of 4.00 feet; 3) North  $89^{\circ}53'57''$  East, a distance of 11.17 feet; 4) North  $88^{\circ}16'07''$  East, a distance of 80.83 feet to a point on the Westerly line of Watson and Meehan Corporation Property, said point being the Northeasterly corner of Parcel No. 1, as shown on the Parcel Map No. 340, filed in the Office of Washoe County Recorder on November 10, 1976 File No. 434453; thence along the Westerly, Southerly, and Easterly lines of said Watson and Meehan Corporation Property the following three (3) courses and distances: 1) South  $00^{\circ}05'56''$  West, a distance of 355.44 feet; 2) South

Continued on next page



89°23'34" East, a distance of 348.62 feet; 3) North  
 00°06'34" West, a distance of 369.63 feet to a point on the  
 Southerly right of way line of Glendale Avenue, said point  
 being the Northeasterly corner of Parcel No. 1, as shown on  
 the Parcel Map No. 338, filed in the Office of Washoe  
 County Recorder on November 10, 1976, File No. 434451;  
 thence North 88°16'07" East, along the Southerly right of  
 way line of Glendale Avenue, a distance of 156.65 feet;  
 thence South 02°12'06" East a distance of 4.24 feet to the  
 Northeast corner of a concrete block wall, thence South  
 02°12'06" East, along Easterly face of said block wall, a  
 distance of 13.05 feet to an angle point in said block  
 wall; thence North 88°00'20" East, along the Northerly  
 line of said block wall, a distance of 61.31 feet to a chain  
 link fence; thence along said chain link fence the  
 following seventeen (17) courses and distances; 1) South  
 88°11'19" East, a distance of 10.04 feet; 2) South 79°03'12"  
 East, a distance of 10.54 feet; 3) South 70°04'24" East, a  
 distance of 9.08 feet; 4) South 56°48'54" East, a distance  
 of 10.33 feet; 5) South 52°50'24" East, a distance of 49.76  
 feet; 6) South 49°03'32" East, a distance of 10.57 feet; 7)  
 South 38°43'47" East, a distance of 78.93 feet; 8) South  
 41°22'11" East, a distance of 10.14 feet; 9) South  
 48°20'20" East, a distance of 10.07 feet; 10) South  
 54°50'53" East, a distance of 10.04 feet; 11) South  
 59°44'13" East, a distance of 39.96 feet; 12) South  
 50°21'10" East, a distance of 10.37 feet; 13) South  
 39°50'28" East, a distance of 10.12 feet; 14) South  
 31°57'47" East, a distance of 105.60 feet; 15) South  
 20°08'38" East, a distance of 76.52 feet; 16) South  
 34°19'10" East, a distance of 165.32 feet; 17) South  
 14°17'58" East, a distance of 279.78 feet; thence along a  
 line that is more or less coincident with said chain link  
 fence the following fifteen (15) courses and distances; 1)  
 South 06°44'18" East, a distance of 109.36 feet; 2) South  
 05°15'13" East, a distance of 158.53 feet; 3) South  
 27°57'06" East, a distance of 129.07 feet; 4) South  
 43°18'46" East, a distance of 228.10 feet; 5) South  
 44°58'46" East, a distance of 133.07 feet; 6) South 38°2'46"  
 East, a distance of 64.06 feet; 7) South 47°15'56" East, a  
 distance of 107.92 feet; 8) South 50°50'59" East, a  
 distance of 489.05 feet; 9) South 55°41'02" East, a distance  
 of 45.51 feet; 10) South 46°38'29" East, a distance of 98.99  
 feet; 11) South 63°53'42" East a distance of 151.28 feet;  
 12) South 52°31'06" East, a distance of 151.08 feet; 13)

