

IN THE SUPREME COURT OF THE STATE OF NEVADA

Supreme Court Case No.

Electronically Filed
Feb 08 2024 09:25 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.

**APPENDIX TO PETITION FOR WRIT OF PROHIBITION OR, IN THE
ALTERNATIVE, MANDAMUS
VOLUME 8 OF 12**

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

CHRONOLOGICAL INDEX		
DOCUMENT	VOLUME	PAGES
Complaint	1	PA0001-0022
Second Amended Complaint	1	PA0023-0048
Answer to Second Amended Complaint and Counterclaim	1	PA0049-0065
Plaintiffs' Motion for Sanctions Under NRCP 37(b) for Failure to Comply with Court Orders	1	PA0066-0100
Order Regarding Original Motion for Case Concluding Sanctions	1	PA0101-0106
Order Granting Plaintiffs' Motion for Case-Terminating Sanctions	1	PA0107-0119
Motion for Appointment of Receiver	1-2	PA0120-0449
Defendants' Opposition to Plaintiffs' Motion for a Receiver	2	PA0450-0456
Reply in Support of Motion for Appointment of Receiver	2-3	PA0457-0501
Default	3	PA0502-0503
Notice of Entry of Order	3	PA0504-0518
Order Appointing Receiver and Directing Defendants' Compliance	3	PA0519-0676
Findings of Fact, Conclusions of Law and Judgment	3	PA0677-0700
Notice of Entry	3-4	PA0701-0728
Stipulation and Order Regarding the Court's Findings of Fact, Conclusions of Law and Judgment	4	PA0729-0730
Motion to Dismiss Pursuant to NRCP 41(e)	4-5	PA0731-0994
Application for Temporary Restraining Order, and Motion for Preliminary Injunction	5	PA0995-1042
Opposition to Motion for Preliminary Injunction	5-7	PA1043-1460
Notice of Entry of December 5, 2022 Order	7	PA1461-1474

CHRONOLOGICAL INDEX		
DOCUMENT	VOLUME	PAGES
Motion for Instructions to Receiver Concerning Termination of the Grand Sierra Resort Unit Owners' Association and Rental of Units Until Time of Sale	7	PA1475-1479
Order	7	PA1480-1484
Final Judgment	7	PA1485-1488
Stipulation	7	PA1489-1505
Opposition to Motion for Instructions to Receiver Concerning Termination of the Grand Sierra Resort Unit Owners' Association and Rental of the Units Until Time of Sale	7-8	PA1506-1659
Defendants' Objection to Receiver's Calculations Contained in Exhibit 1 Attached to Receiver's Omnibus Reply to Parties Oppositions to the Receiver's Motion for Orders & Instructions	8	PA1660-1670
Reply in Support of Motion for Instructions to Receiver Concerning Termination of the Grand Sierra Resort Unit Owners' Association and Rental of the Units Until Time of Sale	8-9	PA1671-1684
Opposition to Motion to Modify and Terminate Receivership and Approve Sale of Condominium Hotel	9	PA1685-1703
Notice of Posting Supersedeas Bond	9	PA1704-1716
Order	9	PA1717-1719
Order	9	PA1720-1722
Opposition to Defendants' Motion for Stay of Order Granting Receiver's Motion for Orders & Instructions Entered January 26, 2023 and the March 27, 2023 Order Overruling Defendants' Objections Related Thereto, Pending Review by the Nevada Supreme Court	9	PA1723-1785

CHRONOLOGICAL INDEX		
DOCUMENT	VOLUME	PAGES
Amended Final Judgment	9	PA1786-1789
Second Amended Final Monetary Judgment	9	PA1790-1794
Corrected Second Amended Final Monetary Judgment	9	PA1795-1799
Notice of Appeal	9-11	PA1800-2010
Defendants' Objections to Receiver's Spreadsheet Calculation of Net Rents to Be Paid to Defendants	11	PA2011-2038
Opposition to Defendants' Objections to Receiver's Spreadsheet Calculation of Net Rents to be Paid to Defendants	11	PA2039-2063
Receiver's Response to Defendants' Objections to Receiver's Spreadsheet Calculation of Net Rents to be Paid to Defendants	11	PA2064-2068
Reply in Support of Defendants' Objections to Receiver's Spreadsheet Calculation of Net Rents to Be Paid to Defendants	11	PA2069-2099
Order	11	PA2100-2102
Defendants' Objections to Receiver's Spreadsheet Calculation of Net Rents to Be Paid to Defendants	11	PA2103-2135
Opposition to Defendants' Objections to Receiver's Spreadsheet Calculation of Net Rents to Be Paid to Defendants	11-12	PA2136-2163
Defendants' Reply in Support of Their Objections to Receiver's Spreadsheet Calculation of Net Rents to Be Paid to Defendants	12	PA2164-2171
Order	12	PA2172-2174
Defendants' Objections to Receiver's Spreadsheet Calculation of August 2023 Net Rents to Be Paid to the Parties	12	PA2175-2204
Defendants' Restatement, Preservation and Non-Waiver of Prior Objections to Receiver's Spreadsheet Calculation of	12	PA2205-2209

CHRONOLOGICAL INDEX		
DOCUMENT	VOLUME	PAGES
October 2023 Net Rents to Be Paid to the Parties		
Opposition/Response to Defendants' Restatement, Preservation and Non-Waiver of Prior Objections to Receiver's Spreadsheet Calculation of October 2023 Net Rents to Be Paid to the Parties	12	PA2210-2213
Defendants' Reply in Support of Their Restatement, Preservation and Non-Waiver of Prior Objections to Receiver's Spreadsheet Calculation of October 2023 Net Rents to Be Paid to the Parties	12	PA2214-2217
Order	12	PA2218-2219
Order	12	PA2220-2222

ALPHABETICAL INDEX		
DOCUMENT	VOLUME	PAGES
Amended Final Judgment	9	PA1786-1789
Answer to Second Amended Complaint and Counterclaim	1	PA0049-0065
Application for Temporary Restraining Order, and Motion for Preliminary Injunction	5	PA0995-1042
Complaint	1	PA0001-0022
Corrected Second Amended Final Monetary Judgment	9	PA1795-1799
Default	3	PA0502-0503
Defendants' Objection to Receiver's Calculations Contained in Exhibit 1 Attached to Receiver's Omnibus Reply to Parties Oppositions to the Receiver's Motion for Orders & Instructions	8	PA1660-1670

ALPHABETICAL INDEX		
DOCUMENT	VOLUME	PAGES
Defendants' Objections to Receiver's Spreadsheet Calculation of August 2023 Net Rents to Be Paid to the Parties	12	PA2175-2204
Defendants' Objections to Receiver's Spreadsheet Calculation of Net Rents to Be Paid to Defendants	11	PA2011-2038
Defendants' Objections to Receiver's Spreadsheet Calculation of Net Rents to Be Paid to Defendants	11	PA2103-2135
Defendants' Opposition to Plaintiffs' Motion for a Receiver	2	PA0450-0456
Defendants' Reply in Support of Their Objections to Receiver's Spreadsheet Calculation of Net Rents to Be Paid to Defendants	12	PA2164-2171
Defendants' Reply in Support of Their Restatement, Preservation and Non-Waiver of Prior Objections to Receiver's Spreadsheet Calculation of October 2023 Net Rents to Be Paid to the Parties	12	PA2214-2217
Defendants' Restatement, Preservation and Non-Waiver of Prior Objections to Receiver's Spreadsheet Calculation of October 2023 Net Rents to Be Paid to the Parties	12	PA2205-2209
Final Judgment	7	PA1485-1488
Findings of Fact, Conclusions of Law and Judgment	3	PA0677-0700
Motion for Appointment of Receiver	1-2	PA0120-0449
Motion for Instructions to Receiver Concerning Termination of the Grand Sierra Resort Unit Owners' Association and Rental of Units Until Time of Sale	7	PA1475-1479
Motion to Dismiss Pursuant to NRCP 41(e)	4-5	PA0731-0994
Notice of Appeal	9-11	PA1800-2010
Notice of Entry	3-4	PA0701-0728

ALPHABETICAL INDEX		
DOCUMENT	VOLUME	PAGES
Notice of Entry of December 5, 2022 Order	7	PA1461-1474
Notice of Entry of Order	3	PA0504-0518
Notice of Posting Supersedeas Bond	9	PA1704-1716
Opposition to Defendants' Motion for Stay of Order Granting Receiver's Motion for Orders & Instructions Entered January 26, 2023 and the March 27, 2023 Order Overruling Defendants' Objections Related Thereto, Pending Review by the Nevada Supreme Court	9	PA1723-1785
Opposition to Defendants' Objections to Receiver's Spreadsheet Calculation of Net Rents to be Paid to Defendants	11	PA2039-2063
Opposition to Defendants' Objections to Receiver's Spreadsheet Calculation of Net Rents to Be Paid to Defendants	11-12	PA2136-2163
Opposition to Motion for Instructions to Receiver Concerning Termination of the Grand Sierra Resort Unit Owners' Association and Rental of the Units Until Time of Sale	7-8	PA1506-1659
Opposition to Motion for Preliminary Injunction	5-7	PA1043-1460
Opposition to Motion to Modify and Terminate Receivership and Approve Sale of Condominium Hotel	9	PA1685-1703
Opposition/Response to Defendants' Restatement, Preservation and Non-Waiver of Prior Objections to Receiver's Spreadsheet Calculation of October 2023 Net Rents to Be Paid to the Parties	12	PA2210-2213
Order	7	PA1480-1484
Order	9	PA1717-1719
Order	9	PA1720-1722
Order	11	PA2100-2102

ALPHABETICAL INDEX		
DOCUMENT	VOLUME	PAGES
Order	12	PA2172-2174
Order	12	PA2218-2219
Order	12	PA2220-2222
Order Appointing Receiver and Directing Defendants' Compliance	3	PA0519-0676
Order Granting Plaintiffs' Motion for Case-Terminating Sanctions	1	PA0107-0119
Order Regarding Original Motion for Case Concluding Sanctions	1	PA0101-0106
Plaintiffs' Motion for Sanctions Under NRC 37(b) for Failure to Comply with Court Orders	1	PA0066-0100
Receiver's Response to Defendants' Objections to Receiver's Spreadsheet Calculation of Net Rents to be Paid to Defendants	11	PA2064-2068
Reply in Support of Defendants' Objections to Receiver's Spreadsheet Calculation of Net Rents to Be Paid to Defendants	11	PA2069-2099
Reply in Support of Motion for Appointment of Receiver	2-3	PA0457-0501
Reply in Support of Motion for Instructions to Receiver Concerning Termination of the Grand Sierra Resort Unit Owners' Association and Rental of the Units Until Time of Sale	8-9	PA1671-1684
Second Amended Complaint	1	PA0023-0048
Second Amended Final Monetary Judgment	9	PA1790-1794
Stipulation	7	PA1489-1505
Stipulation and Order Regarding the Court's Findings of Fact, Conclusions of Law and Judgment	4	PA0729-0730

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 8 OF 12**, properly addressed to the following:

G. David Robertson, Esq., SBN 1001
Jarrad C. Miller, Esq., SBN 7093
Briana N. Collings, Esq., SBN 14694
ROBERSTON, JOHNSON, MILLER
& WILLIAMSON
50 West Liberty Street, Suite 600
Reno, Nevada 89501
jarrad@nvlawyers.com
briana@nvlawyers.com

Robert L. Eisenberg, Esq., SBN 0950
LEMONS, GRUNDY & EISENBERG
6005 Plumas Street, Third Floor
Reno, Nevada 89519
rle@lge.net

Attorneys for Real Parties in Interest

F. DeArmond Sharp, Esq., SBN 780
Stefanie T. Sharp, Esq. SBN 8661
ROBISON, SHARP, SULLIVAN &
BRUST
71 Washington Street
Reno, Nevada 89503
dsharp@rssblaw.com
ssharp@rssblaw.com

Attorneys for the Respondent Receiver
Richard M. Teichner

Hon. Elizabeth Gonzalez (Ret.)
Senior Judge, Dept. 10
Second Judicial District Court
75 Court Street,
Reno, NV 89501
srjgonzalez@nvcourts.nv.gov

/s/ Shannon Dinkel
An employee of PISANELLI BICE PLLC

Order No. 507198

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

Order No. 507198

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

Order No. 507198

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°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°34'52" West, a distance of 352.44 feet; 2) North 03°28'05" West, a distance of 425.16 feet; 3) North 01°26'55" West, a distance of 498.41 feet; 4) North 01°24'09" West, a distance of 434.30 feet; 5) from a tangent which bears North 01°25'23" West, along a circular curve to the right with a radius of 858.06 feet and a central angle of 36°09'39", an arc length of 541.54 feet; 6) from an tangent which bears North 34°44'16" East along a circular curve to the left with a radius of 900.00 feet and a central angle of 28°28'08", an arc length of 447.19 feet; 7) North 06°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°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°53'57" East, a distance of 196.41 feet; 2) North 00°06'21" East, a distance of 4.00 feet; 3) North 89°53'57" East, a distance of 11.17 feet; 4) North 88°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 Northeast 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°05'56" West, a distance of 355.44 feet; 2) South

Continued on next page

Order No. 507198

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 Northeastly 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

Order No. 507198

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 355.75 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 86.58 feet and a central angle of 81°31'28" 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

Order No. 507198

Northerly line of Mill Street; thence North $63^{\circ}44'52''$ 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 B 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 B 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).

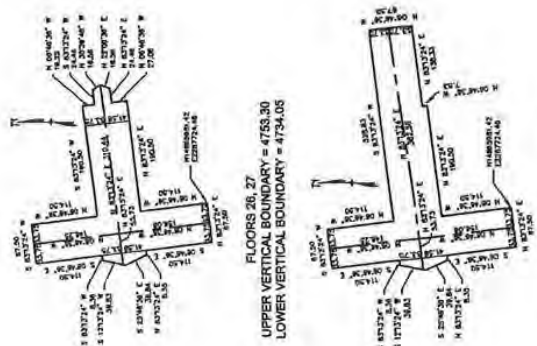
BASIS OF ELEVATIONS: NGVD 1988.

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

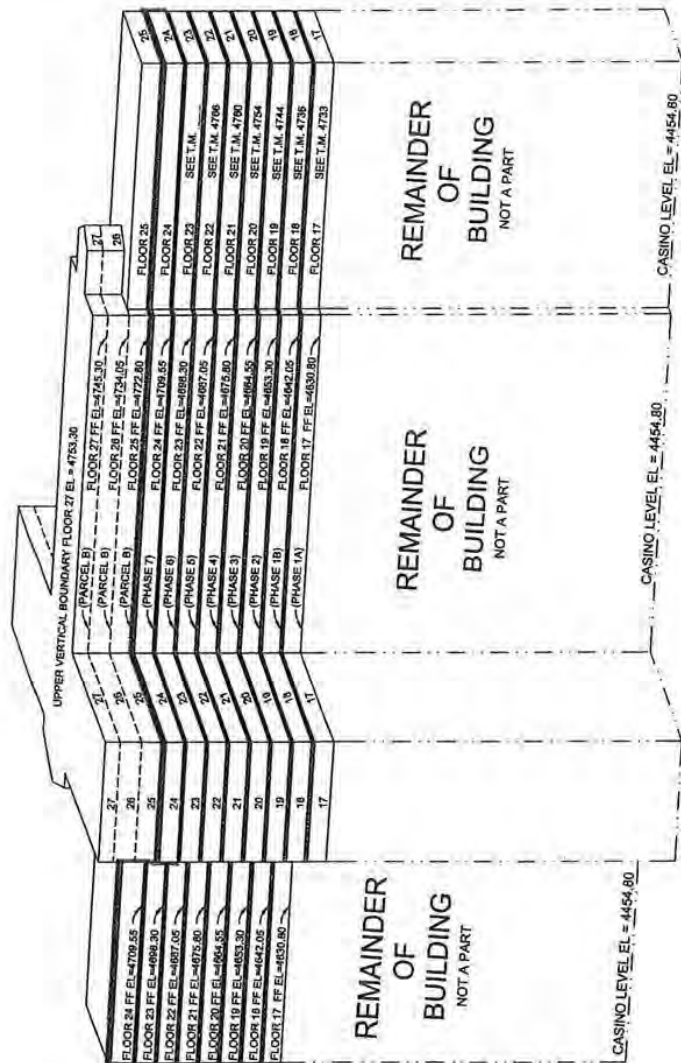


J:\WPDATA\LEGALS\GSRPH7.DOC

[COPIES OF MAPS TO BE PROVIDED PRIOR TO RECORDING]



