

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

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

Appellants,

vs.

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

**Supreme Court No. 88065**

District Court Case No. CV12-02222

Electronically Filed  
Apr 05 2024 03:06 PM  
Elizabeth A. Brown  
Clerk of Supreme Court

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

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

Respondents.

**APPENDIX TO ANSWER TO PETITION FOR WRIT OF PROHIBITION  
OR, IN THE ALTERNATIVE, MANDAMUS**

**VOLUME 1 OF 9**

Submitted for all respondents by:

ROBERT L. EISENBERG (SBN 0950)  
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ATTORNEYS FOR RESPONDENTS ALBERT THOMAS, et al.



## **INDEX TO RESPONDENTS' APPENDIX**

<b><u>NO.</u></b>	<b><u>DOCUMENT</u></b>	<b><u>DATE</u></b>	<b><u>VOL.</u></b>	<b><u>PAGE NO.</u></b>
1.	Minutes of March 23, 2015 Prove Up Hearing	03/23/2015	1	0001-0003
2.	Minutes of March 24, 2015 Prove Up Hearing	03/24/2015	1	0004
3.	Minutes of March 25, 2015 Prove Up Hearing	03/25/2015	1	0005-0008
4.	Notice of Setting Punitive Damages Hearing	10/15/2015	1	0009-0011
5.	Defendants' Motion to Dismiss for Lack of Subject Matter Jurisdiction	12/10/2015	1	0012-0033
	Ex. 1: Seventh Amendment to Condominium Declaration of Covenants, Conditions, Restrictions and Reservations of Easements		1	0034-0090
	Ex. 2: Grand Sierra Resort Unit Maintenance Agreement		1	0091-0120
	Ex. 3: Exhibit 1 – Dispute Resolution Addendum Agreement		1	0121-0135
	Ex. 4: Grand Sierra Resort Unit Rental Agreement		1	0136-0153
	Ex. 5: Grand Sierra Resort Unit Rental Agreement		1	0154-0170
	Ex. 6: Transfer of Special Declarants' Rights and Assignment of Sales Agreements, Deposits and Proceeds		1	0171-0180
6.	Order Regarding Plaintiffs' Motion in Support of Punitive Damages,	12/07/2015	1	0181-0183

	Defendants' Motion to Dismiss, and Defendants' Ex Parte Motion for Order Shortening Time			
7.	Order [granting Defendants' Motion to Dismiss]	05/09/2016	1	0184-0197
8.	<p>Motion for Supplemental Damages Prove-Up Hearing</p> <p>Ex. 1: Correspondence from Defendants to Plaintiffs dated July 19, 2016 (Reconciliation)</p> <p>Ex. 2: Sample monthly rental statements from Defendants to Plaintiffs (Taylor 1769, dated July 20, 2016)</p> <p>Ex. 3: Sample monthly rental statements from Defendants to Plaintiffs (Taylor 1775, dated April 28, 2016)</p> <p>Ex. 4: Sample monthly rental statements from Defendants to Plaintiffs</p> <p>Ex. 5: HOA Written Ballot dated January 3, 2017 (Nunn)</p> <p>Ex. 6: Correspondence from Defendants to Plaintiffs dated June 5, 2017 (Special Assessment)</p> <p>Ex. 7: Plaintiffs' First Set of Post-Judgment Requests for Production of Documents</p>	12/27/2018	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>2</p>	<p>0198-0208</p> <p>0209-0213</p> <p>0214-0216</p> <p>0217-0221</p> <p>0222-0231</p> <p>0232-0233</p> <p>0234-0238</p> <p>0239-0263</p>

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	Ex. 2: Condo Capital Expense Analysis January 2017 thru June 2019		2	0300-0306
	Ex. 3: Hearing Transcript dated October 30, 2019		2	0307-0312
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57.	Order [denying Defendants' Motion for Final Accounting]	03/24/2024	9	1798-1800

## **CERTIFICATE OF SERVICE**

I hereby certify that I am an employee of Robertson, Johnson, Miller & Williamson, over the age of eighteen, and not a party to the within action. I further certify that on April 5, 2024, I electronically filed the foregoing **APPENDIX TO ANSWER TO PETITION FOR WRIT OF PROHIBITION OR, IN THE ALTERNATIVE, MANDAMUS, VOLUME 1 OF 9** with the Clerk of the Court by using the ECF system which served the following parties electronically:

Jordan T. Smith, Esq.  
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Las Vegas, NV 89101  
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Development, LLC; and  
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*Attorney for Petitioners  
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Gage Village Commercial  
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AM-GSR Holdings, LLC*

Hon. Elizabeth Gonzalez  
Senior Judge, Dept. 10  
Second Judicial District Court  
75 Court Street  
Reno, NV 89501

/s/ Teresa Stovak  
An Employee of Robertson, Johnson, Miller  
& Williamson



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

DATE, JUDGE  
OFFICERS OF  
COURT PRESENT

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APPEARANCES-HEARING

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3/23/15

**PROVE UP HEARING**

HONORABLE

*3/19/15 at 2:00 p.m. – The Clerk met with counsel Miller and counsel Wray to mark exhibits.*

ELLIOTT A.

*Counsel Wray advised the Clerk that he would like to lodge his objections to Plaintiffs' Exhibits 234,*

SATTLER

*236-244 & 246; and he further advised the Clerk that he would like to mark Exhibit 248 (which he*

DEPT. NO. 10

*provided to the Clerk) and Exhibits 249-302 (which were not provided to the Clerk and therefore not*

M. White

*marked) for demonstrative purposes only. Counsel Miller objected to counsel Wray marking or offering*

(Clerk)

*any exhibits.*

P. Hoogs

*8:37 a.m. – Court convened.*

*Jarrad Miller, Esq., and Jonathan Tew, Esq., were present on behalf of the Plaintiffs.*

*H. Stan Johnson, Esq., Steven Cohen, Esq., and Mark Wray, Esq., were present on behalf of the Defendants.*

**COURT** reviewed the recent procedural history of the case.

Counsel Miller called **Craig Greene**, who was sworn and direct examined.

*(During the beginning of Mr. Greene's testimony, the Court went off the record twice to allow the Court Reporter time to fix the real-time connection problem.)*

Witness was further direct examined; questioned by the Court; further direct examined.

**Counsel Miller offered Exhibit 246; counsel Johnson objected; objection overruled and Exhibit 246 ordered ADMITTED into evidence.**

Witness further direct examined.

**Counsel Miller offered Exhibit 157; no objection; ordered ADMITTED into evidence.**

**COURT** noted that prior to this hearing, Plaintiffs' counsel advised the Clerk that they were planning to mark approximately 28 binders of exhibits, however he directed the Clerk to direct their attention to NRS 52.275, and only mark those exhibits which they plan to offer into evidence.

Counsel Wray advised the Court that he requested to mark Exhibits 248-302, and he gave the Clerk a list reflecting those Exhibits, however the exhibit list he was provided with this morning does not reflect Exhibits 249-302; and he further indicated that he did not actually provide the Clerk with Exhibits 249-302 at the exhibit marking because those documents were with the Receiver at that time.

**COURT** noted that Defendants' Exhibit 248 was marked and is reflected on the Exhibit List, and Exhibits 249-302 were not provided to the Clerk at the exhibit marking on March 19, 2015.

Witness further direct examined.

**Counsel Miller offered Exhibit 239; counsel Johnson objected; objection sustained.**

**COURT** advised respective counsel that Exhibit 239 will not be admitted into evidence, however he will review page 20, lines 5-22.

Witness further direct examined.

10:13 a.m. – Court stood in recess.

10:31 a.m. – Court reconvened.

DATE, JUDGE

PAGE 2

OFFICERS OF

COURT PRESENT

APPEARANCES-HEARING

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3/23/15

**PROVE UP HEARING**

HONORABLE

Witness further direct examined.

ELLIOTT A.

**Counsel Miller offered Exhibit 182; no objection; ordered ADMITTED into evidence.**

SATTLER

Witness further direct examined.

DEPT. NO. 10

**Counsel Miller offered Exhibit 2; no objection; ordered ADMITTED into evidence.**

M. White

Witness further direct examined.