Continued on next page

North 78°53'28" East, a distance of 75.55 feet; 14) South 73°46'40" East, a distance of 132.04 feet; 15) South 64°35'20" East, a distance of 98.69 feet to a point on the Northerly right of way line of Greg Street; thence along the Northerly right of way line of Greg Street the following ten (10) courses and distances: 1) South 20°40'40" West, a distance of 294.78 feet; 2) from a tangent which bears South 47°48'19" West, along a circular curve to the right with a radius of 750.00 feet and a central angle of 27°10'38", and arc length of 155.75 feet; 3) South 74°58'57" West, a distance of 120.67 feet; 4) from a tangent which bears the last named course, along a circular curve to the right with a radius of 36.00 feet and a central angle of 31°49'47", an arc length of 20.00 feet to a point of compound curvature; 5) along said compound circular curve to the right with a radius of 116.00 feet and a central angle of 32°40'13", an arc length of 66.14 feet; 6) South 71°14'17" West, a distance of 50.82 feet; 7) South 11°03'06" East, a distance of 8.54 feet; 8) from a tangent which bears the last named course, along a circular curve to the right with a radius of 36.00 feet and a central angle of 76°26'01", an arc length of 48.02 feet to a point of reverse curvature; 9) along said reverse circular curve to the left with a radius of 604.00 feet and a central angle of 17°23'58", an arc length of 183.42 feet; 10) South 47°58'57" West, a distance of 824.52 feet to the Northeast corner of parcel conveyed to Bruno Benna, et al, recorded as Document No. 83899, Official Records of Washoe County, Nevada; thence North 63°46'57" West along the Northerly line of said Benna Parcel, a distance of 1099.66 feet to the Northeast corner of Parcel B as shown on Parcel Map No. 341, filed in the office of Washoe County recorded on November 10, 1976, File No. 434454, thence South 26°13'03" West, along the Easterly line of said Parcel B, a distance of 266.37 feet; thence South 18°46'57" East and distance of 28.28 feet to a point on the Northerly right of way line of Mill Street; thence North 63°44'52" West, along said Northerly right of way line, a distance of 80.00 feet; thence North 26°13'03" East, a distance of 286.32 feet to the Northerly line of said Benna Parcel; thence from a tangent which bears North 03°43'05" East, along a circular curve to the left with a radius of 88.58 feet and a central angle of 81°31'20" an arc length of 123.19 feet; thence North 77°48'23" West a distance of 234.00 feet; thence South 26°13'03" West a distance of 280.15 feet to the

Continued on next page



Northerly line of Mill Street; thence North 63°44'52" West, along the Northerly line of Mill Street, a distance of 208.34 feet to the Point of Beginning.

said land is shown and delineated as Parcel A on Record of Survey Map No. 3804, recorded June 23, 2000 as Document No. 2458502, Official Records.

BASIS OF BEARINGS: Recorded of Survey Map Number 2775, File No. 1834848 of the Official Records of Washoe County, Nevada; NAD 83, Nevada West Zone.

APN: 012-211-26

Document Number 2458501 is provided pursuant to the requirements of Section 1. NRS 111.312

**LEGAL DESCRIPTION OF THE PARCEL**

LEGAL DESCRIPTION  
HOTEL CONDOMINIUMS AT GRAND SIERRA RESORT  
June 12, 2007

PHASE 1A:

A portion of Parcel A as shown on Record of Survey Map Number 3804, located between an elevation of 4630.80 and an elevation of 4642.05 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.

PHASE 1B:

A portion of Parcel A as shown on Record of Survey Map Number 3804, located between an elevation of 4642.05 and an elevation of 4653.30 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.



PHASE 2:

A portion of Parcel A as shown on Record of Survey Map Number 3804, located between an elevation of 4653.30 and an elevation of 4664.55 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.

PHASE 3:

A portion of Parcel A as shown on Record of Survey Map Number 3804, located between an elevation of 4664.55 and an elevation of 4675.80 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.



PHASE 4:

A portion of Parcel A as shown on Record of Survey Map Number 3804, located between an elevation of 4675.80 and an elevation of 4687.05 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.

PHASE 5:

A portion of Parcel A as shown on Record of Survey Map Number 3804, located between an elevation of 4687.05 and an elevation of 4698.30 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.