PLAN VIEW OF PARCEL B



ISOMETRIC VIEW OF BUILDING PARCELS

S.F.U. BETWEEN CEILING AND FINISH FLOOR/ROOF ABOVE (HEIGHT VARIES)—SEE NOTE 5 ON PAGE 2

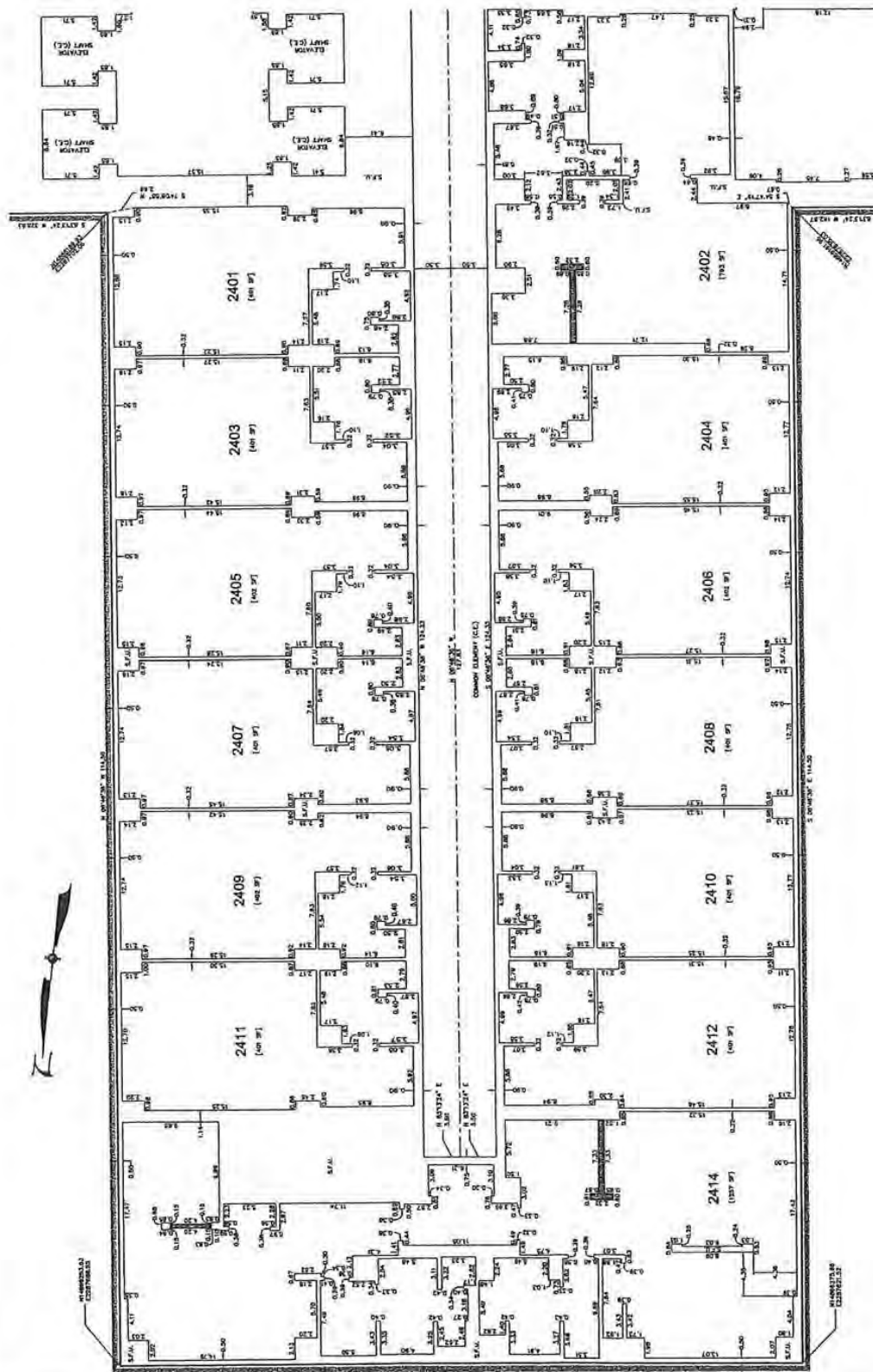


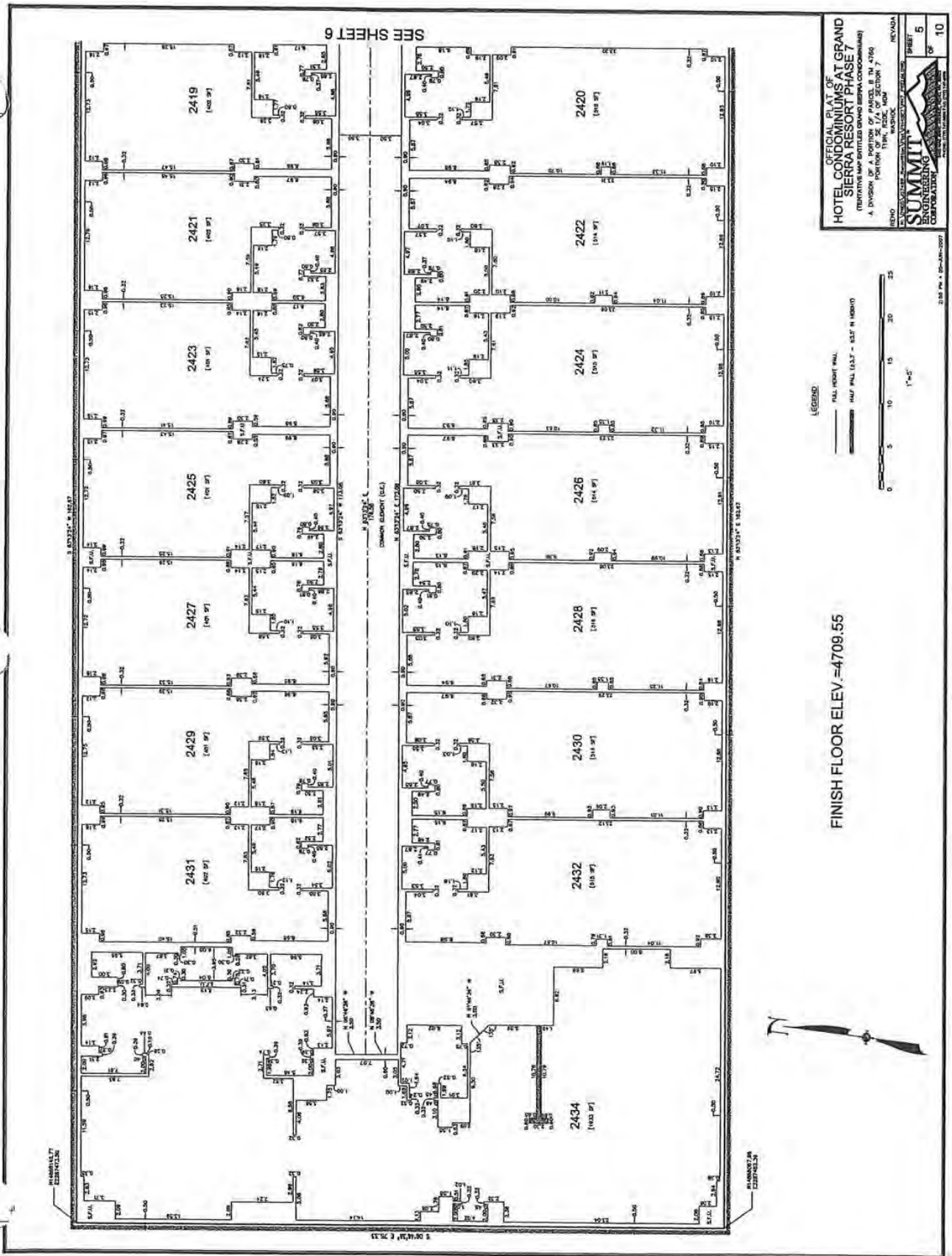
OFFICIAL PLAT OF
HOTEL CONDOMINIUMS AT GRAND
SIERRA RESORT PHASE 7
(tentative map submitted for recording)
A division of 24 1/4 of SECTION 7
T11N, 40E04E, R04E
COUNTY OF CLATSOP, OREGON