(Clerk)

**Counsel Miller offered Exhibit 245; no objection; ordered ADMITTED into evidence.**

P. Hoogs

Witness further direct examined.

Discussion ensued between the Court and counsel Miller regarding Exhibit 239; **COURT** noted that Exhibit 239 is still not admitted, however he will review pages 169 & 170.

Witness further direct examined; questioned by the Court; further direct examined.

**Counsel Miller offered Exhibit 233; no objection; ordered ADMITTED into evidence.**

Witness further direct examined.

**Counsel Miller offered Exhibit 232; no objection; ordered ADMITTED into evidence.**

Witness further direct examined.

**Counsel Miller offered Exhibit 4; no objection; ordered ADMITTED into evidence.**

Witness further direct examined.

**Counsel Miller offered Exhibit 60; no objection; ordered ADMITTED into evidence.**

Witness further direct examined.

12:01 p.m. – Court stood in recess for lunch.

1:17 p.m. – Court reconvened.

Witness further direct examined.

**Counsel Miller offered Exhibit 6; counsel Johnson objected; objection overruled and Exhibit 6 ordered ADMITTED into evidence.**

Witness further direct examined.

**Counsel Miller offered Exhibit 1; no objection; ordered ADMITTED into evidence.**

Witness further direct examined.

Discussion ensued between the Court and respective counsel regarding Exhibit 58.

**COURT ORDERED: Exhibit 58 shall be ADMITTED into evidence under seal.**

Witness further direct examined.

**Counsel Miller offered Exhibit 11; no objection; ordered ADMITTED into evidence.**

Witness further direct examined.

3:00 p.m. – Court stood in recess.

3:19 p.m. – Court reconvened.

Witness further direct examined.

**COURT** requested that counsel Miller provide him with a hard copy of Mr. Greene's power point presentation; counsel Miller indicated that he will bring a hard copy to the Court tomorrow morning.

DATE, JUDGE  
OFFICERS OF

PAGE 3

COURT PRESENT

APPEARANCES-HEARING

---

3/23/15

**PROVE UP HEARING**

HONORABLE  
ELLIOTT A.

Counsel Johnson requested that counsel Miller also provide him with a copy of Mr. Greene's power point presentation.

SATTLER

**COURT** directed counsel Miller to provide counsel Johnson with a copy of Mr. Greene's report.

DEPT. NO. 10

Witness further direct examined.

M. White

**Counsel Miller offered Exhibit 18; no objection; ordered ADMITTED into evidence.**

(Clerk)

Discussion ensued between the Court and counsel Miller regarding Exhibit 44.

P. Hoogs

Witness further direct examined.

**Counsel Miller offered Exhibit 44; no objection; ordered ADMITTED into evidence.**

Witness cross-examined by counsel Johnson.

4:45 p.m. – Court stood in recess for the evening, to reconvene tomorrow, March 24, 2015, at 8:30 a.m.

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

DATE, JUDGE  
OFFICERS OF

COURT PRESENT

APPEARANCES-HEARING

---

3/24/15

**ONGOING PROVE UP HEARING**

HONORABLE

*Prior to Court reconvening, counsel Miller provided the Clerk with a hard copy of Mr. Greene's power point presentation, and it was marked as Exhibit 249.*

ELLIOTT A.

8:35 a.m. – Court reconvened.

SATTLER

Jarrad Miller, Esq., and Jonathan Tew, Esq., were present on behalf of the Plaintiffs.

DEPT. NO. 10

H. Stan Johnson, Esq., Steven Cohen, Esq., and Mark Wray, Esq., were present on behalf of the Defendants.

M. White

(Clerk)

P. Hoogs

Witness **Craig Greene** was reminded by the Court that he remained under oath; questioned by the Court; further cross examined by counsel Johnson.

8:50 a.m. – Court stood in recess.

8:55 a.m. – Court reconvened.

Witness further cross examined.

10:15 a.m. – Court stood in recess.

10:35 a.m. – Court reconvened.

Witness further cross examined.

12:02 p.m. – Court stood in recess for lunch.

1:20 p.m. – Court reconvened.

Witness further cross examined; questioned by the Court; and excused.

Counsel Miller advised the Court that he has no further witnesses, and he requested a brief recess to give him time to set up his technology equipment prior to closing arguments.

Counsel Johnson requested that the Court allow closing arguments to begin in the morning to give him time to review the testimony, focus his arguments, and prepare a power point presentation.

**COURT ORDERED:** Closing arguments will begin promptly at 8:30 a.m. tomorrow, March 25, 2015.

**COURT** advised the parties that he will be taking this matter under advisement at the conclusion of closing arguments, and he may require additional briefing.

Counsel Miller indicated that he will not be arguing the punitive damage portion of the case tomorrow.

Discussion ensued between the Court, counsel Miller and counsel Tew regarding punitive damages.

1:44 p.m. – Court adjourned.

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

DATE, JUDGE  
OFFICERS OF

COURT PRESENT

APPEARANCES-HEARING

---

3/25/15

**ONGOING PROVE UP HEARING**

HONORABLE

8:36 a.m. – Court reconvened.

ELLIOTT A.

Jarrad Miller, Esq., and Jonathan Tew, Esq., were present on behalf of the Plaintiffs.

SATTLER

H. Stan Johnson, Esq., Steven Cohen, Esq., and Mark Wray, Esq., were present on behalf of the Defendants.

DEPT. NO. 10

M. White

Counsel Cohen advised the Court that Mr. Alex Morello is present in the gallery.

(Clerk)

Counsel Miller presented closing arguments.

P. Hoogs

9:34 a.m. – Court stood in recess.

*During the recess, Plaintiffs' counsel marked a hard copy of their closing power point presentation as Exhibit 250; Defendants' counsel marked a hard copy of their closing power point presentation as Exhibit 251.*

9:45 a.m. – Court reconvened.

Counsel Miller further presented closing arguments.

Counsel Johnson presented closing arguments.

11:10 a.m. – Court stood in recess.

11:22 a.m. – Court reconvened.

Counsel Johnson further presented closing arguments.

Counsel Miller presented rebuttal closing arguments.

**COURT** requested additional information from Plaintiffs' counsel; once the requested information is received by the Court, this matter will be taken under advisement.

12:36 p.m. – Court adjourned.

## Exhibits

Title: **ALBERT THOMAS, ETAL VS. MEI-GSR HOLDINGS, ETAL**  
 PLAINTIFF: **ALBERT THOMAS, ETAL** PATY: **JARRAD MILLER, ESQ.**  
 DEFENDANT: **MEI-GSR HOLDINGS, ETAL** DATY: **H. STAN JOHNSON, ESQ.**

Case No: **CV12-02222**

Dept. No: **10**

Clerk: **M. WHITE**

Date: **3/23/15**

Exhibit No.	Party	Description	Marked	Offered	Admitted
1	PLAINTIFFS	Deposition Exhibit 1 - Seventh Amendment to Condominium Declaration of CC&R and Reservations of Easements	3/19/15	No Obj.	3/23/15
2	PLAINTIFFS	Deposition Exhibit 2 - Grand Sierra Resort Unit Maintenance Agreement (Shepherd Mountain Investments)	3/19/15	No Obj.	3/23/15
3	PLAINTIFFS	INTENTIONALLY LEFT BLANK ("ILB")			
4	PLAINTIFFS	Deposition Exhibit 4 - April 20, 2011 letter from GSR to Shepherd Mountain Investments re: future plans for the property	3/19/15	No Obj.	3/23/15
5	PLAINTIFFS	Deposition Exhibit 5 - Grand Sierra Resort Unit Rental Agreement (blank form)	3/19/15		
6	PLAINTIFFS	Deposition Exhibit 6 - "Dear Program Member" letter from Kristopher Kent, dated September 11, 2012	3/19/15	Obj: overruled	3/23/15
7-10	PLAINTIFFS	ILB			
11	PLAINTIFFS	Deposition Exhibit 11 - Email dated April 5, 2012 between Tim Smith and Terry Vavra/Susie Ragusa re: Condo status as of 04-05-12	3/19/15	No Obj.	3/23/15
12-17	PLAINTIFFS	ILB			
18	PLAINTIFFS	Deposition Exhibit 18 - Email dated December 14, 2012 between Jennifer Campbell and Jennifer Campbell/Susie Ragusa re: GSR Rental Program and forwarding various attachments	3/19/15	No Obj.	3/23/15