PHASE 6:

A portion of Parcel 3 as shown on Tract Map 4760, located between an elevation of 4698.30 and an elevation of 4709.55 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.

PHASE 7:

A portion of Parcel 4 as shown on Tract Map 4760, located between an elevation of 4709.55 and an elevation of 4722.80 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South 72°02'35" East a distance of 2423.93 feet; thence South 83°13'24" West a distance of 67.50 feet; thence North 06°46'36" West a distance of 114.50 feet; thence South 83°13'24" West a distance of 162.67 feet; thence North 06°46'36" West a distance of 75.33 feet; thence North 83°13'24" East a distance of 162.67 feet; thence North 06°46'36" West a distance of 114.50 feet; thence North 83°13'24" East a distance of 67.50 feet; thence South 06°46'36" East a distance of 114.50 feet; thence North 83°13'24" East a distance of 328.83 feet; thence South 06°46'36" East a distance of 67.50 feet; thence South 83°13'24" West a distance of 138.33 feet; thence South 06°46'36" East a distance of 7.83 feet; thence South 83°13'24" West a distance of 190.50 feet; thence South 06°46'36" East a distance of 114.50 feet to the Point of Beginning.

BASIS OF BEARINGS: Nevada State Plane Coordinate System, West Zone (NAD 83/94).

BASIS OF ELEVATIONS: NGVD 1988.

Description Prepared By:  
Don M. McHarg P.L.S. 4787  
Summit Engineering Corporation  
5405 Mae Anne Avenue  
Reno, Nevada 89523



J:\WPDATA\LEGALS\GSRPH7.DOC

EXHIBIT B  
ALLOCATION OF PURCHASE PRICE by APN

Parcel ID	UNIT	10/25/21 Kimmel
		APPRAISAL
012-491-01	1701	25,000
012-491-13	1702	25,000
012-491-02	1703	25,000
012-491-12	1704	25,000
012-491-04	1707	25,000
012-491-05	1709	25,000
012-491-08	1712	25,000
012-492-01	1717	25,000
012-492-18	1718	27,000
012-492-02	1719	25,000
012-492-03	1721	25,000
012-492-16	1722	27,000
012-492-04	1723	25,000
012-492-15	1724	27,000
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012-493-09	1746	25,000
012-493-06	1747	25,000
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012-502-04	1823	25,000
012-502-05	1825	25,000
012-502-07	1829	25,000
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012-502-09	1833	25,000
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012-503-11	1842	25,000
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012-504-18	1862	25,000
012-504-06	1863	27,000
012-504-16	1866	25,000
012-504-08	1867	27,000
012-504-15	1868	25,000
012-504-09	1869	27,000



012-504-13	1872	25,000
012-504-11	1873	27,000
012-505-01	1875	25,000
012-505-18	1876	25,000
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012-505-05	1883	25,000
012-505-06	1885	25,000
012-505-12	1888	25,000
012-505-08	1889	25,000
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012-505-09	1891	25,000
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012-512-11	1930	27,000
012-512-08	1931	25,000
012-512-10	1932	27,000
012-512-09	1934	40,000
012-513-01	1937	25,000
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012-513-09	1946	25,000
012-513-06	1947	25,000
012-513-08	1948	25,000
012-513-07	1949	33,000

012-514-23	1952	25,000
012-514-01	1953	29,000
012-514-22	1954	25,000
012-514-21	1956	25,000
012-514-03	1957	27,000
012-514-20	1958	25,000
012-514-04	1959	27,000
012-514-19	1960	25,000
012-514-18	1962	25,000
012-514-17	1964	25,000
012-514-07	1965	27,000
012-514-16	1966	25,000
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012-514-15	1968	25,000
012-514-09	1969	27,000
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012-514-11	1973	27,000
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012-515-18	1976	25,000
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012-515-13	1986	25,000
012-515-07	1987	25,000
012-515-12	1988	25,000
012-515-11	1990	25,000
012-515-09	1991	25,000
012-515-10	1992	25,000
012-551-01	2001	25,000
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012-551-12	2004	25,000
012-551-03	2005	25,000
012-551-11	2006	25,000
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012-551-09	2010	25,000
012-551-06	2011	25,000
012-551-07	2014	33,000
012-552-01	2017	25,000