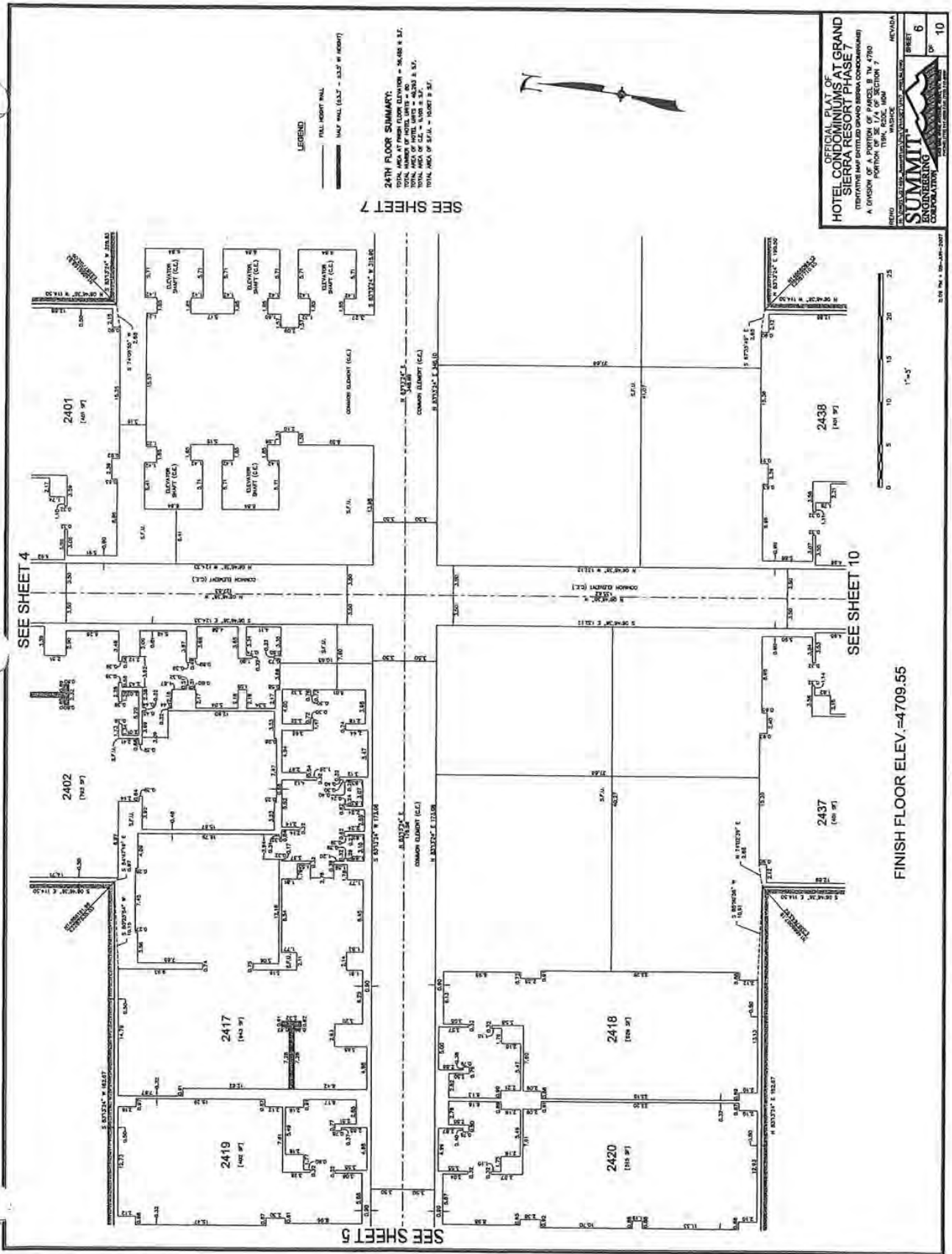
3 OF 10

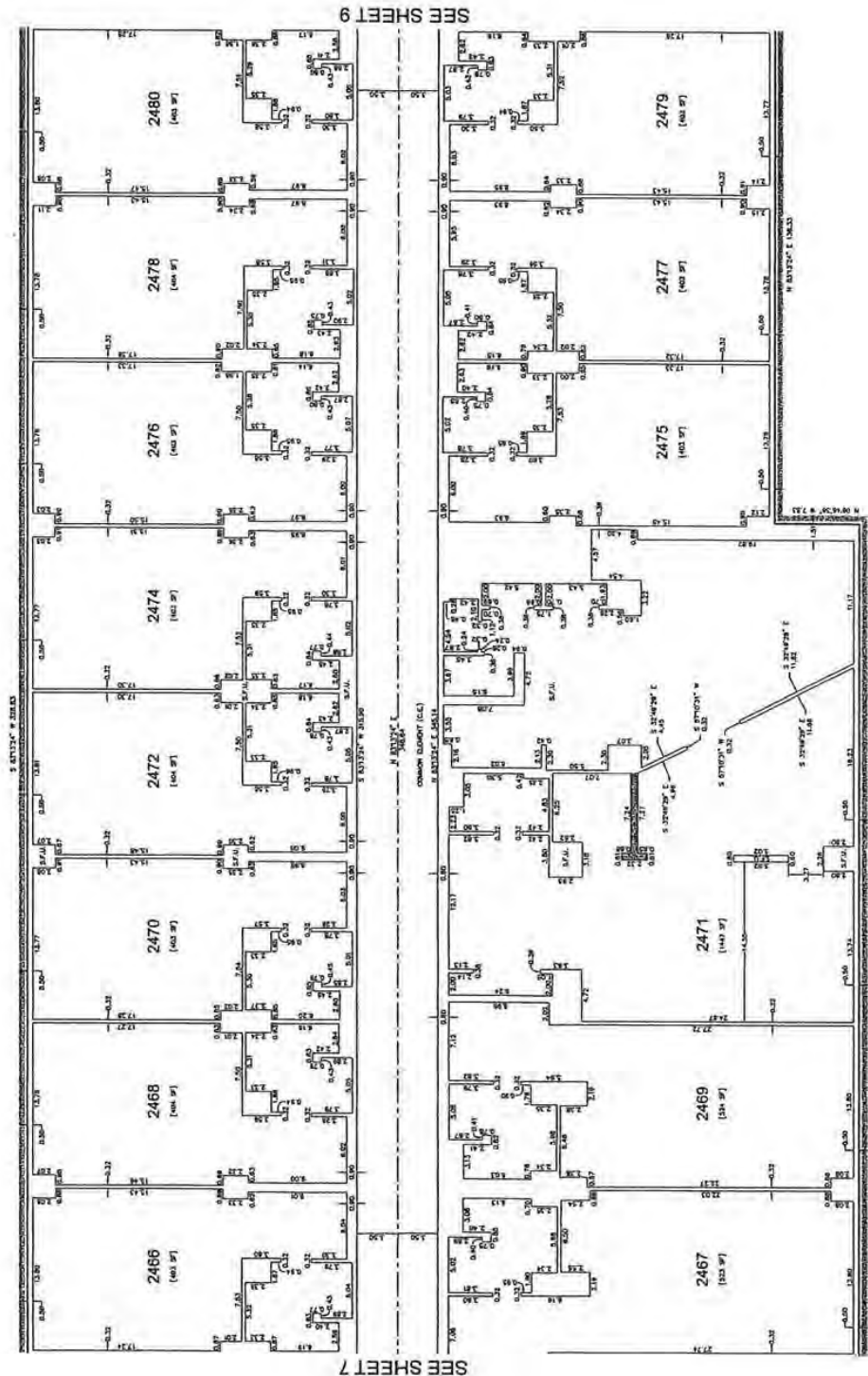
SUMMIT
ENGINEERING
CONSTRUCTION

3.10 PM 11-14-2007

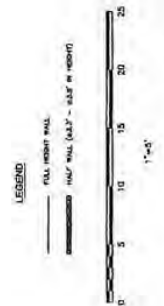






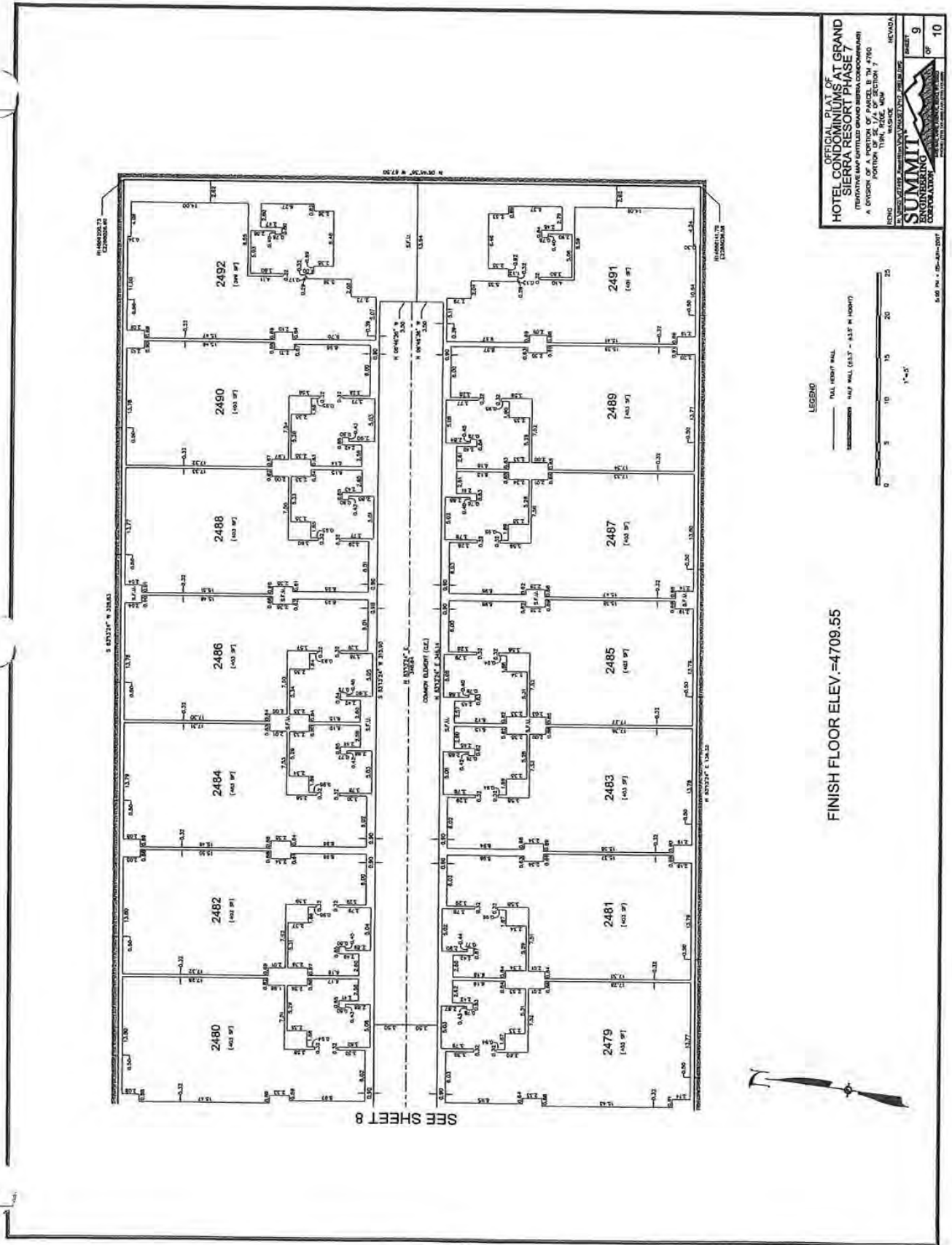


FINISH FLOOR ELEV. = 4709.55



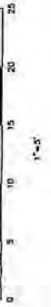
OFFICIAL PLAT OF
HOTEL CONDOMINIUMS AT GRAND
SIERRA RESORT PHASE 7
(FOR THE CITY OF TWIN FALLS, IDAHO)
A DIVISION OF A PORTION OF PARCEL 3 IN 4700
PORTION OF SE 1/4 OF SECTION 7
T14N-36E-10E
BLK 100
TWIN FALLS, IDAHO
RECORD
SUMMIT
ENGINEERING
CORPORATION
IDAHO
SHEET
8
OF
10

3.31 PM 0 05-10-2007

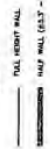


OFFICIAL PLAT OF
HOTEL CONDOMINIUMS AT GRAND
SIERRA RESORT PHASE 7
(PENDING MAP LITTTLED GRAND SIERRA CONDOMINIUM)
A DIVISION OF SUMMIT ENGINEERING, INC.
A DIVISION OF SUMMIT ENGINEERING, INC.
1100 N. 10TH ST., SUITE 100
TWIN FALLS, ID 83421
NVIDA
SUMMIT
ENGINEERING
CODY, WYOMING

9
OF 10



LEGEND



FINISH FLOOR ELEV.=4709.55

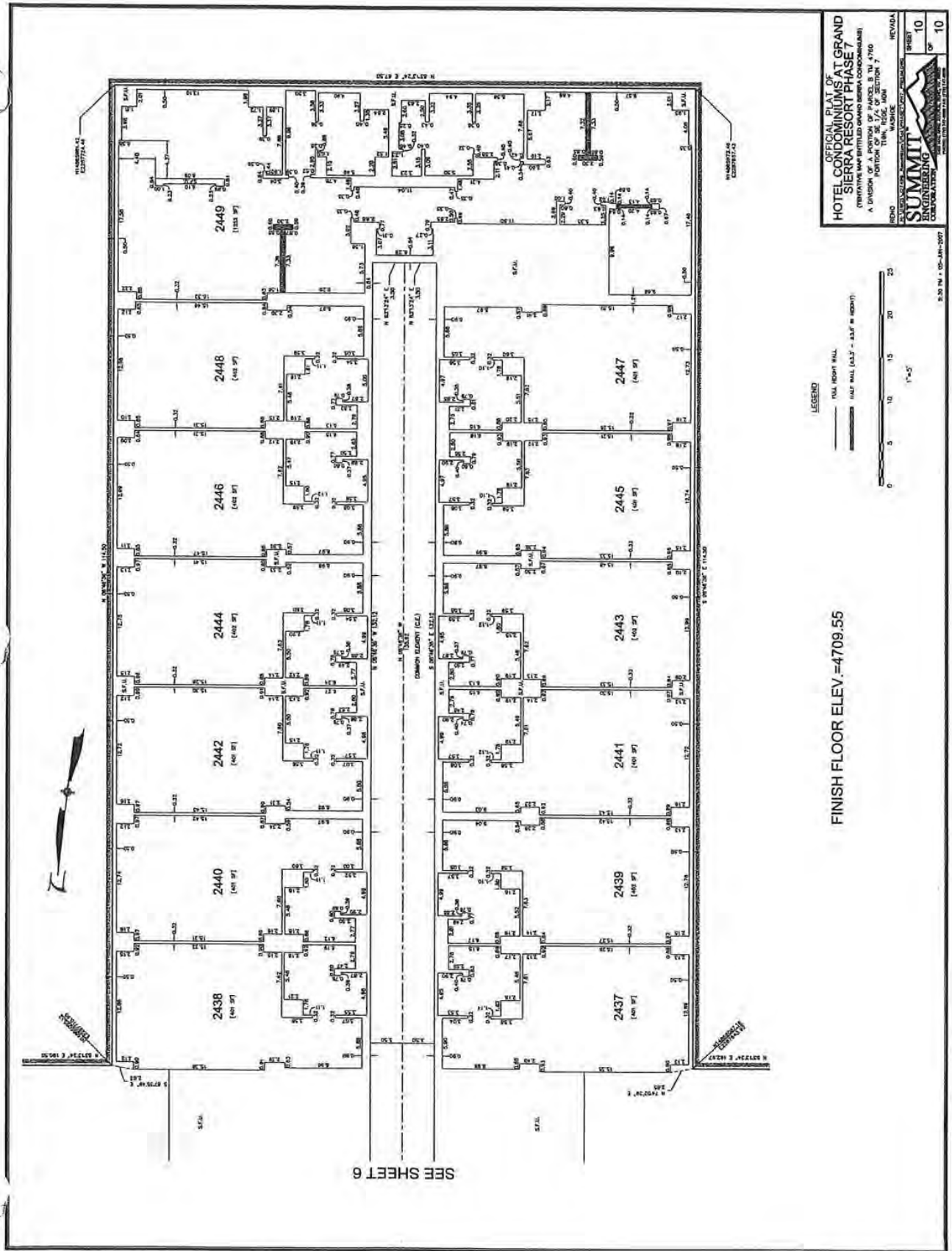


EXHIBIT B

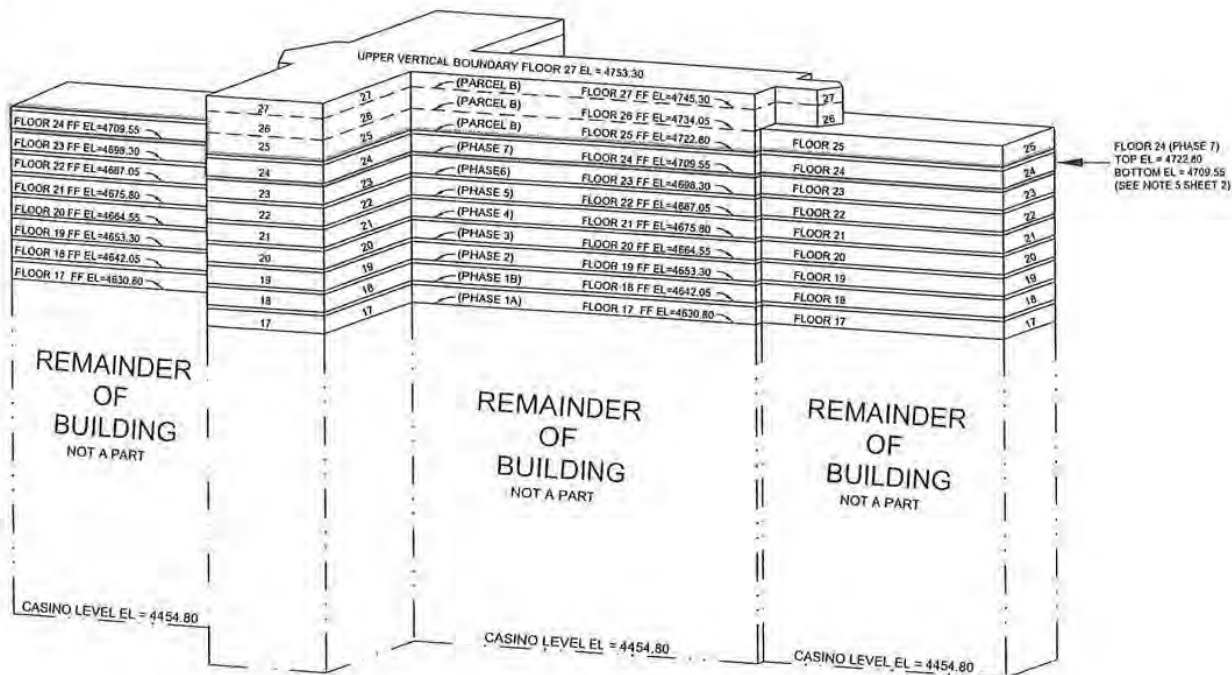
ALLOCATION OF ALLOCATED INTERESTS

Hotel-Condominiums at Grand Sierra Resort
Allocation of Allocated Interests - Floors 17, 18, 19, 20, 21, 22, 23 & 24 Only

Unit Model	Unit Qty	Unit Sq Ft	% of Ownership	Total Unit Sq Ft	Total % of Ownership
The Imperial Suite	16	1,340	0.394%	21,440	6.305%
The DMD Suite	6	2,101	0.618%	12,606	3.707%
The Loft (1)	8	922	0.271%	7,376	2.169%
The Loft (2)	4	1,006	0.296%	4,024	1.183%
The Loft (3)	4	856	0.252%	3,424	1.007%
The Presidential Suite	2	1,552	0.456%	3,104	0.913%
The Grand Suite (A)	64	558	0.164%	35,712	10.502%
The Grand Suite (B)	75	552	0.162%	41,400	12.174%
The Grand ² (A)	250	427	0.126%	106,750	31.391%
The Grand ² (B)	223	420	0.124%	93,660	27.542%
The Grand ² (C) / The Flat	2	436	0.128%	872	0.256%
The Grand ² (D) / The Flat	14	434	0.128%	6,076	1.787%
Delux Parlor Combined	2	1,600	0.470%	3,200	0.941%
SFU	1	420	0.124%	420	0.124%
	671			340,064	100.000%

EXHIBIT C

**FUTURE EXPANSION PARCEL MAP
[TO BE PROVIDED PRIOR TO RECORDING]**



*** NOTE**

- PARCEL B IS THE FUTURE EXPANSION PARCEL. ANY AND ALL PORTIONS OF THE FUTURE EXPANSION PARCEL NEED NOT BE BUILT.

- ALL PORTIONS OF THE FUTURE EXPANSION PARCEL ARE SUBJECT TO DEVELOPMENTAL RIGHTS AS DESCRIBED IN THE DECLARATION

- ALL REAL ESTATE SHOWN ON THE OFFICIAL PLAT OF HOTEL CONDOMINIUMS AT GRAND SIERRA RESORT PHASE 1A, CONDOMINIUM TRACT MAP #4733, FILED ON THE 15TH DAY OF DECEMBER, 2006, AS FILE NUMBER 3475704, AND LABELED "NOT A PART", IS NOT SUBJECT TO DEVELOPMENTAL RIGHTS AS PART OF THIS COMMON INTEREST COMMUNITY, BUT MAY BE DEVELOPED BY THE DECLARANT OR OTHERS AS PART OF ONE OR MORE SEPARATE COMMON INTEREST COMMUNITIES.

**Plan of Development
Exhibit C to CC&R Document**



S.F.U. BETWEEN CEILING AND FINISH FLOOR/ROOF ABOVE (HEIGHT VARIES)
SEE NOTE 5 ON PAGE 2

GRAND SIERRA OPERATING CORP.,
a Nevada Corporation

By: *[Signature]*
Roberts H. Pace, Jr.
Executive Vice President &
Chief Operating Officer

STATE OF NEVADA)
) SS
COUNTY OF WASHOE)

[Signature] a Notary Public in and for the County and State aforesaid, do hereby certify that *[Signature]*, as Executive Vice President & Chief Operating Officer of Grand Sierra Operating Corp., a Nevada corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered the foregoing instrument as his own free and voluntary act of such company in his capacity, as the Executive Vice President & Chief Operating Officer of said company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 8 day of June, 2007

My Commission expires:

August 10, 2010



[Signature]
Notary Public

EXHIBIT D

ALLOCATION OF SFU AND HOTEL EXPENSES

Hotel-Condominiums at Grand Sierra Resort
Allocation of SFU and Hotel Expenses - Floors 17, 18, 19, 20, 21, 22, 23 & 24 Only

Unit Model	Unit Qty	Unit Sq		% of Ownership	Total Unit		Total % of Ownership
		Ft	Sq Ft		Sq Ft	Ownership	
The Imperial Suite	16	1,340	21,440	0.395%	6.312%		
The DMD Suite	6	2,101	12,606	0.619%	3.712%		
The Loft (1)	8	922	7,376	0.271%	2.172%		
The Loft (2)	4	1,006	4,024	0.296%	1.185%		
The Loft (3)	4	856	3,424	0.252%	1.008%		
The Presidential Suite	2	1,552	3,104	0.457%	0.914%		
The Grand Suite (A)	64	558	35,712	0.164%	10.515%		
The Grand Suite (B)	75	552	41,400	0.163%	12.189%		
The Grand ² (A)	250	427	106,750	0.126%	31.430%		
The Grand ² (B)	223	420	93,660	0.124%	27.576%		
The Grand ² (C) / The Flat	2	436	872	0.128%	0.257%		
The Grand ² (D) / The Flat	14	434	6,076	0.128%	1.789%		
Delux Parlor Combined	2	1,600	3,200	0.471%	0.942%		
	670		339,644		100.000%		

EXHIBIT E

LIST OF STRUCTURAL AND UTILITY COMPONENTS

GRAND SIERRA COMPONENT LIST

1. Walls, Stucco, Paint Finishes and Repairs (Incl. Caulk)
2. Windows, (Phased Replacement) (Incl. Spandrel Panels)
3. Elevator Cab Finishes, Passenger
4. Fan Coil Units, (Phased Replacements)
5. Floor Coverings, Carpet, Hallways, (Phased Replacements)
6. Light Fixtures, Emergency and Exit
7. Paint Finishes, Hallways, Ceilings and Doors, Phased
8. Paint Finishes, Stairwells
9. Renovations, Units (excludes FF&E)
10. Wall Coverings, (Phased Replacements)
11. Roofs, Modified Bitumen
12. Air Handling Units, Capital Repairs
13. Boilers, 5,680-MBH, (Phased Replacement)
14. Boilers, Deaeration Tank and Boiler Feed System
15. Chillers, 1,500- to 1,900-Tons, (Phased Replacements)
16. Condensate Return Tanks and Pumps, East Wing Building Heat
17. Cooling Towers, 665 Tons, (Phased Replacement)
18. Elevators, Controls and Motors, Passenger
19. Elevators, Controls and Motors, Service
20. Exhaust Fans, Hallways, (Phased Replacement)
21. Exhaust Fan, Passenger Elevator Room
22. Exhaust Fan, Service Elevator Room
23. Fire Detection System
24. Generator, Emergency, Tower Only, 350-KW
25. Generators, Emergency, Entire Building (Serves Tower Fire Pumps), 1,000-KW
26. Heat Exchangers, Building Heat
27. Heat Exchangers, Domestic Water
28. Heat Exchangers, Lake Free-Cooling System
29. Pumps, Building Heat (North, South and West Wings), 7.5-HP, (Phased Replacements)
30. Pumps, Building Heat (East Wing), 30-HP, (Phased Replacements)
31. Pumps, Chilled Water, 100-HP, (Phased Replacements) (Incl. VFD Controls)
32. Pumps, Domestic Water, 20-HP, (Phased Replacements) (Incl. VFD Controls)
33. Pumps, Fire Suppression, Electric, 150-HP (Incl. Jockey Pumps, 10-HP)
34. Pump, Fire Suppression, Diesel, 230-HP
35. Pumps, Lake Free Cooling-System, 60-HP
36. Stairwell Pressurization Systems, (Phased Replacement)
37. Riser Sections, Building Heating and Cooling, (Partial Replacements)
38. Riser Sections, Domestic Water, (Partial Replacements)