## Exhibits

Title: **ALBERT THOMAS, ETAL VS. MEI-GSR HOLDINGS, ETAL**  
 PLAINTIFF: **ALBERT THOMAS, ETAL** PATY: **JARRAD MILLER, ESQ.**  
 DEFENDANT: **MEI-GSR HOLDINGS, ETAL** DATY: **H. STAN JOHNSON, ESQ.**  
 Case No: **CV12-02222** Dept. No: **10** Clerk: **M. WHITE** Date: **3/23/15**

Exhibit No.	Party	Description	Marked	Offered	Admitted
19-43	PLAINTIFFS	ILB			
44	PLAINTIFFS	Deposition Exhibit 44 - Correspondence from Kent Vaughan of GSR to Valued Condo Owners, dated May 20, 2011	3/19/15	No Obj.	3/23/15
45-48	PLAINTIFFS	ILB			
49	PLAINTIFFS	Deposition Exhibit 49 - GSR Unit-Owners Association Estimated Operating Budget for 2012, dated November 7, 2011	3/19/15		
50-57	PLAINTIFFS	ILB			
58	PLAINTIFFS	Deposition Exhibit 58 - GSR Balance Sheet for the month ending December 31, 2012 <b>*SEALED EXHIBIT*</b>	3/19/15	No Obj.	3/23/15 (UNDER SEAL)
59	PLAINTIFFS	ILB			
60	PLAINTIFFS	Deposition Exhibit 60 - Memo from Kristopher Kent, Broker/Owner of Renown Real Estate Services to GSR Condo Unit Owner, dated May 4, 2011	3/19/15	No Obj.	3/23/15
61-156	PLAINTIFFS	ILB			
157	PLAINTIFFS	Owner Account Statements for Plaintiff Chandler, Norman	3/19/15	No Obj.	3/23/15
158-181	PLAINTIFFS	ILB			
182	PLAINTIFFS	Owner Account Statements for Plaintiffs Moll, Daniel and Patricia	3/19/15	No Obj.	3/23/15
183-231	PLAINTIFFS	ILB			
232	PLAINTIFFS	Emails (Exhibit 76 to Renewed Motion for Case Terminating Sanctions)	3/19/15	No Obj.	3/23/15

## Exhibits

**Title: ALBERT THOMAS, ETAL VS. MEI-GSR HOLDINGS, ETAL**  
**PLAINTIFF: ALBERT THOMAS, ETAL PATY: JARRAD MILLER, ESQ.**  
**DEFENDANT: MEI-GSR HOLDINGS, ETAL DATY: H. STAN JOHNSON, ESQ.**  
**Case No: CV12-02222 Dept. No: 10 Clerk: M. WHITE Date: 3/23/15**

Exhibit No.	Party	Description	Marked	Offered	Admitted
233	PLAINTIFFS	IUO-GSR 004372 - IUO-GSR 004564 (E-mails) portion	3/19/15	No Obj.	3/23/15
234-238	PLAINTIFFS	ILB			
239	PLAINTIFFS	Deposition of Kent M. Vaughan	3/19/15	Obj; sustained	
240	PLAINTIFFS	Deposition of Terry Vavra	3/19/15		
241	PLAINTIFFS	Deposition of Melvin Cheah	3/19/15		
242-244	PLAINTIFFS	ILB			
245	PLAINTIFFS	Plaintiff Rental Agreements and Maintenance Agreements	3/19/15	No Obj.	3/23/15
246	PLAINTIFFS	McGovern & Greene LLP Expert Report (Provided to Defendants via ShareFile.com 1/30/15)	3/19/15	Obj; overruled	3/23/15
247	PLAINTIFFS	Deposition of Susan Ragusa	3/19/15		
248	DEFENSE	Amended Expert Report of Craig L. Greene, dated October 20, 2013	3/19/15		
249	PLAINTIFFS	Hard copy of Mr. Greene's power point presentation	3/24/15		
250	PLAINTIFFS	Hard copy of Plaintiffs' closing argument power point presentation	3/25/15		
251	DEFENSE	Hard copy of Defendants' closing argument power point presentation	3/25/15		



CODE: 2605  
G. David Robertson, Esq. (NV Bar No. 1001)  
Jarrad C. Miller, Esq. (NV Bar No. 7093)  
Jonathan J. Tew, Esq. (NV Bar No. 11874)  
Robertson, Johnson, Miller & Williamson  
50 West Liberty Street, Suite 600  
Reno, Nevada 89501  
(775) 329-5600  
Attorneys for Plaintiffs

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

**IN AND FOR THE COUNTY OF WASHOE**

ALBERT THOMAS, individually; *et al.*,

Plaintiffs,

vs.

Case No. CV12-02222  
Dept. No. 10

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

Defendants.

**NOTICE OF SETTING PUNITIVE DAMAGES HEARING**

TO: All parties and their counsel of record:

**PLEASE TAKE NOTICE** that on Friday, October 16, at 10:00 a.m., counsel for the Plaintiffs and Defendants will appear telephonically before Department 10 of the above-entitled Court for the purpose of setting a hearing for punitive damages. Counsel for Defendants will contact counsel for Plaintiffs just prior to the 10:00 a.m. meeting at (775) 329-5600, to allow for initiation of the conference call.

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**AFFIRMATION**

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

RESPECTFULLY SUBMITTED this 14<sup>th</sup> day of October, 2015.

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

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

## CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I hereby certify that I am an employee of Robertson, Johnson, Miller & Williamson, 50 West Liberty Street, Suite 600, Reno, Nevada 89501, over the age of 18, and not a party within this action. I further certify that on the 14<sup>th</sup> day of October, 2015, I electronically filed the foregoing NOTICE OF SETTING PUNITIVE DAMAGES HEARING with the Clerk of the Court by using the ECF system which served the following parties electronically:

H. Stan Johnson, Esq.  
Steven B. Cohen, Esq.  
Cohen-Johnson, LLC  
255 E. Warm Springs Road, Suite 100  
Las Vegas, NV 89119  
Facsimile: (702) 823-3400  
Email: [sjohnson@cohenjohnson.com](mailto:sjohnson@cohenjohnson.com)  
*Attorneys for Defendants*

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*Attorneys for Defendants*

*/s/ Danielle Briscoe*  
An Employee of Robertson, Johnson,  
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2290

**COHEN-JOHNSON, LLC**  
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**IN ASSOCIATION WITH**  
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*Attorneys for Defendants*

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

ALBERT THOMAS, et. al.

Plaintiff(s),  
V.

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

Defendant(s).

Case No.: CV-12-02222

Dept. No.: 10

**DEFENDANTS' MOTION TO DISMISS  
FOR LACK OF SUBJECT MATTER  
JURISDICTION**

COME NOW, the Defendants, MEI-GSR Holdings, LLC d/b/a Grand Sierra Resort (hereinafter referred to as "GSR"), AM-GSR Holdings, LLC, Grand Sierra Resort Unit Owners' Association and Gage Village Commercial Development, LLC, and move this Honorable Court for dismissal of the Action for lack of subject matter jurisdiction. This Motion is made based upon the attached Memorandum of Points and Authorities, all exhibits and any oral argument that may allowed at the time of hearing.

Dated this 1<sup>st</sup> day of December, 2015

**COHEN|JOHNSON, LLC**

By: /s/ H. Stan Johnson  
H. STAN JOHNSON, ESQ.  
Nevada Bar No. 00265  
sjohnson@cohenjohnson.com  
255 E. Warm Springs Road, Suite 100  
Las Vegas, Nevada 89119  
*Attorneys for Defendants*

**MEMORANDUM OF POINTS AND AUTHORITIES**

**I. INTRODUCTION**

This Action should be dismissed since Plaintiffs failed to comply with and exhaust the pre-filing administrative dispute resolution procedures mandated by Nevada law and found within the governing documents pertaining to the subject hotel-condominium units (hereinafter "Grand Sierra"), i.e. the Covenants, Conditions and Restrictions ("hereinafter "CC&Rs")<sup>1</sup> and the Unit Maintenance Agreement (which is expressly incorporated into the CC&Rs) (hereinafter sometimes collectively referred to as the "Governing Documents").