012-552-17	2018	27,000
012-552-02	2019	25,000
012-552-16	2020	27,000
012-552-03	2021	25,000
012-552-15	2022	27,000
012-552-04	2023	25,000
012-552-14	2024	27,000
012-552-05	2025	25,000
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012-552-08	2031	25,000
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012-552-09	2034	40,000
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012-553-13	2038	25,000
012-553-02	2039	25,000
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012-553-04	2043	25,000
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012-553-09	2046	25,000
012-553-06	2047	25,000
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012-554-08	2067	27,000
012-554-09	2069	27,000
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012-554-13	2072	25,000
012-554-11	2073	27,000
012-554-12	2074	25,000
012-555-02	2077	25,000
012-555-17	2078	25,000
012-555-03	2079	25,000

012-555-16	2080	25,000
012-555-04	2081	25,000
012-555-15	2082	25,000
012-555-05	2083	25,000
012-555-14	2084	25,000
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012-555-13	2086	25,000
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012-555-08	2089	25,000
012-555-11	2090	25,000
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012-561-04	2107	25,000
012-561-05	2109	25,000
012-561-06	2111	25,000
012-561-08	2112	25,000
012-561-07	2114	33,000
012-562-01	2117	30,000
012-562-17	2118	27,000
012-562-02	2119	25,000
012-562-16	2120	27,000
012-562-03	2121	25,000
012-562-15	2122	27,000
012-562-04	2123	25,000
012-562-14	2124	27,000
012-562-05	2125	25,000
012-562-13	2126	27,000
012-562-06	2127	25,000
012-562-12	2128	27,000
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012-565-08	2189	25,000
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012-574-05	2261	27,000
012-575-01	2275	25,000
012-575-03	2279	25,000
012-575-05	2283	25,000

012-582-13	2326	27,000
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012-583-01	2337	25,000
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012-585-08	2389	25,000
012-585-11	2390	25,000
012-594-03	2461	27,000
012-595-01	2475	25,000
		17,352,000

STATE OF NEVADA       )  
                                  )  
COUNTY OF \_\_\_\_\_)

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by Alex Meruelo as Manager of MEI-GSR Holdings, LLC, a Nevada limited liability company.

\_\_\_\_\_  
Notary Public

STATE OF NEVADA       )  
                                  )  
COUNTY OF WASHOE    )

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by \_\_\_\_\_ as President of Grand Sierra Resort Unit-Owners Association, a Nevada nonprofit corporation.

\_\_\_\_\_  
Notary Public

STATE OF NEVADA       )  
                                  )  
COUNTY OF WASHOE    )

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by \_\_\_\_\_ as Secretary of Grand Sierra Resort Unit-Owners Association, a Nevada nonprofit corporation.

\_\_\_\_\_  
Notary Public

**GRAND SIERRA RESORT UNIT OWNERS ASSOCIATION  
SPECIAL MEMBERSHIP MEETING – JANUARY 6, 2022 at 1:00 p.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 January 6, 2022 at 1:00 p.m., and appoints \_\_\_\_\_ as proxy holder of the member. **(Please write the name of the person to whom you wish to assign your proxy. 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 January 6, 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

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 MAIL TO:  
c/o Leach Kern Gruchow Anderson Song  
5421 Kietzke Lane, Suite 200  
Reno, NV 89511

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)

**RESCISSION AND NOTICE OF TERMINATION**  
**OF THE DECLARATION OF COVENANTS, CONDITIONS,**  
**RESTRICTIONS AND EASEMENTS FOR HOTEL-CONDOMINIUMS AT**  
**GRAND SIERRA**

MEI-GSR HOLDINGS, LLC, as the hotel unit owner, and the GRAND SIERRA RESORT UNIT – OWNER’S ASSOCIATION do hereby unconditionally rescind and terminate 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, at the office of the Washoe County Recorder, State of Nevada, regarding the Hotel-Condominiums at Grand Sierra, which is property located in Washoe County, State of Nevada located at , 2500 E. 2nd St., Nevada, APN No’s 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; and all real property described in the attached Exhibit A.