GRAND SIERRA COMPONENT LIST

Items not noted above due to long life: Hallway light fixtures
 Electrical
 Fire suppression piping

Items not noted above due to listed on operating budget: Service and Utility Area Finishes
 Elevator Cab Finishes, Service
 Elevators
 Expansion Tanks
 Stairwell Light Fixtures
 Sprinkler Heads
 Expenditures less than \$3,000
 Pumps and Motors less than 5
 Horsepower
 Other expenditures typically funded
 through the operating budget

EXHIBIT F

FORMULA FOR ALLOCATION OF ALLOCATED INTERESTS

Hotel-Condominiums at Grand Sierra Resort
Formula for Allocation of Allocated Interests

Unit Model	Unit Qty	Unit Sq Ft	% of Ownership	Total Unit Sq Ft	Total % of Ownership
The Imperial Suite	22	1,340	0.316%	29,480	6.960%
The DMD Suite	6	2,101	0.496%	12,606	2.976%
The Loft (1)	11	922	0.218%	10,142	2.395%
The Loft (2)	4	1,006	0.238%	4,024	0.950%
The Loft (3)	6	856	0.202%	5,136	1.213%
The Presidential Suite	8	1,552	0.366%	12,416	2.931%
The Solarium Suite	2	1,218	0.288%	2,436	0.575%
The Grand Suite (A)	64	558	0.132%	35,712	8.432%
The Grand Suite (B)	87	552	0.130%	48,024	11.338%
The Grand ² (A)	320	427	0.101%	136,640	32.261%
The Grand ² (B)	275	420	0.099%	115,500	27.269%
The Grand ² (C)	2	436	0.103%	872	0.206%
The Grand ² (D)	16	434	0.102%	6,944	1.639%
Delux Parlor Combined	2	1,600	0.378%	3,200	0.756%
SFU	1	420	0.099%	420	0.099%
	826			423,552	100.000%

EXHIBIT G

FORMULA FOR ALLOCATION OF SFU AND HOTEL EXPENSES

Hotel-Condominiums at Grand Sierra Resort
Formula for Allocation of SFU and Hotel Expenses

Unit Model	Unit Qty	Unit Sq Ft	% of Ownership	Total Unit Sq Ft	Total % of Ownership
The Imperial Suite	22	1,340	0.317%	29,480	6.967%
The DMD Suite	6	2,101	0.497%	12,606	2.979%
The Loft (1)	11	922	0.218%	10,142	2.397%
The Loft (2)	4	1,006	0.238%	4,024	0.951%
The Loft (3)	6	856	0.202%	5,136	1.214%
The Presidential Suite	8	1,552	0.367%	12,416	2.934%
The Solarium Suite	2	1,218	0.288%	2,436	0.576%
The Grand Suite (A)	64	558	0.132%	35,712	8.440%
The Grand Suite (B)	87	552	0.130%	48,024	11.350%
The Grand ² (A)	320	427	0.101%	136,640	32.293%
The Grand ² (B)	275	420	0.099%	115,500	27.296%
The Grand ² (C)	2	436	0.103%	872	0.206%
The Grand ² (D)	16	434	0.103%	6,944	1.641%
Delux Parlor Combined	2	1,600	0.378%	3,200	0.756%
	825			423,132	100.000%



WASHOE COUNTY RECORDER

OFFICE OF THE RECORDER
KATHRYN L. BURKE, RECORDER

1001 E. NINTH STREET
POST OFFICE BOX 11130
RENO, NEVADA 89520-0027
PHONE (775) 328-3661
FAX (775) 325-8010

LEGIBILITY NOTICE

The Washoe County Recorder's Office has determined that the attached document may not be suitable for recording by the method used by the Recorder to preserve the Recorder's records. The customer was advised that copies reproduced from the recorded document would not be legible. However, the customer demanded that the document be recorded without delay as the parties rights may be adversely affected because of a delay in recording. Therefore, pursuant to NRS 247.120 (3), the County Recorder accepted the document conditionally, based on the undersigned's representation (1) that a suitable copy will be submitted at a later date (2) it is impossible or impracticable to submit a more suitable copy.

By my signing below, I acknowledge that I have been advised that once the document has been microfilmed it may not reproduce a legible copy.


Signature

6-27-07
Date

DON M. McHARG
Printed Name

DOC # 3548502

06/27/2007 02:44:03 PM

Requested By

GRAND SIERRA RESORT

Washoe County Recorder

Kathryn L. Burke - Recorder

Fee: \$42.00 RPTT: \$0.00

Page 1 of 4

APN: 012-211-26.

When recorded return to:

R. Shawn Oliphant, Esq.
Fahrendorf, Vilorio, Oliphant & Oster, LLP
327 California Avenue
Reno, Nevada 89509

(775) 348-9999



SECURITY INTEREST HOLDERS CERTIFICATE

This is to certify that the undersigned, WELLS FARGO BANK, N.A., as trustee for the benefit of holders of J.P. Morgan Chase Commercial Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2006-FL2 and for the holders of the Non-Trust Partition Interests, being the beneficiary under that certain Deed of Trust recorded June 23, 2006 as Document No. 3404772, of Official Records, Washoe County, Nevada, hereby consents to the preparation and recordation of the map entitled "OFFICIAL PLAT OF HOTEL CONDOMINIUMS AT GRAND SIERRA RESORT PHASE 7".

The land encumbered by the aforesaid Deed of Trust affected by this Certificate is described as follows:

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°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°34'52" West, a distance of 352.44 feet; 2) North 03°28'05" West, a distance of 425.16 feet; 3) North 01°26'55" West, a distance of 498.41 feet; 4) North 01°24'09" West, a distance of 434.30 feet; 5) from a tangent which bears North 01°25'23" West, along a circular curve to the right with a radius of 858.06 feet and a central angle of 36°09'39", an arc length of 541.54 feet; 6) from an tangent which bears North 34°44'16" East along a circular curve to the left with a radius of 900.00 feet and a central angle of 28°28'08", an arc length of 447.19 feet; 7) North 06°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°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°53'57" East, a distance of 196.41 feet; 2) North 00°06'21" East, a distance of 4.00 feet; 3) North 89°53'57" East, a distance of 11.17 feet; 4) North 88°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°05'56" West, a distance of 355.44 feet; 2) South 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) 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 355.75 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 Northeasterly 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 $63^{\circ}44'52''$ West, along said Northerly right of way line, a distance of 80.00 feet; thence North $26^{\circ}13'03''$ East, a distance of 286.32 feet to the Northerly line of said Benna Parcel; thence from a tangent which bears North $03^{\circ}43'05''$ East, along a circular curve to the left with a radius of 86.58 feet and a central angle of $81^{\circ}31'28''$ an arc length of 123.19 feet; thence North $77^{\circ}48'23''$ West a distance of 234.00 feet; thence South $26^{\circ}13'03''$ West a distance of 280.15 feet to the Northerly line of Mill Street; thence North $63^{\circ}44'52''$ 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 3404771 is provided pursuant to the requirements of Section 1. NRS 111.312

DATED: June 13, 2007

WELLS FARGO BANK, N.A., as trustee for the benefit of holders of J.P. Morgan Chase Commercial Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2006-FL2 and for the holders of the Non-Trust Partition Interests

By: WACHOVIA BANK, NATIONAL ASSOCIATION, solely in its capacity as Servicer, as authorized under that certain Pooling and Servicing Agreement dated as of November 1, 2006

By: [Signature]

Name: Michael Farrell Title: Vice President

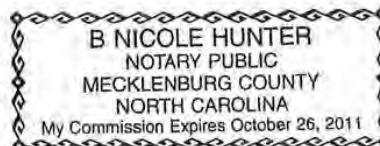
STATE OF NORTH CAROLINA)
) SS
COUNTY OF MECKLENBURG)

On this 7th day of June, 2007, personally appeared before me Michael Farrell, as Vice President of WACHOVIA BANK, NATIONAL ASSOCIATION, acting in its authorized capacity as Servicer for and on behalf of WELLS FARGO BANK, N.A., as trustee for the benefit of holders of J.P. Morgan Chase Commercial Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2006-FL2 and for the holders of the Non-Trust Partition Interests, signer and sealer of the foregoing instrument and acknowledged the same to be his/her free act and deed and the free act and deed of said entities, before me. He/she is personally known to me or has produced a driver's license as identification.

[Signature]
Notary Public

My commission expires:

10/26/2011



FILED
Electronically
CV12-02222
2023-02-14 03:12:09 PM
Alicia L. Lerud
Clerk of the Court
Transaction # 9510223 : yvilorla

Exhibit 3

GRAND SIERRA RESORT
UNIT RENTAL AGREEMENT

This UNIT RENTAL AGREEMENT ("Agreement") is made and entered into this 7th day of January, 2007 (the "Effective Date") by and between GRAND SIERRA OPERATING CORP., a Nevada corporation (the "Company"), and [REDACTED] (collectively referred to in this Agreement as "Owner"), whose address is [REDACTED]

Home Phone #: [REDACTED]

Office Phone: [REDACTED]

E-Mail Address: [REDACTED]

Fax #: [REDACTED]

Owner's Designate: [REDACTED]

DM

A. Owner wishes to participate in the Company's voluntary rental program to offer Owner's Hotel Unit # 102 (the "Unit") in the Grand Sierra Hotel & Resort (the "Hotel") for rental under the terms and conditions set forth in this Agreement.

B. The Company plans to advertise and promote the rental of all rooms and suites in the Hotel (sometimes referred to collectively herein as "Hotel Units"), including those owned by individual owners of Hotel Units and those owned by the Company.

C. The Company may engage an affiliated or unaffiliated third party to manage the Hotel (the "Manager") and to include the Unit in the inventory of Hotel Rooms available for rental to guests of the Hotel ("Guests"). All references to the Company in this Agreement refer to either the Company or Manager, acting as agent of the Company.

NOW, THEREFORE, in consideration of the terms, conditions and the mutual covenants herein set forth, the parties agree as follows:

1. DEFINITIONS. Capitalized terms will have the meanings set forth below or are defined elsewhere in this Agreement.

(a) "Association" means the GRAND SIERRA RESORT UNIT-OWNERS' ASSOCIATION.

(b) "Association Management Agreement" means the Association Management Agreement that has been or will be entered into between the Company, as initial owner of Units, and the Association Manager, pursuant to which Association Manager will manage the Association.

(c) "Association Manager" means the entity engaged by the company to manage the Association.



- (d) **"Blackout Dates"** means the dates established annually by the Company in accordance with Section 10(c) hereof which will not be available for Owner use of the Unit in order that the Company may book group business on those dates.
- (e) **"CC&Rs"** means the Covenants, Conditions, Restrictions and Reservations of Basements for the Hotel-Condominiums at Grand Sierra Resort, as may be amended from time to time.
- (f) **"Daily Use Fees"** means the Daily Use Fees for unit maintenance services provided by the Company under the Unit Maintenance Agreement (other than the Annual Interior Deep Cleaning charge).
- (g) **"FF&E Reserve"** means the reserve for periodic replacement of furniture, fixtures and equipment, as provided for in the Unit Maintenance Agreement.
- (h) **"Furnishings Package"** means the furnishing, furniture, accessories, appliances, curtains, carpeting, wall coverings, kitchen, bath and bedding items and such other personal property initially purchased with the Unit from the Company, including, without limitation, linens, bedding and bath accessories.
- (i) **"Guest"** means any person or persons who rents the Unit from the Company, including complimentary Guests, but excluding Owner, Owner's immediate family and other non-paying guests of Owner.
- (j) **"Hotel Management Agreement"** means the agreement, if any, between the Company and any Manager engaged by the Company to act as manager of the Hotel. If the Company manages the Hotel directly, there will be no Hotel Management Agreement.
- (k) **"Hotel Expenses"** means the expenses charged to Owner for certain Hotel costs, as described in the CC&Rs.
- (l) **"Hotel Services"** means the services provided by the Company in connection with the operation, maintenance, repair and renovation of the Unit under the Unit Maintenance Agreement.
- (m) **"Marketing Services"** means the brand and marketing services provided to the Hotel by the Company, such as marketing, reservations, guest frequency programs and related accounting services.

- (n) **"Net Room Revenue"** means all revenue derived from the rental of the Unit (but not including food and beverage, in-room entertainment, parking, telephone, internet rental, spa revenue, retail space revenue, parking revenue or other incidental revenue sources of the Hotel or any state, local or other taxes paid by any guest in the Unit in respect of his or her occupancy), less the actual cost of commissions and/or other charges paid to third party travel arrangers (including travel agents, wholesalers, membership associations, online booking arrangers, global distribution or other central reservations services providers, and the like) as well as credit card adjustments, uncollected accounts receivable and walked guest expenses.
- (o) **"Non-Routine Maintenance and Emergency Repairs Charges"** means the charges made by the Company for non-routine maintenance and emergency repairs to the Unit, in the amounts provided for in the Unit Maintenance Agreement.
- (p) **"Owner"** means the owner of the Unit identified in the introductory paragraph of this Agreement and his or her immediate family, and any other guests of Owner whose reservation is made by Owner pursuant to Section 10.
- (q) **"Rotation System"** means the unit management system used by the Company in order to ensure that in a manner determined in the Company's sole discretion, all of the Rental Units are fairly and equitably offered for rental. The Company may divide the Units into different groups based on factors such as size, location and rental rate.
- (r) **"Shared Facilities Expenses"** means the expenses charged to Owner for the Shared Facilities Unit, as described in the CC&Rs.
- (s) **"Unit"** means the Unit identified in Recitals.
- (t) **"Unit Maintenance Agreement"** means that certain agreement between the Company and Owner executed and delivered at the time of the purchase by Owner of the Unit with respect to certain Hotel Services and the payment of expenses incurred in the provision of such services, all as described therein.
- (u) **"Units"** means all of the hotel condominium units at the Hotel for which the Company serves as the exclusive rental agent.

2. **EXCLUSIVE RENTAL.** During the term of this Agreement, Owner agrees that the Company shall have the sole and exclusive right to rent the Unit to Guests, subject to the terms and conditions of this Agreement. Owner shall not lease or arrange for any short-term occupancy of the Unit other than by referral of prospective Guests to

the Company. In addition, Owner agrees not to accept any remuneration from any party other than the Company or Manager for rental of the Unit and agrees to refer to the Company or Manager all rental inquiries during the term of the Agreement.

3. **TERM.** The initial term of this Agreement shall be for five (5) years, commencing as of the Effective Date and ending on December 31st of the fifth calendar year thereafter, unless terminated earlier as provided in this Agreement. Upon expiration of the initial term, this Agreement shall be automatically renewed for additional terms of five (5) years each unless Owner or the Company, at least ninety (90) days prior to the expiration date of this Agreement or of any renewal period as the case may be, shall give written notice to the other party of its desire not to renew this Agreement. Notwithstanding the foregoing, the Company shall have the right to terminate this Agreement, in its sole and absolute discretion, with or without cause, upon sixty (60) days prior written notice to Owner. After the third anniversary of this Agreement, Owner may terminate this Agreement upon not less than 180 days prior written notice to the Company and the one time payment to the Company of a termination fee as liquidated damages equal to the greater of ten percent (10%) of the total rental revenues generated from the Company's rental of the Unit for the three years prior to the date of termination or \$2,000. If Owner, thereafter, wishes to reinstate this Agreement, Owner may request that the Company accept the Unit in the rental program, and the Company may, in its sole discretion, accept the Unit upon reinstatement of this Agreement, or the then current form of the Unit Rental Agreement offered by the Company to Unit Owners, and the payment to the Company of a reinstatement fee of \$1,000. Upon any termination of this Agreement, the Company shall prepare a final reconciliation of accounts (including all sums owed under any provision of this Agreement) and a final settlement shall be accomplished between Owner and the Company within thirty (30) days of the Company's delivery to Owner of such final reconciliation.

4. **RENTAL PROCEDURES.** The Company shall use its good faith efforts to rent the Unit in accordance with the following provisions:

- (a) **Short Term Rentals.** The Company agrees that it will offer the Unit for rent on any days not reserved by Owner on the Owner Usage Calendar. All rentals will be on a short-term basis, and the Unit shall not be rented to any one Rental Guest for a period of 28 or more days. Accordingly, all rentals shall be subject to transient occupancy taxes.
- (b) **Rental Rates.** The Company has the exclusive right to establish and adjust, from time to time, the rental rates for the Unit without notice to Owner, and to rent the Unit for the rates that it considers appropriate, in its discretion, based upon occupancy levels, seasonal demand, changes in operating costs, rates of competitive properties, and other prevailing market conditions.
- (c) **Rotation System.** During the term of this Agreement, Owner acknowledges that the Company intends to rent the Unit to Guests on a

transient basis. The Company will endeavor to rent the Unit in accordance with the Rotation System. However, the Company will rent out of order if a Guest specifically requests a particular Unit or a particular Unit type or location to the exclusion of others. In such cases, Owner agrees that such occupancy shall be in lieu of the next ensuing rental on the Rotation System; however, the skipped Unit shall be in line for any reservation that is appropriate to the next Guest request.