<sup>1</sup> The CC&R's specifically provide for Hotel Expenses (Section 6.10); FF&E (Section 4.5); Hotel Reserves (Section 6.10); Unit Maintenance Agreement (Page 7 and Section 4.5); Administration of the Grand Sierra HOA (Article 5); and General Powers of the Board (Section 5.6).

1 Separately, the Unit Rental Agreement(s)<sup>2</sup> expressly references the Unit  
2 Maintenance Agreement and the Unit Rental Agreement(s) must be look to the Unit  
3 Maintenance Agreement and CC&Rs for determination of matters relating to the  
4 maintenance and cleaning of the individual unit(s), unit costs, expenses, Daily Use  
5 Charges, assessments, among other matters.  
6

7 Pursuant to *NRS* 38.310, Plaintiffs failure to comply with and exhaust the  
8 administrative dispute resolution procedures required under Nevada law and the  
9 Governing Documents renders this Action subject to mandatory dismissal. *See NRS*  
10 38.310(2) (“A court **shall** dismiss any civil action which is commenced in violation of the  
11 provisions of subsection 1”) (emphasis).  
12

13 Due to Plaintiffs failure to comply with *NRS* 38.310, this Court lacks subject-  
14 matter jurisdiction over Plaintiffs’ claims. A challenge to a court’s subject matter  
15 jurisdiction can be raised by the parties at any time, or *sua sponte* by a court of review,  
16 and cannot be conferred by the parties. *See Landreth v. Malik*, 251 P.3d 163, 166 (2011).  
17 If a district court lacks subject-matter jurisdiction, the judgment is void. *Id.* Subject-  
18 matter jurisdiction may never be waived. *See Mainor v. Nault*, 120 Nev. 750, 101 P.3d  
19 308 (2005).  
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25 <sup>2</sup> The Unit Rental Agreements specifically refer to the CC&Rs, Daily Use Fees, FF&E Reserve, Hotel  
26 Expenses (as described in the CC&Rs) (“Owner agrees to pay all . . . monthly condominium fees,  
27 expenses charged pursuant to the Unit Maintenance Agreement and CC&Rs, and any condominium  
28 assessments promptly when due.” - *See* Page 6 to Unit Maintenance Agreements, Exhibits “5-6”). The  
interpretation, application and enforcement of the Governing Documents are required in determining the  
issues relating to the Unit Rental Agreements.

Accordingly, as provided for herein, Defendants respectfully request that this Court dismiss this Action, vacate and set aside all prior orders (including those imposing attorney's fees and costs against Defendants) relating thereto, including all Findings of Fact, Conclusions of Law and Judgments.

## II. GOVERNING DOCUMENTS

Ownership of a hotel-condominium unit at the Grand Sierra, which is a Nevada Common-Interest Community, is subject to the following Governing Documents:

1. The Seventh Amendment to Condominium Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Hotel-Condominiums at Grand Sierra Resort (A Nevada Common-Interest Community). Attached hereto and marked as **Exhibit "1"** and incorporated herein by this reference is a true and correct copy of the CC&R's.
2. The Grand Sierra Resort Unit Maintenance Agreement. Attached hereto and marked as **Exhibit "2"** and incorporated herein by this reference is a true and correct copy of the Unit Maintenance Agreement (Redacted).
3. The Grand Sierra Resort Purchase and Sale Agreement (hereinafter "Purchase Agreement") contains Exhibit "I" (Dispute Resolution Addendum Agreement) and Exhibit "J" (Agreement to Modify Statutorily Implied Warranties of Quality), both of which are expressly incorporated into the CC&R's. Attached hereto and marked as **Exhibit "3"** and incorporated herein by this reference is a true and correct copy of Exhibits "I" and "J" to the Purchase Agreement.

There were two versions (2007 and 2011) of the Unit Rental Agreement(s) that were entered into by certain Plaintiffs to the instant Action, i.e.:

4. The Grand Sierra Resort Unit Rental Agreement, dated 2007. Attached hereto and marked as **Exhibit "4"** and incorporated herein by this reference is a true and correct copy of the 2007 Unit Rental Agreement (Redacted).
5. The Grand Sierra Resort Unit Rental Agreement, dated 2011. Attached hereto and marked as **Exhibit "5"** and incorporated herein by this reference is a true and correct copy of the 2011 Unit Rental Agreement.

In order to determine the amounts that any individual owner of a condominium-  
hotel unit is entitled to receive for a rental, the Unit Maintenance Agreement and CC&Rs  
must be interpreted, analyzed and enforced. For example, see Pages 8-9 to Exhibits "4"  
and "5" which provide:

- (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 owned 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 the Owner for the prior month by:
  - ...
  - ii) Deducting therefrom the Daily Use Fees for each night that a Guest uses the Unit.
- (c) Payment of Rent to Owner. The Owner's Rent, less the amounts payable by the Owner under the CC&Rs for the association assessments and assessments for Shared Facilities Expenses and Hotel Expenses, and under the Unit Maintenance Agreement for the FF&E Reserves and the Annual Interior Deep Cleaning charge and all transient rental taxes, and any Non-Routine **Maintenance and Emergency Repair Charges, shall be paid to Owner**, except as other provided for in this Agreement . . .

**III. PLAINTIFFS FAILURE TO COMPLY WITH THE MANDATORY DISPUTE RESOLUTION PROCEDURES CONTAINED WITHIN NEVADA STATUTORY LAW, AS WELL AS THE GOVERNING DOCUMENTS, REQUIRES THE DISMISSAL OF THIS ACTION**

Prior to filing this Action, Plaintiffs were required to comply with all  
administrative dispute resolution procedures promulgated pursuant to NRS 38.300 to  
38.360, inclusive, relating to their claims against Grand Sierra. They did not.



1           NRS 38.310(1) provides:

2           1.       No civil action<sup>3</sup> based upon a claim relating to:

3                   (a)     The interpretation, application or enforcement of any covenants,  
4 conditions or restrictions applicable to residential property or any bylaws, rules or  
5 regulations adopted by an association; or

6                   (b)     The procedures used for increasing, decreasing or imposing  
7 additional assessments upon residential property,

8 may be commenced in any court in this State unless the action has been submitted to  
9 mediation or, if the parties agree, has been referred to a program pursuant to the  
10 provisions of NRS 38.300 to 38.360, inclusive, and, if the civil action concerns real estate  
11 within a planned community subject to the provisions of chapter 116 of NRS or real estate  
12 within a condominium hotel subject to the provisions of chapter 116B of NRS, all  
13 administrative procedures specified in any covenants, conditions or restrictions applicable  
14 to the property or in any bylaws, rules and regulations of an association have been  
15 exhausted.

16                   Failure to comply with the provisions of NRS 38.310(1) requires dismissal of the  
17 lawsuit, i.e. NRS 38.310(2) provides:

18                   2.       **A court shall dismiss any civil action which is commenced<sup>4</sup> in  
19 violation of the provisions of subsection 1. (emphasis)**

20                   The Governing Documents submitted the Grand Sierra hotel-condominium units  
21 to the Uniform Common-Interest Ownership Act of the State of Nevada (hereinafter  
22 “Act”), as amended from time to time, as Condominiums within the meaning of the Act.  
23 [See Exhibit “1” - D-1].<sup>5</sup>

24                   <sup>3</sup> NRS 38.300 defines “civil action” to include an action for money damages or equitable relief. The term  
25 “civil action” does not include an action in equity for injunctive relief in which there is an immediate  
26 threat of irreparable harm, or an action relating to the title to residential property. None of causes of action  
27 alleged by Plaintiffs include a claim for injunctive relief, *see infra*. The statute does not reflect any  
28 limitation regarding actions seeking the appointment of a receiver.

<sup>4</sup> As the statute looks to the commencement of litigation, the original Complaint, filed on August 27,  
2012 (hereinafter “Original Complaint”), is referred to herein.