DATED January 6, 2022.

**SIGNATURES ON FOLLOWING PAGE**

**HOTEL UNIT OWNER:**

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

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

**ASSOCIATION:**

GRAND SIERRA RESORT UNIT-  
OWNERS ASSOCIATION, a  
Nevada Nonprofit Corporation

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

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

**LOOSE NOTARIES ON FOLLOWING PAGE**



STATE OF NEVADA       )  
  )  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by Alex Meruelo as Manager of MEI-GSR Holdings, LLC, a Nevada limited liability company.

\_\_\_\_\_  
Notary Public

STATE OF NEVADA       )  
  )  
COUNTY OF WASHOE    )

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by \_\_\_\_\_ as President of Grand Sierra Resort Unit-Owners Association, a Nevada nonprofit corporation.

\_\_\_\_\_  
Notary Public

STATE OF NEVADA       )  
  )  
COUNTY OF WASHOE    )

This instrument was acknowledged before me on \_\_\_\_\_, 2022, by \_\_\_\_\_ as Secretary of Grand Sierra Resort Unit-Owners Association, a Nevada nonprofit corporation.

\_\_\_\_\_  
Notary Public

FILED  
Electronically  
CV12-02222  
2022-03-17 05:01:35 PM  
Alicia L. Lerud  
Clerk of the Court  
Transaction # 8953058 : yvilorla

# Exhibit 14

## Iliana Godoy

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**From:** David McElhinney  
**Sent:** Wednesday, December 29, 2021 12:18 PM  
**To:** Iliana Godoy  
**Subject:** FW: GSR  
**Attachments:** 2021-12-6 GSR NOTICE - COVER LTR -Termination and Sale FINAL.pdf; 2021-12-06 GSR Mtg AGENDA Termination.Sale FINAL.pdf; 2021-12-6 GSR UOA Board Meeting AGENDA - SPECIAL FINAL.pdf; GSR Proxy 1.6.21 Meeting FINAL.pdf; AGREEMENT TO TERMINATE ASSOCIATION Rev FINAL.pdf; Release-Rescission of Declaration FINAL.pdf

Iliana, this is the email and attachments received from Jarrad Miller on 12/22. David



**David McElhinney**  
**Associate General Counsel**  
o:775.789.5330  
c:562.413.8528  
[david.mcelhinney@meruelogroup.com](mailto:david.mcelhinney@meruelogroup.com)

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**From:** Jarrad Miller [mailto:jarrad@nvlawyers.com]  
**Sent:** Wednesday, December 22, 2021 12:23 PM  
**To:** Stefanie Sharp <ssharp@rssblaw.com>  
**Cc:** Jon Tew <jon@nvlawyers.com>; rle@leg.net; David McElhinney <David.McElhinney@meruelogroup.com>  
**Subject:** GSR

Stefanie:

I hope all is well. Attached please find numerous documents received this week by some of the Plaintiffs. Generally, the GSR is seeking to terminate the HOA. We intend to file an emergency motion concerning the impropriety of the actions referenced in the documents; nonetheless, we write to inquire if the Receiver authorized the dissemination of the attached documents.

Best regards,

Jarrad C. Miller, Esq.  
Robertson, Johnson, Miller & Williamson  
50 West Liberty Street, Suite 600  
Reno, NV 89501  
Telephone: (775) 329-5600  
Facsimile: (775) 348-8300  
Email: [JARRAD@NVLAWYERS.COM](mailto:JARRAD@NVLAWYERS.COM)  
Website: [www.nvlawyers.com](http://www.nvlawyers.com)

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