- (d) Collection of Accounts. The Company shall collect rent from all Guests and shall provide all accounting services necessary for the collection of such rental revenue. The Company shall bear all in-house costs associated with the collection of outstanding amounts due from Guests. The Company shall provide Marketing Services that the Company determines to be appropriate for the Hotel. The Company shall also provide Hotel Services in accordance with the terms of the Unit Maintenance Agreement.

5. MAINTENANCE AND CLEANING OF UNIT.

- (a) Unit Maintenance Standards. Throughout the term of this Agreement, Owner shall cause the Unit to be maintained, repaired and cleaned to a standard consistent with the other accommodations offered by the Company in the Hotel pursuant to the Unit Maintenance Agreement. The Company may refuse to rent the Unit if, in the Company's sole discretion, the Unit is not being maintained in a condition consistent with the accommodations offered by the Company in the Hotel. Owner shall be responsible for all costs associated with the maintenance, repair and cleaning of the Unit, in accordance with the terms of the Unit Maintenance Agreement.
- (b) Linen and Housekeeping. The Company shall provide linen service and housekeeping service for all Guests of the Unit commensurate with levels of service in comparable condominium-hotel lodging establishments.
- (c) Damage to Unit. Owner understands and agrees that as a result of rentals, damage to the Unit and its contents may occur, inadvertently or otherwise. The Company shall take reasonable steps to insure that Guests leave the Unit in the same condition as received, normal wear and tear excepted. In the event of damage, breakage or theft by Guests, the Company shall take reasonable steps to see that the Guests responsible restore the breakage or damage as necessary, in a timely manner. If the Company is unable to obtain restitution from the Guest, the Company may file a claim with the Hotel's property insurer on behalf of Owner or repair the damage and charge the cost of the repair to Shared Facilities Expenses. Owner will be responsible for the insurance deductible amount on the Association's or the Company's property insurance covering the damage to the Unit, unless

the Company or its employees or agents are directly responsible for the damage, in which case the Company will be responsible for the insurance deductible amount.

6. **UNIT COSTS, EXPENSES AND ASSESSMENTS.** Owner agrees to pay all monthly mortgage payments (if any), real estate taxes, insurance payments, monthly condominium fees, expenses charged pursuant to the Unit Maintenance Agreement and CC&Rs, and any condominium assessments promptly when due. Owner shall not allow title to the Unit to be encumbered by a lien for non-payment of fees or assessments due to the Association or the Company. In the event that any expenses, fees and/or assessments due pursuant to this Section 6 are not paid promptly when due, then the Company may, in its sole and absolute discretion and without notice or demand upon Owner, but shall not be obligated to, either: (i) withhold Owner's Rent (as hereinafter defined) until such funds are sufficient to bring the unpaid accounts current, and if and when sufficient funds are available, offset and apply Owner's Rent (as hereinafter defined) in the possession of the Company to the payment of any one or more of such unpaid accounts in such order as the Company in its sole and absolute discretion may elect; or (ii) terminate this Agreement upon five (5) days prior written notice to Owner. The Company's decision to apply all or any portion of Owner's Rent (as hereinafter defined) to the payment of any expenses, fees and/or assessments pursuant to this Section 6 shall be made in the Company's sole and absolute discretion. In no event whatsoever shall the Company be obligated to apply any Owner's Rent (as hereinafter defined) to the payment of any expenses, fees and/or assessments or to advance any of its own funds for such purposes.

7. **FURNISHING, EQUIPPING, REFURBISHING AND UPGRADES.**

- (a) Furnishings Package. Owner is purchasing the Furnishings Package in connection with Owner's purchase of the Unit. Owner agrees that the Unit must at all times be consistent with the other accommodations offered by the Company in the Hotel in terms of quality and appearance. Owner agrees that Owner will not alter, modify add to remove or otherwise change the Furnishings Package except as directed by the Company. In addition, as determined from time to time by the Company, pursuant to the Unit Maintenance Agreement and the CC&Rs, Owner may be required at Owner's cost, to refurbish the Unit, including replacing, upgrading and/or augmenting furniture, accessories, appliances, curtains, carpeting, wall coverings and other items included in the Furnishings Package.
- (b) Failure to Maintain Unit. In the event that Owner does not fund the purchase of the Furnishings Package, refurbishing, upgrading or modifying the Unit as required, or does not respond to the Company's request for funding within thirty (30) days after such request is made, the Company may, at its option, terminate this Agreement at any time thereafter without further notice. In the event of termination, the Company is only liable for Rent (as hereinafter defined) due Owner up to the date of termination.

8. **UNIT RENTAL.** The Company and Owner agree to the following:

- (a) Rotation System. The Company will establish the Rotation System for the purpose of renting all units in the Hotel on a rotating and equal basis. Owner acknowledges, however, that there can be no guarantee that either operation of the rotation system or hotel guest preference will not result in the Company's hotel rooms, or the units of other owners, being rented more often than Owner's Unit. Owner hereby waives any claim Owner may have for injury or damage under this Agreement arising from the rental of hotel rooms or units of other owners under the Rotation System.
- (b) Discount Rates. The Company shall have the right, in its sole and absolute discretion, to grant Guests a discount of up to 100% of the daily gross rent in the event any repairs of the Unit are required during the period of occupancy or for other guest satisfaction issues. The Company shall also have the right, in its sole discretion, to transfer the Guest renting the Unit to another Unit in the event the rebate is unacceptable to the Guest; provided that Owner shall be paid a pro rata portion of any rent received by the Company for the period in which Guest occupied the Unit.
- (c) Forfeited Deposits. All reservation deposits that are forfeited and captured, and all other related cancellation charges pursuant to the Company's cancellation policy shall be allocated first to any Daily Use Fees that apply to the Unit and then shared between Owner and the Company in the percentages provided in Section 9(b) hereof.
- (d) Confirmed Reservations Valid Upon Termination. Termination of this Agreement for any reason shall not cancel any confirmed reservations for the Unit, and the reservations, if not actually transferred by the Company to another Unit, shall remain binding upon, Owner, Owner's heirs, executors, legal representatives and assigns after termination of this Agreement. In the event of a termination, the Company is entitled to any commissions, fees earned and/or expenses due as a result of the reservation made or for the Marketing Services provided during the term of this Agreement.
- (e) Reservations. All reservations, including Owner referrals, must be made through the Company so that they may be coordinated with other confirmed reservations. Owner shall schedule personal use of the Unit with the Company in accordance with Section 10(a) and will register with the Company upon Owner's arrival. No notice of reservations secured by the Company for Guests will be provided to Owner, except by specific request. Owner will not be able to occupy, use or enter the Unit during periods of time when the Unit has been rented, and will not be able to schedule occupancy of the Unit during periods of time when the Unit has

been reserved unless the reservation can be moved to a similar Unit prior to the time of occupancy. IN ALL EVENTS, ACCESS TO THE UNIT SHALL BE COORDINATED BY THE COMPANY, INCLUDING ACCESS DURING OWNER'S USE OF THE UNIT.

(f) Photographs of Unit. Owner shall allow the Company to photograph the interior and/or exterior of the Unit for marketing purposes. Such photographs shall be the sole property of the Company and may be used for marketing purposes.

(g) Changes in Rules. The rules set forth in this Section may, at the discretion of the Company, be modified so long as reasonable notice of such changes is provided to Owner.

9. RENT. The Company shall pay Owner out of the Net Room Revenue of the Unit as follows:

(a) Monthly Profit and Loss. The Company will maintain a separate profit and loss statement for the Unit on a monthly and annually basis. The monthly and annual statements shall include calculation of Net Room Revenue, the Daily Use Fees, the amount of Rent, and any deductions from the Rent to pay amounts owed by Owner under this Agreement or under the Unit Maintenance Agreement and CC&Rs.

(b) Calculation of Rent. Within fifteen (15) days following the end of each calendar month during the term, the Company shall calculate rent to be paid to Owner for the prior month by:

- i) Calculating Net Room Revenue;
- ii) Deducting therefrom the Daily Use Fees for each night that a Guest uses the Unit;
- iii) To the extent that there shall be a balance of Net Room Revenue available after the foregoing deductions, it shall be allocated fifty percent (50%) to the Company and fifty percent (50%) to Owner as rent ("Rent").

(c) Payment of Rent to Owner. The Owner's Rent, less the amounts payable by the Owner under the CC&Rs for Association assessments and assessments for Shared Facilities Expenses and Hotel Expenses, and under the Unit Maintenance Agreement for the FF&E Reserve and the Annual Interior Deep Cleaning charge and all transient rental taxes, and any Non-Routine Maintenance and Emergency Repairs Charges, shall be paid to Owner, except as otherwise provided in this Agreement, by check on or before the twentieth (20th) day of the month following the month for which rent is being paid. To the extent that the amount of Owner's Rent

for any month is insufficient to offset the amounts owed by Owner, the Company or the Association, as appropriate, shall send an invoice for the amount owed by Owner, and Owner shall pay all amounts owed within twenty (20) days of the date of the invoice.

- (d) Limitation of Company Duties. Except as specifically provided herein, Owner acknowledges and agrees that the Company owes no duties of any kind to Owner, including, without limitation, duties of a fiduciary nature, and the Company's non-fiduciary duties shall be limited to the payment of Rent to the extent and as and when due, and the maintenance of accurate books of account with respect to Owner's Unit.

10. OWNER'S USE OF THE UNIT. Owner and the Company agree that:

- (a) Owner Usage Calendar. Subject to the Company's right to impose up to twelve (12) blackout dates per year in accordance with paragraph (c) below, Owner may reserve the Unit for Owner's personal use at any time and from time to time during the term of this Agreement provided that: Owner makes an advanced reservation by completing and submitting to Manager an Owner usage calendar (the "Owner Usage Calendar") no later than January 31 of each year showing all reservation dates for the subsequent twelve (12) month period; *provided, however*, in the first year, Owner shall submit to Manager the Owner Usage Calendar on or before the closing of Owner's purchase of the Unit. If Owner fails to deliver the Owner Usage Calendar to Manager as required above, Manager may assume that the Unit is available for short-term occupancy for all dates during the subsequent twelve (12) month period. The Owner Usage Calendar shall include all dates when the Unit will be occupied by the Owner, Owner's family, and Owner's non-rental guests, being those persons to whom the Owner intends to make the Unit available without charge.

- (b) City of Reno Requirements. Owner shall comply with the applicable ordinances adopted by the City of Reno with respect to the use of the Unit by Owner, Owner's family and Owner's non-rental guests. Owner acknowledges that the City of Reno limits the use of the Unit by Owner as follows:

"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."

- (c) Owner Use on Non-Calendared Dates. Notwithstanding the reservation requirements in Section 10(a), if Owner desires to personally use the Unit on a date other than as set forth on the Owner Usage Calendar, Owner shall notify Manager of the desire to personally use the Unit. If Manager has not received a tentative or confirmed reservation for the Unit on the dates requested by Owner, Manager shall make every reasonable effort to accommodate such a request. If Manager has received a tentative or confirmed reservation for use of the Unit, Manager may deny such request and Owner shall have no right to personally use the Unit. Manager is under no obligation to inform Owner of any changes in availability based on cancellations, no-shows, change in dates, reduced blocks for group reservations, or any other similar circumstances.
- (d) Blackout Dates. The Company shall have the right to establish, by annual written notice to Owner, up to twelve (12) dates per year that shall not be available for Owner usage of the Unit ("Blackout Dates"). Owner acknowledges that these Blackout Dates are necessary in order for the Company to book certain large convention and group business, and that these dates will vary from year to year. By December 1 of each year, the Company will provide notice to Owner of the Blackout Dates for the 12 month period beginning February 1 of each year. The Company agrees that Blackout Dates shall not include any of the following days: Christmas, New Year's, Memorial Day, July 4th, Labor Day, or any of the days designated by the City of Reno for the annual events known as "Hot August Nights," "National Air Races," or "Street Vibrations."
- (e) Registration, Check-in and Check-out Policies. Owner shall register at the front desk of the Hotel in order to receive a key to Owner's Unit. Owner and his or her personal guests shall: (i) comply with any applicable arrival/departure requirements established by Manager for use of the Unit during holidays, special events, and peak occupancy periods; and (ii) comply with any established check-in and check-out procedures and times. Owner shall not enter the Unit, nor use any common areas appurtenant to the Unit, nor permit any person, whether family member, repairman, or Owner's non-rental guest to do so, other than during previously reserved dates of occupancy by Owner, without prior notification to, approval of, and coordination with Manager.
- (f) Hotel Services. For any day that Owner or Guests use the Unit, the Company will provide its standard daily housekeeping and cleaning service and supply the standard hotel amenities (such as soap, shampoo, coffee, etc), pursuant to the terms of the Unit Maintenance Agreement.
- (g) Credit Card Authorization. In order to assure Owner's timely payment of funds, Owner agrees to maintain a valid credit card authorization on file

with Manager's Finance Department at all times as a source of funds. This card will be used to pay all expenses owed that are past due by 30 days from the date of the statement. The Company will mail Owner a copy of the receipt within thirty (30) days of each charge. Owner hereby authorizes the Company and Manager to access the credit established in this paragraph in order to meet Owner's financial obligations under this Agreement.

- (h) Alternative Accommodations. The Company may, in its sole discretion, provide Owner with accommodation in another unit with similar features in the event that it determines that the Unit is not available for any reason for Owner's use.

11. **COMPLIMENTARY USE OF UNIT.** In an effort to continue to promote rental of the Unit and to familiarize representatives of corporate customers, travel agencies and promoters, airlines and other organizations with the Hotel, the Company may, for up to five (5) nights per year, provide complimentary use of the Unit, without charge or expense, to anyone who in its sole discretion, the Company believes will serve the long term best interests and goal of maximizing the value of the hotel and the Unit; provided, however, that the Company will use its best efforts to ensure that complimentary use does not displace paying Guests.

12. **RULES, REGULATIONS AND STANDARDS.** Owner shall at all times abide by and comply with all rules and regulations established from time to time by the Company and/or the Manager. Owner shall also ensure, at Owner's sole cost and expense, that the Unit shall at all times comply with all standards established from time to time by the Company and with all inspection reports and product improvement plans issued from time to time by the Company. Owner covenants and agrees not to interfere with, at any time, the employees, agents and/or contractors of the Company and/or Manager. Owner further agrees that, in order to maintain the uniform appearance of the Unit and maintain the quality standards of the Hotel, he or she will not display any signs that are visible to the public from the inside or outside of the Unit.

13. **LIMITED POWER OF ATTORNEY.** Owner does hereby irrevocably name, constitute and appoint the Company, its legal representatives, successors and assigns as Owner's attorney-in-fact for the term of this Agreement for the limited purposes of (i) providing Guests with full access to all areas associated with the Unit, (ii) causing Unit maintenance activities required of the Company to be undertaken promptly, (iii) issuing and signing confirmed reservations for the Unit and (iv) taking any action, that may be lawfully permitted and required to evict any Guest.

14. (a) **ASSIGNMENT BY THE COMPANY.** The Company may assign this Agreement without Owner's consent to any affiliate of the Company or to any successor operator or Owner of the Hotel.

(b) ASSIGNMENT BY OWNER. Owner may not assign this Agreement, in whole or in part, except with the prior written consent of the Company. In the event of any sale, assignment or other hypothecation of 100% of Owner's interest in the Unit, this Agreement shall automatically terminate. The assignee of the Unit may, upon acceptance by the Company, enter into a Unit Rental Agreement with the Company in the form then offered by the Company to all Unit Owners. Notwithstanding that this Agreement shall terminate, the assignee of the Unit shall be subject to the obligation to make the Unit available for all tentative and confirmed reservations held by the Company as of the date of the sale, and the rental terms of Section 9 hereof shall apply with respect to any Rental Revenues earned in connection with the use of the Unit pursuant to such reservations. Owner shall be required to obtain the written agreement of any buyer that all confirmed or tentative reservations for the Unit existing as of the date of the sale will be honored. Owner shall coordinate times to show the Unit for purposes of a sale of the Unit with the Company. The Company shall attempt to accommodate such showings commensurate with Rental Guest use.

15. DEFAULT BY OWNER. If Owner shall default in the performance of Owner's obligations under this Agreement or fail to abide by the rules and regulations established from time to time by the Company and such default shall continue sixty (60) days after Owner's receipt of written notice from the Company detailing the default in question, the Company may, in addition to all other remedies available to the Company at law, terminate this Agreement and/or temporarily cease its efforts to rent the Unit pursuant to this Agreement until such time as Owner has cured the default or satisfied the deficiency; provided, however, if, as a result of such default, the Unit is not in a condition suitable for rental, the Company may immediately cease renting the Unit until such time as Owner's default is cured at Owner's expense.