<sup>5</sup> See NRS 38.300(6) (“ ‘Residential Property’ includes, but is not limited to, real estate within a planned  
community subject to the provisions of chapter 116 of NRS or real estate within a condominium hotel  
subject to the provisions of chapter 116B of NRS. The term does not include commercial property if no

1           **A.     Dispute Resolution Procedures**

2           Exhibit “T” to the Purchase Agreement [See Exhibit “3”] contains the Dispute  
3           Resolution Addendum Agreement which is provided for in the CC&R’s at Section 13.15.  
4           [See Exhibit “1” - Page 62]. Schedule “B” to the Unit Maintenance Agreement contains  
5           the Dispute Resolution Addendum Agreement. [See Exhibit “2”]. These dispute  
6           resolution agreements are binding upon the parties. These dispute resolution agreements  
7           provide for the method in which disputes between the parties are to be resolved and were  
8           agreed to by each and every Plaintiff through their respective purchase of a hotel-  
9           condominium unit(s).  
10

11           Separately, pursuant to *NRS* 38.320(1), “[a]ny civil action described in *NRS*  
12           38.310 must be submitted to mediation or referred to a program by filing a written claim  
13           with the Division.” (emphasis). All of Plaintiffs various claims relate to the Governing  
14           Documents and are actions for “money damages and equitable relief.” See *NRS*  
15           38.300(3).<sup>6</sup>  
16

17           *NRS* 38.310 expresses Nevada’s public policy favoring arbitration of disputes  
18           involving the interpretation and enforcement of CC&Rs. See *Hamm v. Arrowcreek*  
19           *Homeowners’ Assoc.*, 124 Nev. 290, 183 P.3d 895 (2008).  
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25           portion thereof contains property which is used for residential purposes”).

26           <sup>6</sup> Defendants, GAGE VILLAGE COMMERCIAL DEVELOPMENT, LLC (hereinafter “Gage”) and  
27           AM-GSR HOLDINGS, LLC (hereinafter “AM-GSR”), are the successor Declarants under the CC&Rs.  
28           [See Exhibit “6”].

1 It is undisputed that Plaintiffs failed to comply with any of these statutory  
2 requirements, as well as the express requirements found within the Governing  
3 Documents. Plaintiffs were required to provide a sworn statement within the Original  
4 Complaint attesting that “the issues addressed in the complaint have been referred to a  
5 program pursuant to the provisions of *NRS* 38.300 to 38.360, inclusive.” *See NRS*  
6 *38.325(3)*. Plaintiffs’ Original Complaint (nor the Second Amended Complaint) does not  
7 contain such an attestation as no such compliance was ever completed. In *McKnight*  
8 *Family, LLC v. Adept Mgmt. Servs.*, 310 P.3d 555 (2013), the Nevada Supreme Court  
9 stated:  
10

11 McKnight argues that *NRS* 38.310(2) prohibits the district court from dismissing a  
12 complaint once it commences, irrespective of whether the complaint violates *NRS*  
13 *38.310(1)*. *NRS* 38.310(2) states that “[a] court shall dismiss any civil action  
14 which is commenced in violation of the provisions of [*NRS* 38.310(1)].’

15 **McKnight’s argument is meritless** because *NRS* 38.310(2)’s language does not  
16 determine when a court can dismiss a civil action; rather, it mandates the court to  
17 dismiss any civil action initiated in violation of *NRS* 38.310(1). (emphasis)

18 **B. Plaintiffs’ Causes of Action - Mandatory Mediation/Arbitration**

19 Plaintiffs factual allegations,<sup>7</sup> which comprise their various causes of action, all  
20 directly implicate the “interpretation, application or enforcement” of the Governing  
21 Documents, including the CC&Rs and the Unit Maintenance Agreement, as well as the  
22 procedures for “increasing, decreasing or imposing additional assessments” upon the  
23 owners of the hotel-condominium units. *See NRS* 38.310(1).  
24

25 <sup>7</sup> In the original Complaint, Plaintiffs alleged causes of action for: (1) Petition for Appointment of a  
26 Receiver; (2) Intentional and/or Negligent Misrepresentation; (3) Breach of Contract; (4) Quasi-  
27 Contract/Equitable Contract/Detrimental Reliance; (5) Breach of Implied Covenant of Good Faith and Fair  
28 Dealing; (6) Consumer Fraud/Nevada Trade Practices Act; (7) Declaratory Relief; (8) Conversion; (9)  
Demand for an Accounting; (10) Specific Performance; (11) Unjust Enrichment/Quantum Meruit; and  
(12) Tortious Interference w/ Contract and/or Prospective Business Advantage.

1 Plaintiffs factual allegations also relate to the operation, management and  
2 oversight of the Grand Sierra HOA, including the various fees, expenses and reserves  
3 relating thereto, all of which are expressly within the purview of *NRS 38.310(1)*.  
4

5 **1. Operation/Management of the HOA**

6 The creation, operation and management of the Grand Sierra HOA is expressly  
7 provided for in the CC&R's. [See Exhibit "1" - Pages 23-33]. Plaintiffs have alleged that  
8 the HOA "violates Nevada law," and that Defendants are using their control over the  
9 HOA to the detriment of the owners of the hotel-condominium units. [See Original  
10 Complaint ¶ 63-72]. The manner in which the Grand Sierra HOA is organized, operates  
11 and is governed, including how it sets, imposes and collects fees and expenses upon the  
12 individual owner's and sets, imposes and collects reserves necessarily requires this Court  
13 to interpret the Governing Documents.  
14

15 The fees that are imposed upon the owners of the hotel-condominium units,  
16 including all fees associated with the Unit Maintenance Agreement (which is required of  
17 all owner's and which Unit Maintenance Agreement is expressly incorporated into the  
18 CC&Rs) are controlled by the CC&Rs. [See Exhibit "1" - Pages 34-43, 56-58; see also  
19 Exhibit "2" - Unit Maintenance Agreement]. Plaintiffs have alleged violations of the  
20 CC&Rs and Unit Maintenance Agreement, wherein they have made the following  
21 allegations:  
22

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

88. Defendant MEI-GSR's interest in maximizing its profits is in conflict with the interest of the Individual Unit Owners. Accordingly, Defendant MEI-GSR's control of the Unit Owners' Association is a conflict of interest." [See Original Complaint ¶ 73-88].

## 2. Rental of Units/Unit Maintenance Agreement/CC&Rs

Pursuant to the Unit Maintenance Agreement (which is incorporated into the CC&Rs), each owner of hotel-condominium unit was required to pay for the schedule of services listed in Exhibit "A" to the Unit Maintenance Agreement. [See Exhibit "2" - Page A-1]. Services included: (1) Reservation Services, Registration Services, Switchboard Operation, Linen and Housekeeping Services, Departure Cleaning, Additional Housekeeping Services, Annual Interior Deep Cleaning, Routine Maintenance Services, Non-Routine Maintenance and Emergency Repairs.

The "Dailey Use Fees," which are required under the Unit Maintenance Agreement, are the subject of Plaintiffs' allegations relating to the rental of individual hotel-condominium units. [See Original Complaint ¶ 91-102]. Plaintiffs' claims relating to the rental of individual units, including any associated charges, expenses and/or remuneration back to the individual Plaintiffs all involve the interpretation, application or enforcement of the Governing Documents, including the CC&Rs and the Unit Maintenance Agreement.

The CC&Rs expressly provide for the “use, occupancy and maintenance of the individual hotel-condominium units, i.e. Article 7, Section 7.1(a) which provides in part:

**“A Hotel Unit may be made available to the public for rental when not occupied by the Unit Owner thereof or individuals designated by such Unit Owner. Unit Owners must comply with all of the provisions of this Declaration and of the Bylaws and rules and regulations with respect to hotel operation. All Unit Owners of Hotel Units are required to enter into a Unit Maintenance Agreement with Hotel Management Company (in the form then in use by the Hotel Management Company) and each Unit Owner of a Hotel Unit will be required to be a party to such Unit Maintenance Agreement for so long as such Unit Owner owns a Hotel Unit in the Condominium, and no Unit Owner of a Hotel Unit shall have the right to opt out of receiving the services to be provided pursuant to the Unit Maintenance Agreement or the fees, costs or charges to be paid for such services. This obligation to enter into and comply with all provisions of such Unit Maintenance Agreement shall run with and burden each Hotel Unit, and all Persons having or acquiring any right, title or interest in each Unit, or any part thereof, and their successive owners, successors and assigns, and shall be enforceable as covenants running with the land and/or equitable servitudes. All Unit Owners of a Hotel Unit will receive the services specified in the Unit Maintenance Agreement at the costs and upon the other terms and conditions set forth therein, and all costs to provide such services shall be paid by the Unit Owner of a Hotel Unit to the Hotel Management Company as and when due pursuant to the terms and conditions of the Unit Maintenance Agreement. The costs to provide such services are in addition to the Common Expenses, Shared Facilities Expenses and Hotel Expenses hereunder.” [See Exhibit “1” Page 43] (emphasis).**

Each of Plaintiffs causes of action implicate the interpretation, application or enforcement of the preceding provision of the CC&R’s and necessarily requires that each such cause of action be submitted to the mandatory dispute resolution procedures found with the Governing Documents and expressly mandated by *NRS* 38.310.

**3. Plaintiffs Individual Causes of Action - Subject to NRS 38.310**

An analysis of each of Plaintiffs’ causes of action establishes that they fall within the purview of *NRS* 38.310.

1           **1. 1st Claim: Appointment of a Receiver**

2           This cause of action alleges “Plaintiffs have no input or control over the  
3 management of the Unit Owner’s Association.” [See Original Complaint ¶ 105].

4           ***Court’s Findings***<sup>8</sup>: All of the Court’s analysis of this claim involved the Court  
5 looking to the Governing Documents relating to voting rights, ownership rights and  
6 management control of the Grand Sierra HOA. [See ¶ 104, 108-117].

7           ***Court’s Findings***: The Court’s findings all required the interpretation,  
8 application or enforcement of the CC&Rs, the Unit  
9 Maintenance Agreement, the Capital Reserve Account and  
10 Fees, Monthly Assessments and Hotel Fees and Dailey Use  
11 Fees (which are provided for in the Unit Maintenance  
12 Agreement). The Court was inherently required to interpret  
13 and analyze the Governing Documents to make each and  
14 every factual finding relating to the same. [See ¶ 118-133].

15           **2. 2nd Claim: Intentional and/or Negligent Misrepresentation**

16           This cause of action alleges “Defendant MEI-GSR made affirmative  
17 representations to Plaintiffs regarding the use, rental and maintenance of the Individual  
18 Condo Unit Owners’ GSR Condo Units.” [See Original Complaint ¶ 112] (emphasis).  
19  
20  
21  
22  
23  
24

25           <sup>8</sup> References to “Court’s Findings” refers to the October 9, 2015 Findings of Fact, Conclusions of Law and  
26 Judgment. Each of the Court’s Findings reflect that all of Plaintiffs’ claims arise from the interpretation,  
27 application and/or enforcement of the Governing Documents. *See Hamm*, 124 Nev. at 293, 183 P.3d at 898  
28 (“Under that statute [NRS 38.310], the district court must dismiss any dispute arising from the interpretation,  
application, or enforcement of homeowner’s associations covenants, conditions, and restrictions (CC&Rs)  
if the parties did not first submit the dispute to mediation or arbitration”).



***Court's Findings:*** The Court findings all required the interpretation, application or enforcement of the CC&Rs, the Unit Maintenance Agreement (which provides for the Daily Use Fees), in making the factual determinations relating to the Unit Rental Agreement. Further, the Court relied upon the Expert Report of Craig L. Greene, CPA which also utilized interpretation, application or enforcement of the CC&Rs and the Unit Maintenance Agreement. [See ¶ 134-147].

### **3. 3rd Claim: Breach of Contract**

This cause of action alleges that “Defendant MEI-GSR has breached the Grand Sierra Resort Unit Rental Agreement with Individual Condo Unit Owners by failing to follow its terms, including but not limited to, the failure to implement an equitable Rotational System as referenced in the agreement.” [See Original Complaint ¶ 122] (emphasis).

The “terms” of both Unit Rental Agreements **required the interpretation, application and enforcement of the Unit Maintenance Agreement, as well as the CC&Rs and, in fact, are specifically referred to in both Unit Rental Agreements.** [See Exhibit “4-5”].

***Court's Findings:*** The Court made findings that there was a contract between Plaintiffs and MEI-GSR and that it was breached. [See ¶ D]. This would require interpretation of the Governing Documents.

1                   4.     **4th Claim: Quasi-Contract/Equitable Contract/Detrimental Reliance**

2                   This cause of action alleges “Defendant MEI-GSR is contractually obligated to  
3                   Plaintiffs. The contractual obligations are based upon the **underlying agreements**  
4                   between Defendant MEI-GSR and Plaintiffs, and principles of equity and  
5                   representations.” [See Original Complaint ¶ 128] (emphasis).  
6

7                   ***Court’s Findings:***     The Court found liability, and therefore, would inherently  
8   have been **required to conduct an interpretation,**  
9   **application and/or enforcement of the Unit**  
10    **Maintenance Agreement, as well as the CC&Rs.** [See ¶  
11    E].  
12

13                   5.     **5th Claim: Breach of Implied Covenant of Good Faith and Fair**

14     **Dealing**

15                   This cause of action alleges:

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

19                   140.   **Under the terms of their respective agreement(s),** Defendant  
20   MEI-GSR was obligated to market and rent Plaintiffs’ GSR Condo  
21   Units.  
22

23                   141.   Defendant MEI-GSR has manipulated the rental of: (1) the hotel  
24   rooms owned by Defendant MEI-GSR; (2) GSR Condo Units  
25   owned by Defendant MEI-GSR and Defendant Gage Village; and  
26   (3) GSR Condo Units owned by Plaintiffs so as to maximize  
27

Defendant MEI-GSR's profits and devalue the GSR Condo Units owned by Plaintiffs. [See Original Complaint ¶ 139-141] (emphasis).

***Court's Findings:*** The Court found liability, and therefore, would inherently have been **required to conduct an interpretation, application and/or enforcement of the Unit Maintenance Agreement, as well as the CC&Rs.** [See ¶ F].

6. **6th Claim: Consumer Fraud/Deceptive Trade Practices Act**

This cause of action alleges "Defendant MEI-GSR failed to represent the actual marketing and rental practices implemented by Defendant MEI-GSR, as the Defendant was contractually and legally required to do." [See Original Complaint ¶ 151] (emphasis).

***Court's Findings:*** The Court found liability, and therefore, would inherently have been **required to conduct an interpretation, application and/or enforcement of the Unit Maintenance Agreement, as well as the CC&Rs.** [See ¶ G].

7. **7th Claim: Declaratory Relief**

This cause of action alleges that "an actual controversy has arisen and now exists between Plaintiffs and Defendant MEI-GSR, regarding the extent to which Defendant MEI-GSR has the **legal right to control the Grand Sierra Resort Unit-Owners** association to advance Defendant MEI-GSR's economic objections to the detriment of Plaintiffs." [See Original Complaint ¶ 157] (emphasis).

1           ***Court's Findings:***   The Court found liability, and therefore, would inherently  
2   have been **required to conduct an interpretation,**  
3   **application and/or enforcement of the Governing**  
4   **Documents.** [See ¶ H].

5  
6           ***Court's Findings:***   The Court found that the FF&E Reserve, Shared Facilities  
7   Reserve and Hotel Reserve were underfunded. The Court  
8   found that these fees were not unconscionable. All of these  
9   determinations would inherently have required the Court to  
10    **conduct an interpretation, application and/or**  
11    **enforcement of the Governing Documents.** [See ¶ 9 to  
12    Judgment].

13  
14           **8.       8th Claim: Conversion**

15           This cause of action alleges that “Defendant MEI-GSR wrongfully committed a  
16           distinct act of dominion over the Plaintiffs’ property by renting their GSR Condo Units  
17           both at **unreasonably low rates so as to only benefit Defendant MEI-GRS,** and also  
18           renting said units **without providing any compensation or notice to Plaintiffs.**” [See  
19           Original Complaint ¶ 163] (emphasis).