16. DEFAULT BY THE COMPANY. If the Company shall default in the performance of its obligations under this Agreement and shall fail to cure such default within sixty (60) days after the Company's receipt of written notice from Owner detailing the default in question, Owner may, as its sole and exclusive remedy, terminate this Agreement by delivery to the Company of a written termination notice at any time prior to the date that the Company has cured the default in question.

17. MANAGEMENT AND OPERATION OF THE HOTEL. Owner acknowledges that the Company has entered into, or may enter into, a Hotel Management Agreement and Association Management Agreement. Owner hereby consents to and approves such agreements. Owner further acknowledges that the Company has expended substantial funds to purchase the equipment for the use of all owners and users of units in the Hotel. In consideration of, and as a material inducement for the Company's investment in such equipment and other matters relating to Hotel, Owner agrees, during the term of this Agreement, that Owner will not take any action to terminate, or cause the termination of the Hotel Management Agreement or the Association Management Agreement including, without limitation, taking any action pursuant to the Uniform Common-Interest Ownership Act of the State of Nevada, as amended from time to time (hereinafter called the "Act"), and as to all matters and meetings relating to the Hotel in

which Owner has the right to consent to and/or to vote, Owner will, during the term of this Agreement, consent to and vote in favor of: (i) the Company's and/or Manager's management of the Hotel and the ratification and approval of the Association Management Agreement; (ii) the Company's and/or Manager's operation of the Hotel in accordance with the requirements of the Hotel Management Agreements; (iii) the Association's execution and delivery to the Company and/or the Manager of any guaranty agreement required pursuant to or in connection with the Hotel Management Agreement; and (iv) the Association's reimbursement to the Company of all penalties and charges incurred by the Company in connection with the Hotel Management Agreement or the Association Management Agreement.

18. **NO GUARANTEED RENTAL.** OWNER ACKNOWLEDGES THAT THERE ARE NO RENTAL INCOME GUARANTEES OF ANY NATURE, NO POOLING AGREEMENTS WHATSOEVER, AND NO REPRESENTATIONS OTHER THAN WHAT IS CONTAINED IN THIS AGREEMENT. NEITHER THE COMPANY NOR MANAGER GUARANTEES THAT OWNER WILL RECEIVE ANY MINIMUM PAYMENTS UNDER THIS AGREEMENT OR THAT OWNER WILL RECEIVE RENTAL INCOME EQUIVALENT TO THAT GENERATED BY ANY OTHER UNIT IN THE HOTEL.

19. OWNER'S ACKNOWLEDGEMENTS.

A) OWNER UNDERSTANDS AND ACKNOWLEDGES THAT EXECUTION OF THIS AGREEMENT AND PARTICIPATION IN THE UNIT RENTAL PROGRAM AT THE HOTEL IS VOLUNTARY, AT THE OPTION OF THE OWNER, AND IS NOT A REQUIREMENT OF OWNERSHIP OF THE UNIT. OWNER FURTHER ACKNOWLEDGES, REPRESENTS AND WARRANTS THAT NEITHER THE COMPANY NOR MANAGER, OR ANY OF THEIR RESPECTIVE OFFICERS, REPRESENTATIVES, EMPLOYEES, AGENTS, SUBSIDIARIES, PARENT THE COMPANY AND AFFILIATES HAS (I) MADE ANY STATEMENTS OR REPRESENTATIONS WITH RESPECT TO THE ECONOMIC OR TAX BENEFITS OF OWNERSHIP OF THE UNIT; (II) EMPHASIZED THE ECONOMIC BENEFITS TO BE DERIVED FROM THE MANAGERIAL EFFORTS OF THE COMPANY OR MANAGER OR FROM PARTICIPATION IN THE UNIT MANAGEMENT PROGRAM; (III) MADE ANY SUGGESTION, IMPLICATION, STATEMENT OR REPRESENTATION, THAT ANY POOLING ARRANGEMENT WILL EXIST WITH PARTICIPANTS IN THIS PROGRAM OR THAT OWNER WILL SHARE IN ANY WAY IN THE RENTAL PROCEEDS OF OTHER UNIT OWNERS IN THE HOTEL; OR (IV) MADE ANY SUGGESTION, IMPLICATION, STATEMENT OR REPRESENTATION, THAT OWNER IS NOT PERMITTED TO RENT THE UNIT DIRECTLY OR TO USE OTHER RESERVATIONS AGENTS TO RENT THE UNIT.

B) PURSUANT TO THE TERMS OF ANY HOTEL MANAGEMENT AGREEMENT THAT HAS BEEN OR MAY BE ENTERED INTO BY THE COMPANY WITH A MANAGER, EITHER THE COMPANY OR MANAGER MAY

TERMINATE SAME IN ACCORDANCE WITH THE PROVISIONS THEREOF AND THEREFORE OWNER HEREBY ACKNOWLEDGES THAT THERE CAN BE NO GUARANTEE THAT MANAGER WILL OPERATE THE HOTEL THROUGHOUT THE TERM OF THIS AGREEMENT. THE EVENT OF A TERMINATION OF MANAGER AS THE OPERATOR SHALL NOT CONSTITUTE A DEFAULT UNDER THIS AGREEMENT AND THE COMPANY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REPLACE MANAGER WITH ANOTHER OPERATOR OF THE COMPANY'S CHOOSING.

20. **OWNERSHIP OF MARKS.** Owner acknowledges that the names "GRAND SIERRA RESORT" and the other Grand Sierra trademarks and service marks (collectively, "Marks") have acquired valuable secondary meanings and goodwill in the minds of the hospitality trade and the public and that services and products bearing the name "Grand Sierra" and/or any of the other Marks have acquired a reputation of the highest quality of hotel service. Without prejudice to this Agreement, Owner acknowledges that Owner has no claim to any right, title and interest in and to the Marks or any and all forms or embodiments thereof nor to the goodwill attached to the Marks in connection with the business, operations and goods in relation to which the same have been and may be used by Owner. The Company shall have the sole and exclusive right to use of the Marks for marketing and operation of the Hotel, and Owner shall have no right to use such Marks at any time during or after the term of this Agreement for any purpose except with the prior written consent of the Company. Owner will not at any time do or suffer to be done any act or thing which may, in any way, impair the rights of Manager in and to the Marks or which may affect the validity of the Marks or which may depreciate the value of the "GRAND SIERRA" names or any of the other Marks or the established prestige and goodwill connected with any of the same.

21. **MISCELLANEOUS PROVISIONS.** This Agreement shall be subject to and contingent upon the following:

- (a) **Limitation of Liability.** Neither the Company nor Manager, nor any of their respective officers, representatives, employees, agents, subsidiaries, parent and affiliates shall be liable for any loss or damage to any person or property, including, but not limited to, Owner, the Guests, the Unit and its equipment, furnishings and appliances, of any nature resulting from any accident or occurrence in or upon the Unit, or the building in which the Unit is a part, including but not limited to, any and all claims, demands, damages, costs and expenses (including, without limitation, attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) resulting from: (i) the acts or omissions of Guests; (ii) wind, rain or other elements; or (iii) theft, vandalism, fire, earthquake, storm or other casualty; strikes, lockouts, or other labor interruptions; war, rebellion, riots or other civil unrest; or any other similar event beyond the control of the Company or Manager.

- (b) Entire Agreement; Amendments. The parties hereto agree and acknowledge that this Agreement, together with the Unit Maintenance Agreement, constitutes the entire Agreement between the parties with respect to the rental of the Unit, and there are no oral or written amendments, modifications, other agreements or representations. The Company may, no more frequently than once each year, upon at least sixty (60) days prior written notice to Owner, modify the services to be provided by the Company and/or adjust the charges payable for services provided for herein to reflect additions or changes in services provided by the Company generally to all Hotel guests, and to reflect actual changes in the cost of providing services by the Company generally to all Hotel guests; provided that the Company shall not increase the charges to Owner by more than seven percent (7%) per year without Owner's written consent. Except for this annual adjustment to services and charges, this Agreement may not be amended, supplemented, terminated or modified except with the prior written agreement of Owner and the Company.
- (c) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Nevada, without giving application to principles of conflicts of laws which shall control all matters relating to the execution, validity and enforcement of this Agreement.
- (d) Alternative Dispute Resolution. The parties agree that any disputes arising out of or relating to this Agreement shall be resolved in accordance with the Dispute Resolution Addendum Agreement attached to the Unit Maintenance Agreement as SCHEDULE B, and that all references to the Unit Maintenance Agreement in the Dispute Resolution Addendum Agreement shall be deemed to refer to this Agreement for purposes of the resolution of disputes arising out of or with respect to this Agreement.
- (e) Authority of Single Owner. Recognizing the fact that there may be several Owners of a single Unit, it is hereby agreed that Owner's designate, as listed on the front page of this Agreement, shall have the authority to issue any and all instructions to the Company, and the Company shall act in reliance thereon.
- (f) Severability. If any clause or provision of this Agreement shall be held invalid or void for any reason, such invalid or void clause or provision shall not affect the whole of this Agreement and the balance of the provisions of this Agreement shall remain in full force and effect.
- (g) Notices. Any notice or demand required under this Agreement or by law shall be in writing and shall be deemed effective upon receipt if sent by personal delivery, upon one (1) business day if sent by express overnight delivery with a nationally recognized courier service (such as Federal Express) or three (3) business days after having been sent by US mail,

certified mail, return receipt requested and addressed to the parties at the addresses set forth above in the recitals of this Agreement. Either party may change such addresses with written notice to the other party.

- (h) Authorization. Owner represents and warrants to the Company that Owner has the full authority to enter into this Agreement, and that there is no other party with an interest in the Unit whose joinder in this Agreement is necessary.
- (i) Time of the Essence. For all purposes of this Agreement it shall be understood that time is of the essence.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth above.

GRAND SIERRA OPERATING CORP.

By: Rich Dumas
Signature

Print Name: Rich Dumas

Title: Vice President - Residence

Print Name: _____

Signed and delivered in the presence of:

Witness: _____
[type: Name of Witness]

Witness: _____
[type: Name of Witness]

Date signed: 1/30/07

Smoking / Non-smoking Unit Designation:

While managing and taking reservations for your unit, the Company would like to designate it as nonsmoking unless you request otherwise. Although the Company cannot guarantee that someone will not smoke in a non-smoking unit, it is the Company's experience that most people honor this request. Please initial below ONLY IF YOU WANT YOUR UNIT TO BE A SMOKING UNIT. OTHERWISE, IT WILL BE DESIGNATED A NON-SMOKING UNIT.

I would like to designate my Unit # _____ as a Smoking Unit

NON-SMOKING UNIT.

1 **2630**

2 ABRAN VIGIL, ESQ.
3 Nevada Bar No. 7548
4 ANN HALL, ESQ.
5 Nevada Bar No. 5447
6 DAVID C. McELHINNEY, ESQ.
7 Nevada Bar No. 0033
8 MERUELO GROUP, LLC
9 Legal Services Department
10 5th Floor Executive Offices
11 2535 Las Vegas Boulevard South
12 Las Vegas, NV 89109
13 Tel: (562) 454-9786
14 abran.vigil@meruelogroup.com
15 ann.hall@meruelogroup.com
16 david.mcelhinney@meruelogroup.com

17 *Attorneys for Defendants MEI-GSR Holdings,*
18 *LLC, AM-GSR Holdings, LLC, and GAGE*
19 *VILLAGE COMMERCIAL DEVELOPMENT,*
20 *LLC.*

JORDAN T. SMITH, ESQ.
Pisanelli Bice PLLC
400 South 7th Street, Suite 300
Las Vegas, NV 89101

Attorney for Defendants MEI-GSR Holdings,
LLC, AM-GSR Holdings, LLC, and GAGE
VILLAGE COMMERCIAL
DEVELOPMENT, LLC

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

16 ALBERT THOMAS, et. al.,

17 Plaintiff(s),

18 v.

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

24 Defendant(s).

Case No. CV12-02222

Dept. No.: 10

25 **DEFENDANTS' OBJECTION TO RECEIVER'S CALCULATIONS CONTAINED IN**
26 **EXHIBIT 1 ATTACHED TO RECEIVER'S OMNIBUS REPLY TO PARTIES**
27 **OPPOSITIONS TO THE RECEIVER'S MOTION FOR ORDERS & INSTRUCTIONS**
28

1 On January 26, 2023, this Court issued its Order Granting Receiver’s Motion for Orders &
2 Instructions, filed December 1, 2023, (“Order”). Therein, the Court ordered as follows:

3 “Attached as Exhibit 1 to the Receiver’s Omnibus Reply is a spreadsheet with
4 calculations based upon the various orders of the Court...If either Plaintiffs or
5 Defendants object to the calculations contained in Exhibit 1, a written objection shall
6 be filed within 15 judicial days of entry of this Order...” (Order, pg. 10-14)

7 Defendants MEI-GSR HOLDINGS, LLC (“MEI-GSR”), AM-GSR Holdings, LLC, and
8 GAGE VILLAGE COMMERCIAL DEVELOPMENT, LLC (collectively “Defendants”) by and
9 through their counsel Meruelo Group, LLC, hereby file their Objection to Receiver’s Calculations
10 Contained in Exhibit 1 Attached to Receiver’s December 19, 2022, Omnibus Reply, (Opposition”).
11 Defendants’ Opposition is supported by the following memorandum of points and authorities, the
12 papers and pleadings on file herein, and oral argument that may be requested of the Court.

13 MEMORANDUM OF POINTS AND AUTHORITIES

14 I. INTRODUCTION

15 On January 4, 2022, Justice Saitta entered an Order Entitled “Order Granting Receiver’s
16 Motion for Orders & Instructions”, (“Order”). The Order explicitly sets forth the following
17 obligations of the Receiver:

- 18 • IT IS FURTHER ORDERED that the Receiver shall recalculate the DUF,
19 SFUE and HE based on the same methodology as has been used in
20 calculating the fee charges for 2021, subject to Court approval of such
21 methodology. Those fees in place prior to the Court’s September 27, 2021
22 Order shall remain in place until the fees for 2020 are recalculated and
23 approved by this Court such that only a single account adjustment will be
24 necessary. (Order, at 8:1-5) (emphasis added).
- 25 • IT IS FURTHER ORDERED that the Receiver shall open a separate
26 account on which Receiver has sole signatory authority and into which
27 account all rents received by Defendants currently for all 670
28 condominiums units net of total charges for DUF, SFUE, and HE fees and

1 *reserves, are to be deposited. The Receiver shall disburse the revenue*
2 *collected to the parties according to the Governing Documents*¹. (Order, at
3 8:6-10) (emphasis added)

4 The various powers and duties assigned to the Receiver as set forth in the January 4, 2022, Order
5 Granting Receiver's Motion for Orders & Instructions, include the following:

- 6 • The Receiver shall recalculate the DUF, SFUE, and HE, [for 2020] based on the
7 same methodology as has been used in calculating the fee charges for 2021, subject
8 to Court approval of such methodology. (Id. pg. 8:1-3)
- 9 • Those fees in place prior to the Court's September 27, 2021 Order shall remain in
10 place until the fees for 2020 are recalculated and approved by this Court such that
11 only a single account adjustment will be necessary. (Id. pg. 8:3-5)
- 12 • The Receiver shall open a separate account on which Receiver has sole signatory
13 authority, and into which all rents received by Defendants currently for all 670
14 condominium units, **net of total charges for DUF, SFUE, and HE fees and**
15 **reserves**, are to be deposited. (Id. pg. 8:6-9)
- 16 • The Receiver shall disburse the revenue collected to the parties according to the
17 Governing Documents. (Id. pg. 8:6-10)

18 On December 29, 2022, Defendants filed their Motion to Compel wherein they sought
19 entry of this Court's order compelling the Receiver to carry out those tasks that he and Plaintiffs
20 fought so hard to get, as reflected in the above referenced Order. There can be no question he was
21 assigned and ordered to carry out the above enumerated tasks in the January 4, 2022 Order
22 Granting Receiver's Motion for Orders & Instructions, and in his January 9, 2023 Response to
23 Defendants' Motion to Compel, he makes clear, once again, that he has no intention of carrying
24 out any of those Court ordered duties, which is frankly in contempt of Court. (See Receiver's
25

26 ¹ The "Governing Documents" as that term is used in the above referenced Order, includes the CC&Rs, the Unit
27 Maintenance Agreements and the Unit Rental Agreements. (See Order Appointing Receiver entered January 7, 2015,
28 1:27-28; 2:1-3). The Unit Rental Agreements provide that "To the extent that there shall be a balance of Net Room
Revenue available after the foregoing deductions, it shall be allocated fifty percent (50%) to the Company and fifty
percent (50%) to Owner as rent." (Unit Rental Agreement, paragraph 9(b)(iii), pg. 8)

1 Response, pg. 4:7-25; 8:1-8). To date the Receiver has failed and refused to carry out those
2 functions.²

3 **II. THOSE FEES IN PLACE PRIOR TO THE COURT'S SEPTEMBER 27, 2021 ORDER**
4 **ARE TO REMAIN IN PLACE UNTIL THE RECEIVER HAS COMPLETED HIS 2020**
5 **RECALCULATION FOR DUF, SFUE, HE, RESERVES AND CAPITAL EXPENDITURE**
6 **CONTRIBUTIONS AND THE SAME HAVE BEEN APPROVED BY THE COURT**

7 In a November 23, 2022 email, counsel for Plaintiffs, Jarrad Miller, referred to the
8 following language appearing in the Order Granting Receiver's Motion for Orders and Instructions
9 as a "clear directive of the Court":

10 IT IS FURTHER ORDERED that the Receiver shall recalculate the DUF, SFUE, and HE
11 based on the same methodology as has been used in calculating the fee charges for 2021,
12 subject to Court approval of such methodology. **Those fees in place prior to the Court's**
13 **September 27, 2021 Order shall remain in place until the fees for 2020 are**
14 **recalculated and approved by this Court such that only a single account adjustment**
15 **will be necessary.** (Order Granting Receiver's Motion for Orders and Instructions, pg.
16 8:1-5) (emphasis added).