20  
21           ***Court's Findings:***   The Court found, among other matters, that Defendants  
22   “renting their units at discounted rates, renting their units  
23   for no value in contravention of written agreement between  
24   the parties, failing to account for monies received . . .” [See  
25   ¶ 134-147]. The Court found that MEI-GSR was not  
26   entitled to any “write-downs” or credits for sums they may  
27

have received had they rented the rooms in accordance with appropriate business practices. [See ¶ 10 to Judgment]. The Court's determination inherently required it to look to the Governing Documents to make these determinations.

9. **9th Claim: Accounting**

This cause of action alleges that "Defendant Grand Sierra Unit Owners association and Defendant MEI-GSR have **failed to properly prepare and distribute said accountings.**" [See Original Complaint ¶ 172] (emphasis).

*Court's Findings:* The Court declared this claim moot, however, said determinations inherently involve the interpretation, application and/or enforcement of the Governing Documents. [See ¶ J].

10. **10th Claim: Specific Performance**

This cause of action alleges "[t]he **Unit Maintenance Agreement is unconscionable** pursuant to NRS § 116.112 because of the excessive fees charged and the Individual Unit Owner's inability to reject fee increases." [See Original Complaint ¶ 178] (emphasis).

*Court's Findings:* The Court specifically analyzed the Unit Maintenance Agreement in making a determination that said document was unconscionable. It further interpreted with CC&Rs dealing with the management and control over the Grand Sierra HOA, including analyzing the issues relating to the Common Expenses, Hotel Expenses, Shared Facilities

Reserves and Hotel Reserves. [See ¶ K].

11. **11th Claim: Unjust Enrichment/Quantum Meruit**

This cause of action alleges that “Defendant Gage Village has unjustly benefitted from prioritization of their GSR Condo Units under MEI-GSR’s rental scheme to the immediate detriment of the Individual Unit Owners.” [See Original Complaint ¶ 182] (emphasis).

***Court’s Findings:*** The Court referred to its prior findings relating to “Gage Village has been unjustly enriched based on the orchestrated action between it and MEI-GSR to the detriment of the individual unit owners . . . .” [See ¶ L]. The Court would inherently have been **required to conduct an interpretation, application and/or enforcement of the Unit Maintenance Agreement, as well as the CC&Rs.**

12. **12th Claim: Tortious Interference w/ Contract/Prospective Business**

**Advantage**

This cause of action alleges:

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

188. Defendant MEI-GSR has prioritized the **rental** of GSR Condo Units Owned by Defendant Gage Village to the **economic detriment** of the Individual Unit Owners. [See Original Complaint

¶ 187-88] (emphasis).

*Court's Findings:* The Court referred to its prior findings relating to  
“thwarted, interfered with and/or disrupted these attempts .  
...” [See ¶ M].

*Court's Findings:* The Court would inherently have been required to conduct  
an **interpretation, application or enforcement of the**  
**Unit Maintenance Agreement, as well as the CC&Rs.**  
This is particularly true given the applicability of Daily Use  
Fees and other associated costs that were implicit with the  
rental of the individual hotel-condominium units.

#### IV. CONCLUSION

Defendants respectfully request that this Court grant the instant Motion and  
dismiss this Action in its entirety as being filed in violation of NRS 38.310. Defendants  
further respectfully request that this Court vacate and set aside all prior orders (including  
those imposing attorney’s fees and costs against Defendants) relating thereto, as well as  
the setting aside and vacating all Findings of Fact, Conclusions of Law and Judgments.

**Affirmation Pursuant to NRS § 239B.030**

The undersigned does hereby affirm that the preceding document does not contain the social security numbers of any person.

Dated this 1<sup>st</sup> day of December, 2015

**COHEN|JOHNSON, LLC**

By: /s/ H. Stan Johnson  
H. STAN JOHNSON, ESQ.  
Nevada Bar No. 00265  
sjohnson@cohenjohnson.com  
255 E. Warm Springs Road, Suite 100  
Las Vegas, Nevada 89119  
*Attorneys for Defendants*

**INDEX OF EXHIBITS**

<b><u>Exhibits</u></b>	<b><u>Description</u></b>	<b><u>Pages</u></b>
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2	Grand Sierra Resort Unit Maintenance Agreement	29
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6	Transfer of Special Declarant's Rights and Assignment of Sales Agreements, Deposits and Proceeds	9



**CERTIFICATE OF SERVICE**

Pursuant to NRCP 5(b), I certify that I am an employee of COHEN|JOHNSON, LLC, and that on this date I caused to be served a true and correct copy of the

**DEFENDANTS' MOTION TO DISMISS FOR LACK OF SUBJECT-MATTER**

**JURISDICTION** on all the parties to this action by the method(s) indicated below:

  X   by using the Court's CM/ECF Electronic Notification System addressed to:

JONATHAN TEW, ESQ. for CAYENNE TRUST et al  
JARRAD MILLER, ESQ. for CAYENNE TRUST et al  
G. ROBERTSON, ESQ. for CAYENNE TRUST et al  
MARK WRAY, ESQ. for GRAND SIERRA RESORT UNIT-OWNER'S  
ASSOCIATION et al  
H. JOHNSON, ESQ. for GRAND SIERRA RESORT UNIT-OWNER'S  
ASSOCIATION et al

DATED the 1<sup>st</sup> day of December, 2015.

/s/ Sarah Gondek

An employee of Cohen-Johnson, LLC

## **Exhibit 1 – Part 1**

## **Exhibit 1 – Part 1**

## **Exhibit 1 – Part 2**

## **Exhibit 1 – Part 2**

(a) The legal description of the portion or portions of the Future Expansion Parcel which shall be added to the legal description of the Property;

(b) An amendment to the Plat which shall show the boundaries of the portion or portions of the Future Expansion Parcel annexed to the Property, and delineating and describing the Units of the annexed Future Expansion Parcel; and

(c) Amendments to Exhibits B and D attached hereto. The amended Exhibit B shall set forth the amended percentages of interest in the Allocated Interests, including the Common Elements, attributable to those portions of the Future Expansion Parcel annexed to the Property and including all existing Units and additional Units, if any, added by such Amendment to Condominium Declaration.

**11.3 Determination of Amendments to Percentages of Ownership Interest in the Allocated Interests.** The percentages of ownership interest in the Allocated Interests allocable to every Unit, as amended by each Amendment to Condominium Declaration, shall be determined as follows:

(a) The Allocated Interests, as amended by such Amendment to Condominium Declaration, shall be deemed to consist of the Allocated Interests as existing immediately prior to the recording of such Amendment to Condominium Declaration (the "Existing Allocated Interests"), as set forth in Exhibit B prior to recordation of an Amendment to Condominium Declaration, and the Allocated Interests added by such Amendment to Condominium Declaration (the "Added Allocated Interests");

(b) The Units, as amended by such Amendment to Condominium Declaration, shall be deemed to consist of the Units as existing immediately prior to the recording of such Amendment to Condominium Declaration (the "Existing Units"), as set forth in Exhibit B prior to recordation of an Amendment to Condominium Declaration, and the Units added by such Amendment to Condominium Declaration (the "Added Units");

(c) The initial Allocated Interests shall be as set forth in Exhibit B. Prior to the date of recording of every Amendment to Condominium Declaration, the Declarant shall determine the Added Units and Added Allocated Interests for such Amendment in accordance with the Unit names and corresponding Unit quantities and square footages as set forth in Exhibit B, for the Units added to the Property, and such determination shall be unconditionally binding and conclusive for all purposes notwithstanding the market values or actual or surveyed square footages of any Unit or Units. The Declarant shall amend Exhibit B, in accordance with its determination, prior to recordation of each Amendment;

(d) The Units shall be entitled to their respective percentages of ownership interest in the Allocated Interests, as set forth in Exhibit B to such Amendment to Condominium Declaration, subject to any further amendments;

(e) All of the provisions of this Declaration, as amended by every successive Amendment to Condominium Declaration, shall be deemed to apply to all of the Units (both the Added Units and the Existing Units) and to all of the Allocated Interests (both the Added Allocated Interests and the Existing Allocated Interests); and

(f) The recording of an Amendment to Condominium Declaration shall not alter or affect the amount of any lien for Common Expenses due from the Owner of any Existing Unit prior to such recording, nor the respective amounts theretofore assessed to or due from the Owner or Owners of Existing Units for Common Expenses or other assessments.