17 This language appearing in the Order is written entirely by Plaintiffs' counsel and is hardly clear
18 because of conflicting orders that have been issued with no proper procedural mechanisms having
19 been used to modify, amend, rescind, or replace conflicting orders.

20 **A. THE COURT'S CHRISTMAS EVE 2020, ORDER GRANTING MOTION FOR**
21 **CLARIFICATION**

22 In Judge Sattler's December 24, 2020 Order Granting Motion for Clarification,
23 ("Christmas Eve 2020 Order"), also written entirely by Plaintiffs, the Court made the following
24 findings:

- 25 • The Court found that the Receiver Teichner's 2020 expense calculations for DUF,
26 SFUE and HE that had been applied retroactive to January 2020, impermissibly
27 included expenses that were not supported by the Governing Documents; and
- 28 • The Receiver was directed to recalculate the 2020 DUF, SFUE and HE; and,

² See the bullet points on pages 2 and 3 of Defendants' Motion to Compel outlining those tasks the Receiver has failed and refused to carry out.

- Until the 2020 DUF, the Hotel Expense Fees, and Shared Facilities fees are recalculated by the Receiver, the fees calculated by the past receiver [Proctor] shall be applied. (Id. pg. 4:10-11)

B. THE COURT LATER MODIFIED THE CHRISTMAS EVE ORDER.

On January 1, 2021, Defendants timely filed their Motion for Leave to File Motion for Reconsideration of the Christmas Eve Order. The matter was fully briefed and on September 29, 2021, the Court entered its Findings of Fact, Conclusions of Law and Order, (FFCL&O”), wherein the Court made the following findings, conclusions and Order:

- There is no question the Christmas Eve Order to return to Proctor’s numbers retroactively to January 2020 is a material provision beyond the scope of relief requested by Plaintiffs in their Motions. As such, the issues of whether or not to apply Mr. Proctor’s cost numbers retroactively pending new calculations, or about the disgorgement of any costs to Plaintiffs, could not be addressed by Defendants. (FFCL&O, pg. 5:1-5)
- Plaintiffs’ failure to raise the issue regarding a return to Proctor’s calculations retroactively to January 2020, by way of Motion for Clarification or for Reconsideration in a timely manner, constitutes a waiver. (Id. pg. 5:12-14)
- Therefore, the Court’s granting of this relief, [to return to Proctor’s calculations retroactive to 2020, and disgorge money to Plaintiffs] in its Christmas Eve Order went beyond the scope of what was requested and deprived the Defendants of due process on these issues. (Id. pg. 5:18-23)
- Therefore, by Order of the Court the following language is stricken from the Christmas Eve Order:
 - “Until the DUF, the Hotel Expense Fees, and Shared Facilities fees are recalculated by the Receiver, the fees calculated by the past receiver shall be applied. Amounts charged since January of 2020 under the improper fee allocations shall be disgorged to the

1 Plaintiffs, and the new fee allocations shall not go into effect until
2 calculated (they will not be retroactively applied)” (Order, pg. 6:4-
3 11)

4 **III. THE SEPTEMBER 29, 2021 FINDINGS OF FACT, CONCLUSIONS OF LAW AND**
5 **ORDER MODIFIED THE CHRISTMAS EVE ORDER, CONCLUDING THAT**
6 **PROCTOR’S FEE CALCULATIONS ARE NOT TO BE APPLIED RETROACTIVE TO**
7 **JANUARY 2020 AND THERE IS NO LONGER A DISGORGEMENT ORDER FOR ANY**
8 **CHARGES MADE TO PLAINTIFFS BY WAY OF TEICHNER’S APPLICATION OF HIS**
9 **2020 FEE CALCULATIONS**

10 Looking at both the Christmas Eve 2020 Order in combination with the September 29,
11 2021 FFCL&O, it is clear that the Court has ordered that (1) Receiver Teichner’s February 17,
12 2020 fee calculations for DUF, SFUE and HE are no longer valid and are not to be used and the
13 Receiver is to recalculate the expenses for 2020; (2) that until such time as the Receiver completes
14 his new calculations, the prior receivers (Proctor’s) fee calculations are **not** to be applied
15 retroactive to January 2020; (3) and there is to be no disgorgement to Plaintiffs from Defendants
16 for any charges made to Plaintiffs by way of Mr. Teichner’s application of his February 17, 2020
17 calculations to Plaintiffs Units.³

18 With the Court ordering the Receiver not to use Proctor’s fee calculations retroactive to
19 January 2020, the Receiver expressed confusion as to what fees should be applied in 2020. (See
20 Court’s January 2022 Order Granting Receiver’s Motion for Orders & Instructions wherein the
21 Court documented and acknowledged the Receiver’s confusion noting the Receiver’s comment
22 that he is now without direction as to which calculations are to be applied, [for 2020] until he is
23 able to redo his own calculations. (Order pg. 3:5-6)). The Court, in its January 4, 2022 Order
24 unequivocally answered the Receiver’s question as to which fee calculations he should apply by

25 _____
26 ³ Even the Court, in its January 4, 2022, Order Granting Receiver’s Motion for Orders & Instructions concluded that
27 the Court’s September 29, 2021, Findings of Fact, Conclusions of Law and Order “struck the disgorgement order
28 granted in the December 24, 2020 Order Granting Clarification.” (Order Granting Receiver’s Motion for Orders &
Instructions, pg. 2:26-28; 3:1—2). (Since Plaintiffs’ counsel wrote this Order in its entirety, this finding is not only
binding but is also an admission by Plaintiffs that the Christmas Eve disgorgement order was stricken by the Court’s
September 29, 2021 Findings of Fact, Conclusions of Law and Order).

1 ordering the Receiver to recalculate the DUF, SFUE and HE for 2020 using the same
2 methodology he had used for his 2021 calculations. Had the Receiver carried out this Court
3 ordered calculation we would know what expenses were to be applied in 2020 however, the
4 Receiver has refused to complete these calculations for more than a year. And now, rather than
5 carrying out the dictates of the January 4, 2022 Order Granting the Receiver's Motion for Orders
6 & Instructions, the Receiver, in his Omnibus Reply, provides his analysis that begins with an
7 acknowledgement of the Court's directive in its January 4, 2022 Order Granting Receiver's
8 Motion for Orders and Instructions wherein the Court ordered that:

9 "fees in place prior to the Court's September 27, 2021 Order shall remain in place
10 until the fees for 2020 are recalculated and approved by this Court" (cited by
11 Receiver in his Omnibus Reply, pg. 3:14-15).

12 However, the Receiver then commits a fundamental and material error when he states:

13 "and those fees [in place prior to the Court's September 27, 2021 Order] are the
14 fees for 2021 approved by the Court". (Receiver's Omnibus Reply, pg. 3:15-16)

15 This conclusion is contrary to the Order of the Court, is without any factual support and
16 cannot be relied upon by the Court.

17 **IV. THE RECEIVER'S INTERPRETATION OF THE COURT'S JANUARY 4, 2022**
18 **ORDER GRANTING RECEIVER'S MOTION FOR ORDERS AND INSTRUCTIONS,**
19 **WHICH HE USES AS A BASIS TO SUPPORT HIS FEE CALCULATIONS IN HIS**
20 **OMNIBUS REPLY IS WITHOUT SUPPORT AND CONSTITUTES A MATERIAL**
21 **ERROR, INVALIDATING THE CALCULATIONS UPON WHICH THIS COURT HAS**
22 **RELIED IN ITS JANUARY 26, 2023 ORDER GRANTING RECEIVER'S MOTION FOR**
23 **ORDERS & INSTRUCTIONS**

24 The Receiver, in his Omnibus Reply to the Parties Oppositions to the Receiver's Motion
25 for Orders & Instructions, filed 12/19/2022, ("Receiver's Omnibus Reply") draws the following
26 conclusion, which clearly contains a misquote: (1) "...the Court, in its Order Granting Receiver's
27 Motion for Orders & Instructions, filed January 4, 2022, had (e), (i) found that the Finding of
28 Facts, Conclusions of Law and Order "directly contradicts the Court's December 24, 2020 Order,

1 is inequitable, and thus is denied outright”. (Omnibus Reply, pg. 3:10-13). This is **not** an accurate
2 quote from the Order Granting Receiver’s Motion for Orders and Instructions at pg. 3:8-11 and is
3 either an inadvertent mistake committed by the Receiver or a deliberate attempt to mislead the
4 Court. What the Order Granting Receiver’s Motion for Orders & Instructions actually says is as
5 follows:

6 “(See December 24, 2020 Order at 3:23-4:10 (where the Court informs the
7 Receiver his calculations for 2020 are incorrect and invalid under the Governing
8 Documents and they must be redone).) Defendants argue the Receiver’s prior
9 calculations, which were in place until the December 24, 2020 Order was issued,
should be utilized. Notably, this directly contradicts the Court’s December 24 2020
Order, is inequitable, and thus is denied outright.” (January 4, 2022 Order granting
Receiver’s Motion for Orders & Instructions, pg. 3:6-11).

10 Whether the Receiver’s misquote is deliberate or otherwise, it is a misquote upon which
11 this Court cannot rely. Second, citing again to the Order Granting Receiver’s Motion for Orders
12 and Instructions, the Receiver erroneously concludes that the “fees in place prior to the Court’s
13 September 27, 2021 Order”, which are to remain in place until his fees for 2020 are recalculated
14 and approved by the Court, “are the fees for 2021 approved by the Court”. (Receiver’s Omnibus
15 Reply, pg. 3:14-16). This statement and conclusion is absolutely baseless and illogical on its face.
16 How can the Receiver’s 2021 fee calculations, approved by the Court in its January 4, 2022, Order
17 Approving Receiver’s Request to Approve Updated Fees, be regarded as the “fees in place prior to
18 the Court’s September 27, 2021 Order”? The answer is of course they cannot and the Receiver’s
19 conclusion to the contrary is nonsensical. The Receiver uses this same baseless and illogical
20 reasoning to calculate the figure of \$1,103,950.99 as the money he claims is the total amount of
21 the Plaintiffs’ positive account balances as of December 31, 2021. (Receiver’s Omnibus Reply,
22 pg. 4:22-23). These baseless and illogical arguments and conclusions drawn by the Receiver and
23 relied upon by the Court in its January 26, 2023 Order Granting Receiver’s Motion for Orders &
24 Instructions, renders the Receiver’s Omnibus Reply, equally baseless and unsupportable.

25 The error in the Receiver’s conclusion is obvious on its face. When the Court, in its
26 January 4, 2022, Order Granting Receiver’s Motion for Orders and Instructions, instructed the
27 parties and Receiver to apply those fees in place prior to the Court’s September 27, 2021 Order,
28 the Court could not possibly have been referring to the Receiver’s 2021 fees that most certainly

1 had not been approved at or prior to September 27, 2021. There can be no dispute that Mr.
2 Teichner's 2021 fee calculations, that he used to arrive at his \$1,103,950.99 calculation in his
3 Omnibus Reply, could not possibly be "in place" a full 4 months before his calculations were even
4 approved by the Court. Without question, this calculation is objectionable and simply cannot be
5 relied upon by the Court.

6 **IV CONCLUSION**

7 More than 1 year ago the Receiver was ordered to recalculate the DUF, SFUE and HE for
8 2020, based on the same methodology he used in calculating the fee charges for 2021. For more
9 than a year now the Receiver has refused to carry out these Court Ordered calculations and now, in
10 his Omnibus Reply, based upon his flawed analysis, he attempts to persuade the Court that the
11 Court's January 4, 2022 Order to apply the "fees in place prior to the Court's September 27, 2021
12 Order" is a reference to his 2021 fees, even though those fees were not approved by the Court until
13 January 4, 2022. This conclusion is extraordinarily illogical, flies in the face of the Court's Order
14 that he was to recalculate the DUF, SFUE and HE for 2020 more than a year ago, and is without
15 factual support and must be rejected by the Court. The Receiver arrived at his \$1,103,950.00
16 calculation by applying his 2021 DUF, SFUE and HE calculations that were not in place prior to
17 September 27, 2021. Using this calculation is in direct violation of the Court's January 4, 2022
18 Order Granting Receiver's Motion for Orders and Instructions and must be rejected by the Court.
19 The Receiver should once again be reminded of his Court ordered obligation to provide his
20 calculations for 2020-2023, including true ups in order to arrive at an accurate calculation of net
21 rental income. In the meantime, the only DUF, SFUE and HE calculations to be applied, that have
22 not been invalidated or overruled by the Court are those currently calculated and being used by
23 Defendants.

24 ///

25 ///

26 ///

27 ///

28 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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 February 16, 2023.

/s/ David C. McElhinney, Esq. _____
ABRAN VIGIL, ESQ.
Nevada Bar No. 7548
ANN HALL, ESQ.
Nevada Bar No. 5447
DAVID C. MCELHINNEY, ESQ.
Nevada Bar No. 0033
MERUELO GROUP, LLC
Legal Services Department
5th Floor Executive Offices
2535 Las Vegas Boulevard South
Las Vegas, NV 89109
Attorneys for Defendants

1 1360

2 CERTIFICATE OF SERVICE

3 Pursuant to NRCP 5(b), I certify that I am employed in County of Clark, State of Nevada
4 and, on this date, February 16, 2023 I deposited for mailing with the United States Postal Service,
5 and served by electronic mail, a true copy of the attached document addressed to:

6 G. David Robertson, Esq., SBN 1001
7 Jarrad C. Miller, Esq., SBN 7093
8 Jonathan J. Tew, Esq., SBN 11874
9 Briana N. Collings, Esq. SBN 14694
10 ROBERTSON, JOHNSON, MILLER &
11 WILLIAMSON
12 50 West Liberty Street, Suite 600
13 Reno, Nevada 89501
14 Tel: (775) 329-5600
15 jon@nvlawyers.com
16 jarrad@nvlawyers.com
17 briana@nvlawyers.com
18 *Attorneys for Plaintiffs*

F. DeArmond Sharp, Esq., SBN 780
Stefanie T. Sharp, Esq. SBN 8661
ROBISON, SHARP, SULLIVAN & BRUST
71 Washington Street
Reno, Nevada 89503
Tel: (775) 329-3151
Tel: (775) 329-7169
dsharp@rssblaw.com
ssharp@rssblaw.com
Attorneys for the Receiver
Richard M. Teichner

13 Robert L. Eisenberg, Esq. SBN 0950
14 LEMONS, GRUNDY, & EISENBERG
15 6005 Plumas Street, Third Floor
16 Reno, Nevada 89519
17 *Attorney for Plaintiffs*

17 Further, I certify that on the February 16, 2023, I electronically filed the foregoing with the
18 Clerk of the Court electronic filing system, which will send notice of electronic filings to all
19 persons registered to receive electronic service via the Court's electronic filing and service system.
20 DATED this February 16, 2023

21 

22 Iliana Godoy

1 CODE: 3660
Jarrad C. Miller, Esq. (NV Bar No. 7093)
2 Briana N. Collings, Esq. (NV Bar No. 14694)
Robertson, Johnson, Miller & Williamson
3 50 West Liberty Street, Suite 600
Reno, Nevada 89501
4 Telephone: (775) 329-5600
Facsimile: (775) 348-8300
5 jarrad@nvlawyers.com
briana@nvlawyers.com

6
Robert L. Eisenberg, Esq. (NV Bar No. 0950)
7 Lemons, Grundy & Eisenberg
6005 Plumas Street, Third Floor
8 Reno, Nevada 89519
Telephone: (775) 786-6868
9 Facsimile: (775) 786-9716
rle@lge.net

10 Attorneys for Plaintiffs
11

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

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

16 Plaintiffs,

17 vs.

Case No. CV12-02222
Dept. No. OJ41

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

23 Defendants.
24

25 **REPLY IN SUPPORT OF MOTION FOR INSTRUCTIONS TO RECEIVER**
26 **CONCERNING TERMINATION OF THE GRAND SIERRA RESORT UNIT OWNERS'**
ASSOCIATION AND RENTAL OF UNITS UNTIL TIME OF SALE

27 Plaintiffs, by and through their counsel of record, the law firms of Robertson, Johnson,
28 Miller & Williamson and Lemons, Grundy & Eisenberg, hereby submit this Reply in Support of

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

REPLY IN SUPPORT OF MOTION FOR INSTRUCTIONS TO RECEIVER CONCERNING TERMINATION OF THE GRAND SIERRA
RESORT UNIT OWNERS' ASSOCIATION AND RENTAL OF UNITS UNTIL TIME OF SALE

PAGE 1

PA1671

1 Motion for Instructions to Receiver Concerning Termination of the Grand Sierra Resort Unit
2 Owners' Association and Rental of the Units Until Time of Sale ("Reply"). This Reply is based
3 upon the enclosed memorandum of points and authorities, all exhibits and declarations attached
4 hereto, all papers and pleadings on file herein, and any oral argument the Court deems necessary.

5 RESPECTFULLY SUBMITTED this 24th day of February, 2023.

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

9 *And*

10 LEMONS, GRUNDY & EISENBERG
6005 Plumas Street, Third Floor
11 Reno, Nevada 89519

12 By: /s/ Jarrad C. Miller
Jarrad C. Miller, Esq.
13 Briana N. Collings, Esq.
Attorneys for Plaintiffs

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 The purpose of Plaintiffs' Motion is to clarify a critical point of the Receivership
4 following the Court's order allowing Defendants to terminate the Grand Sierra Resort Unit
5 Owners' Association ("GSRUOA"): that the Receiver must continue to rent the parties' units
6 until they are sold. Plaintiffs only seek to eliminate this critical ambiguity left by the Court's
7 order allowing for the termination.

8 Plaintiffs prevailed on their claims for a receivership, breach of the implied covenant of
9 good faith and fair dealing, and tortious interference with contract (among other things) after the
10 Court found Defendants had "systematically thwarted the efforts of any third party to market and
11 rent the GSR Units owned by the Individual Unit Owners" and "intended to purchase the
12 devalued units at nominal, distressed prices when the Individual Unit Owners decide to, or are
13 effectively forced to, sell their units" (See Findings of Fact, Conclusions of Law and
14 Judgment ("FFCLJ"), filed October 9, 2015 at 15:9-17.) Allowing the Receiver to stop renting
15 the units before they are sold and the proceeds are distributed would further the very actions
16 which the Court found merited Plaintiffs' success on these claims and related damages.
17 Certainly, the Court did not intend to now condone the acts it previously found violated
18 Plaintiffs' rights and caused damages. Accordingly, the Receiver must continue to rent the
19 parties' units until the parties' units are sold and the proceeds are distributed to prevent further
20 damages to the Plaintiffs.

21 Plaintiffs' "exclusive right to occupancy" with respect to their units includes Plaintiffs'
22 right to have the units rented through the Receivership for profit from the time the GSRUOA is
23 formally terminated until the time the units are sold. Indeed, the Plaintiffs entered into the Unit
24 Rental Agreement ("URA") with Defendants – one of the key Governing Documents in this
25 litigation that remains in effect. The URA is still intact at this point. (See Order Denying
26 Motion to Terminate Rental Agreement, filed October 12, 2020 ("Defendants will not be
27 permitted to unilaterally terminate the URA").) Thus, according to prior Court orders, Plaintiffs
28 (and Defendants') units should be rented through the Receivership until the units are sold.

Moreover, continuing to rent the parties' units until they are sold achieves the practical goals of preventing economic waste and ensuring there are funds for the Receiver to be paid, especially when the Receiver now has to complete outstanding work which has been delayed due to nonpayment alongside winding up the GSRUOA. The Court confirmed in its January 26, 2023 Order that the "Receiver is responsible over the entire GSRUOA" which "includes not only units owned by Plaintiffs but also units owned by Defendants." (Order, filed January 26, 2023 at 2:12-14.) The Court also confirmed in that Order that "rent from the units owned by the Parties are to be paid to the Receiver and utilized for the purposes identified in the Appointment Order *including payment of the Receiver's expenses.*" (*Id.* at 2:11-20 (emphasis added).) Pursuant to NRS 116.2118(5), the Receiver, on behalf of the GSRUOA, is holding all of the parties' units in trust for the parties until the units are sold and has authority to enforce the URA. Accordingly, the Receiver should continue to have the units rented pursuant to the URA until they are sold.

II. ARGUMENT

A. The URA Remains Intact and Should Be Performed Until the Units Are Sold

The Plaintiffs and Defendant MEI-GSR Holdings LLC ("MEI-GSR") entered into URAs whereunder MEI-GSR, through the Receivership, rents Plaintiffs' units and, in exchange, Plaintiffs would pay MEI-GSR certain fees and the parties would split the profits. (See Opposition at Ex. 3, Unit Rental Agreement.) This agreement between the parties remains in place, even after Defendants moved to terminate the URA in late 2019. In denying that motion, the Court specifically stated that: "Unlike other cases in which a receiver is appointed, the Receiver was specifically appointed to ensure the Defendants' compliance with the Governing Documents, including the URA, because of their demonstrated failure to do so." (Order Denying Motion to Terminate Unit Rental Agreement, filed October 12, 2020.)

Defendants argue that Plaintiffs are requesting the Receiver "begin a rental program, that would be a new, for profit endeavor that a) goes beyond what a community association can do post-termination under NRS 116, and b) would violate the community association's chartered existence as a non-profit under NRS Chapter 82." (Opposition at 5:20-24.) Fortunately, the URA's existence reduce these points to red herrings which can be easily dispelled. Plaintiffs'

1 request clarification that their units (and Defendants' units) will *continue* to be rented through
2 the Receivership until the sale of all the parties' units – the continued rental does *not* require the
3 Receiver to create a rental program. Instead, it simply requires Defendants to continue
4 complying with their contractual obligations under the URA and their obligation to not interfere
5 with the Receivership pursuant to Court orders. Additionally, the Receiver is not creating a for-
6 profit program for the GSRUOA. Rather, the parties are continuing to comply with the URA
7 which remains in place.

8 Defendants also argue that “there is nothing to rent and no basis to force Defendants to
9 perform services under the [URA].” (Opposition at 5:8-9.) This statement is misleading for two
10 reasons. First, there certainly is still something to rent: the parties' units. Together, the parties
11 own about 670 units within the GSR (approximately one-third of all the rooms in the hotel)
12 which are now held in trust by the GSRUOA, under the control of the Receiver. Defendants'
13 position, if logically expanded to Defendants' own units, would render about 670 of the GSR's
14 overall room *useless and unavailable to rent*. Defendants act as though the units have vanished
15 into thin air such that nothing can be done with the units; however, this is not the case. The units
16 are available for use and should not sit vacant for the duration of time between the termination of
17 the GSRUOA and the final sale of the units. Provided the number of steps required to be taken
18 between these two events, the parties (Plaintiffs *and* Defendants) would be deprived of rental
19 proceeds which are not *de minimis*. Contrary to Defendants' apparent opinion that somehow
20 they can continue to rent their own units but Plaintiffs units cannot be rented, Defendants have
21 no more rights than Plaintiffs in that both Plaintiffs' and Defendants' units are now held in trust
22 by the GSRUOA which is under the complete control of the Receiver. NRS 116.2118(5).

23 Second, there *is* a basis to require Defendants to perform their obligations under the
24 URA: the terms of the URA and the Court's Order Denying Motion to Terminate Unit Rental
25 Agreement. The URA imports a contractual obligation upon Defendants, namely MEI-GSR,
26 under the Receivership, to rent Plaintiffs' units in exchange for certain payments. The URA
27 continues to operate still, despite the termination agreement. In fact, the Court denied
28 Defendants' efforts to terminate the URA finding that its “refusal to allow termination of the

1 URA is not tantamount to forcing the parties into a contract to which they did not agree; rather,
2 the Court is simply continuing a contract which was in effect at the beginning of this litigation.”
3 (Order Denying Motion to Terminate Unit Rental Agreement at 5:7-11.) Indeed, the purpose of
4 the Receivership is to protect the Plaintiffs’ property interests, maintain the status quo pending
5 the outcome of the litigation and to put the final judgment into effect. NRS 32.010. Although
6 the final judgment has been entered, the Court still retains jurisdiction over the Receivership to
7 protect Plaintiffs’ property interests and because Plaintiffs have not received any of the funds
8 that are owed under the judgment, thus leaving the final judgment unsatisfied.

9 **B. NRS 116.2118 Cannot Be Interpreted to Allow and Encourage Waste**

10 NRS 116.2118(5) provides that, in the event property is to be sold after the termination of
11 an association, title to that property, upon termination, vests in the association as trustee for the
12 holders of all interests in the units. This statute continues to state that “as long as the association
13 holds title to the real estate, each unit’s owner and his or her successors in interest have an
14 exclusive right to occupancy of the portion of the real estate that formerly constituted the unit.”
15 NRS 116.2118(5). However, from the termination to the sale date, “each unit’s owners . . .
16 remain liable for all assessments and other obligations. . . .” Id.

17 This provision cannot be interpreted to stop the rental of Plaintiffs’ (and Defendants’)
18 units from the termination of the GSRUOA through the sale of the units. Such an interpretation
19 would lead to absurd results. For example, there is no assurance that a sale will proceed quickly
20 without issues, but the unit owners will continue to be charged and owe “all assessments and
21 other obligations,” so the unit owners would be forced to pay the association for an extended
22 period of time without receiving any benefit. This type of inequity and waste cannot be
23 permitted.

24 This is especially true given the Court’s previous findings that Defendants intentionally
25 starved Plaintiffs of their rightfully-earned proceeds from their units in an attempt to purchase
26 the units at severely depressed prices. (FFCLJ at 15:9-17.) Allowing Defendants to refuse to
27 rent the parties’ units will force the Plaintiffs back into the situation they have expended

1 substantial resources in proving to the Court, and upon which they obtained the FFCLJ, defeated
2 an appeal, won punitive damages, and obtained a favorable final judgment.

3 Waste is generally defined as “the destruction, alteration, misuse, or neglect of property
4 by one in rightful possession to the detriment of another’s interest in the same property.” Iliescu,
5 Tr. of John Iliescu, Jr. and Sonnia Iliescu 1992 Family Tr. v. Regional Trans. Comm. of Washoe
6 Cty., 138 Nev. Adv. Op. 72, 522 P.3d 453, 456 (Ct. App. 2022). Waste of property is generally
7 disfavored. Here, allowing the parties’ units to remain empty and unrented from the termination
8 of the GSRUOA until the sale of such units would constitute waste, and should be disfavored.
9 The GSRUOA, holding title to the units as trustee, should continue to enforce the URA for each
10 unit until the units are sold. This will generate revenue for both parties and, as explained further
11 in the subsequent section, provide funds for the Receiver to wind-up the GSRUOA and pay back
12 due rents to Plaintiffs.

13 Accordingly, it would be waste to allow the parties’ units to remain vacant and unused
14 until the units are sold. This is especially true considering the number of steps required to be
15 completed before the units are sold (e.g., accounting for unpaid rents since January of 2020,
16 competing appraisals must be obtained and submitted, the Court’s assistance in determining fair
17 market value, paying Plaintiffs years of back due rent and preparing final accounting generally).

18 **C. Practically, the Units Must Continue to Be Rented to Fund the Receivership**

19 The Court is well aware of the issues currently facing the Receiver, not least among
20 which is his lack of payment. The Receiver’s invoices, and other Receivership expenses, “can
21 only be paid from the rents which are earned by the units owned by the Parties to this action, i.e.
22 the Plaintiffs’ and the Defendants’ units.” (Order, filed January 26, 2023.) While the Receiver is
23 currently owed over \$126,000, the Receiver will certainly incur further fees to (1) recalculate
24 certain fees, (2) apply such fees and true up the Plaintiffs’ accounts, (3) pay Plaintiffs the rental
25 proceeds that have been withheld for over two years, (4) participate as necessary in the sale of
26 the parties’ units, including determining fair market value, and closing the transactions, and (5)
27 ultimately wind-up the GSRUOA. (See Ex. 1, Receiver’s January Invoice.) Continuing to rent
28

1 the parties' units would ensure there is a source of funds for the Receiver's outstanding and
2 future invoices, thereby guaranteeing the Receiver will complete the required tasks.

3 The Receiver has gone without payment for a number of months and now has a six-figure
4 outstanding balance. It is critical that the Receiver be brought current and that funds are secured
5 for the upcoming tasks the Receiver must undertake. By renting the parties' units, such funds
6 would be provided. Thus, the parties' units must continue to be rented until the units are sold.

7 It cannot be understated that Plaintiffs have already prevailed on their claim for a
8 receivership. The Court, in granting this request and appointing the Receiver, explicitly found
9 that Defendants had acted maliciously toward Plaintiffs and such actions warranted the Court
10 stripping Defendants of their authority and functionally replacing Defendants with the Receiver.
11 That Plaintiffs continue to need the protections the Receivership provides and the degree of
12 separation from the Defendants the Receivership provides does not need to be restated. It is thus
13 imperative that the Receivership continue – and the Receiver be paid promptly – until such time
14 as the units are sold and the GSRUOA is wound up. The Receiver can only be paid with rents
15 from the parties' units.

16 Further, as the Court is aware the Plaintiffs are owed rents going back to January of 2020.
17 The rents are required to be paid through the Receivership; otherwise, the rents will have simply
18 been stolen requiring additional litigation on damages. The Receiver has conservatively
19 calculated the amount owed to Plaintiffs for rents through only the end of 2021 at \$1,103,950.99
20 – 2022 has not even been calculated. If Defendants refuse to tender the back due rents, the
21 Receiver will need to use the future rental revenue until the date of sale to pay the Plaintiffs their
22 long overdue rents.

23 **III. CONCLUSION**

24 The Court's order allowing Defendants to terminate the GSRUOA was silent as to
25 whether the parties' units should continue to be rented until they are sold. It is critical that such
26 rentals continue. First, Defendants are contractually obligated to continue renting both Plaintiffs'
27 units and their own units. The URA continues in effect now and does not require the GSRUOA,
28 through the Receiver, to perform any additional services. Instead, Receiver need only continue

1 renting Plaintiffs' and Defendants' units, now as trustee for the unit owners, under the existing
2 URAs. Second, failure to rent these units and allowing them to sit vacant and unused constitutes
3 impermissible waste. Third and finally, as the Court is acutely aware, the Receiver must be paid,
4 and such payment comes from the rental proceeds. The rents can also be used as a source of
5 payment for the back due rents if the Defendants refuse to release the funds they have
6 misappropriated since January of 2020.

7 There is no reason to stop renting the parties' units until they are sold. To the contrary,
8 there are a variety of reasons to continue renting the parties' units. Plaintiffs therefore
9 respectfully request the Court issue an order instructing the Receiver to continue renting the
10 parties' units until the units are sold and the proceeds are distributed.

11 **AFFIRMATION**

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

14 RESPECTFULLY SUBMITTED this 24th day of February, 2023.

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

17 *And*

18 LEMONS, GRUNDY & EISENBERG
19 6005 Plumas Street, Third Floor
Reno, Nevada 89519

20 By: /s/ Jarrad C. Miller
21 Jarrad C. Miller, Esq.
22 Briana N. Collings, Esq.
Attorneys for Plaintiffs

1 **CERTIFICATE OF SERVICE**

2 Pursuant to NRCP 5(b), I hereby certify that I am an employee of Robertson, Johnson,
3 Miller & Williamson, 50 West Liberty Street, Suite 600, Reno, Nevada 89501, over the age of
4 18, and not a party within this action. I further certify that on the 24th day of February, 2023, I
5 electronically filed the foregoing **REPLY IN SUPPORT OF MOTION FOR**
6 **INSTRUCTIONS TO RECEIVER CONCERNING TERMINATION OF THE GRAND**
7 **SIERRA RESORT UNIT OWNERS' ASSOCIATION AND RENTAL OF UNITS UNTIL**
8 **TIME OF SALE** with the Clerk of the Court by using the ECF system which served the
9 following parties electronically:

10 Abran Vigil, Esq.
11 Meruelo Group, LLC
12 Legal Services Department
13 5th Floor Executive Offices
14 2535 Las Vegas Boulevard South
15 Las Vegas, NV 89109
16 *Attorneys for Defendants*
MEI-GSR Holdings, LLC,
Gage Village Commercial
Development, LLC, and
AM-GSR Holdings, LLC

Ann O. Hall, Esq.
David C. McElhinney, Esq.
Meruelo Group, LLC
2500 E. 2nd Street
Reno, NV 89595
Attorneys for Defendants
MEI-GSR Holdings, LLC,
Gage Village Commercial
Development, LLC, and
AM-GSR Holdings, LLC

17 Jordan T. Smith, Esq.
18 Pisanelli Bice PLLC
19 400 South 7th Street, Suite 300
20 Las Vegas, NV 89101
21 *Attorneys for Defendants*
MEI-GSR Holdings, LLC;
Gage Village Commercial
Development, LLC; and
AM-GSR Holdings, LLC

F. DeArmond Sharp, Esq.
Stefanie T. Sharp, Esq.
Robison, Sharp Sullivan & Brust
71 Washington Street
Reno, NV 89503
Attorneys for Receiver
Richard M. Teichner

22
23 /s/ Eileen Conners

24 An Employee of Robertson, Johnson, Miller & Williamson