**11.4 Determination of Amendments to duties to pay Shared Facilities Expenses and Hotel Expenses.** The respective duties to pay Shared Facilities Expenses and Hotel Expenses (as set forth in Sections 6.9 and 6.10, and as otherwise provided in this Declaration) allocable to every Unit, as amended by each Amendment to Condominium Declaration, shall be determined as follows:

(a) The duties of Unit Owners to pay Shared Facilities Expenses and Hotel Expenses shall be reflected as a percentage of the entire Shared Facilities Expenses and Hotel Expenses, as set forth on Exhibit D, subject to amendment by each Amendment to Condominium Declaration;

(b) Prior to the date of recording of every Amendment to Condominium Declaration, the Declarant shall calculate amended and new percentages of the duties of all Unit Owners, as a result of the Amendment, to pay Shared Facilities Expenses and Hotel Expenses, in accordance with the Unit names and corresponding Unit quantities and square footages as set forth in Exhibit G, for the Units added to the Property, and such determination shall be unconditionally binding and conclusive for all purposes notwithstanding the market values or actual or surveyed square footages of any Unit or Units. The Declarant shall amend Exhibit D, in accordance with its determination, prior to recording of each Amendment;

(c) The Units shall pay their respective percentages of Shared Facilities Expenses and Hotel Expenses, as set forth in Exhibit D to such Amendment to Condominium Declaration, subject to any further amendments;

(d) All of the provisions of this Declaration, as amended by every successive Amendment to Condominium Declaration, shall be deemed to apply to the payment of Shared Facilities Expenses and Hotel Expenses; and

(e) The recording of an Amendment to Condominium Declaration shall not alter or affect the amount of any lien for Shared Facilities Expenses or Hotel Expenses due from the Owner of any Existing Unit prior to such recording, nor the respective amounts theretofore assessed to or due from the Owner or Owners of Existing Units for Shared Facilities Expenses and Hotel Expenses or other assessments.

**11.5 Existing Mortgages.** Upon recording of every Amendment to Condominium Declaration, the lien of every mortgage encumbering an Existing Unit, together with its appurtenant percentage of ownership interest in the Existing Allocated Interests, shall automatically be deemed to be adjusted and amended to encumber such Unit and the respective percentage of ownership interest in the Allocated Interests for such Existing Unit as set forth in such Amendment to Condominium Declaration, and the lien of such mortgage shall automatically attach to such percentage interest in the Added Allocated Interests.

**11.6 Binding Effect.** Every Unit Owner and every mortgagee, grantee, heir, administrator, executor, legal representative, successor and assign of such Unit Owner, by such

person's or entity's acceptance of any deed or mortgage or other interest in or with respect to any Unit Ownership, shall be deemed to have expressly agreed and consented to (i) each and all of the provisions of Articles 11 and 12; (ii) the recording of every Amendment to the Declaration which may amend and adjust such person's or entity's respective percentage of ownership interest in the Allocated Interests including the Existing Allocated Interests and the Added Allocated Interests from time to time as provided in this Article 11; and (iii) all of the provisions of every Amendment to the Declaration which may hereafter be recorded in accordance with the provisions of this Article 11. A power coupled with an interest is hereby granted to the Declarant as attorney-in-fact to amend and adjust the percentages of undivided ownership interest in the Allocated Interests from time to time in accordance with every such Amendment, to Condominium Declaration recorded pursuant hereto. The acceptance by any persons or entities of any deed, mortgage or other instrument with respect to any Unit Ownership, in addition to the foregoing, shall be deemed to constitute a consent and agreement to and acceptance and confirmation by such person or entity of such power to such attorney-in-fact and of each of the following provisions as though fully set forth in such deed, mortgage or other instrument:

(a) The percentage of ownership interest in the Allocated Interests appurtenant to such Unit shall automatically be deemed reconveyed effective upon the recording of every Amendment to Condominium Declaration and reallocated among the respective Unit Owners in accordance with the amended and adjusted percentages set forth in every such Amendment;

(b) Such deed, mortgage or other instrument shall be deemed given upon a conditional limitation to the effect that the percentage of ownership interest in the Allocated Interests appurtenant to such Unit shall be deemed divested ~~pro tanto~~ upon the recording of every such Amendment to Condominium Declaration and revested and reallocated among the respective Unit Owners in accordance with the amended and adjusted percentages set forth in every such Amendment to Condominium Declaration;

(c) To the extent required for the purposes of so amending and adjusting such percentages of ownership interest in the Allocated Interests as aforesaid, a right of revocation shall be deemed reserved by the grantor of such deed, mortgage or other instrument with respect to such percentage of ownership interest in the Allocated Interests granted therein;

(d) Such adjustments in the percentages of ownership interest in the Allocated Interests as set forth in every such Amendment to Condominium Declaration, shall be deemed to be made by agreement of all Unit Owners and other persons having any interest in the Property, and shall also be deemed to be an agreement of all Unit Owners and such other persons to such changes within the contemplation of the Act; and

(e) Every Unit Owner, by acceptance of the deed conveying such Unit Owner's Unit Ownership, agrees for himself or herself and all those claiming under such Unit Owner, including mortgagees, that this Declaration, and every Amendment to Condominium Declaration, is and shall be deemed to be in accordance with the Act.

## ARTICLE 12

### TRANSFER OF A UNIT, DECLARANT'S RIGHT OF REPURCHASE

**12.1 Unrestricted Transfers.** Subject to Section 12.2 hereof, a Unit Owner may, without restriction under this Declaration, sell, give, devise, convey, mortgage, lease or otherwise transfer such Unit Owner's entire Unit. Notice of such transfer shall be given to the Board, in the manner provided herein for the giving of notices, within five (5) days following consummation of such transfer.

**12.2 Declarant's Right of Repurchase.** The following provisions of this Section 12.2 shall apply to all Hotel Unit Owners, and shall take effect after the "Closing Date" of each Hotel Unit, as that term is defined in the Purchase and Sale Agreement.

(a) Each Hotel Unit Owner, on behalf of himself and all of his heirs, successors and assigns in the Unit Ownership, by accepting the initial conveyance of a Unit within the Hotel- Condominiums at Grand Sierra Resort, grants Declarant and all of its successors and assigns a perpetual right to repurchase the Unit and all FF&E acquired with the Unit, on the terms and conditions hereinafter set forth. Each Hotel Unit Owner shall notify Declarant in writing that it has received an offer to purchase the Unit Ownership and the FF&E which must be conveyed with the Unit pursuant to Section 4.5(b)(i), which notice shall contain the name and address of the proposed purchaser and shall contain a copy of the offer, including all of the terms and conditions of sale, signed by the proposed purchaser. Declarant shall have the right within ten (10) days after actual receipt of the copy of the offer within which to repurchase the Unit Ownership and the FF&E, which right shall be exercised by written notice to the Hotel Unit Owner within such ten (10) day time period, on the following terms:

- (i) If on the day the Declarant actually receives a copy of the offer, the sale, from the Declarant to third parties, of less than 660 Hotel Units have closed, then (i) Declarant's price to purchase the Unit Ownership and FF&E shall be the Purchase Price, as set forth in Paragraph 1(a) of the Purchase and Sale Agreement for the Unit (plus the cost of any improvements or betterments made at the Unit Owner's expense in accordance with the terms and conditions of this Declaration or the Purchase and Sale Agreement, if any, which costs shall be established by copies of paid bills delivered to Declarant at the time of giving of the Unit Owner's ten (10) day notice to Declarant), plus or minus proration of general real estate taxes, prepaid insurance premiums, utility charges, monthly assessments and other similar proratable items; (ii) the Hotel Unit Owner shall convey good and marketable title to the Unit Ownership by special warranty deed to Declarant or its designee, and the FF&E by bill of sale with warranties of title, subject only to those Permitted Exceptions (excluding acts of Purchaser) existing at closing and any acts of Declarant; (iii) closing of the repurchase shall be effected through an escrow similar to that described in Paragraph 5(b) of the Purchase and Sale Agreement;

(iv) the Hotel Unit Owner shall bear all costs of the escrow and title insurance; and (v) any Nevada and Washoe County transfer taxes shall be paid by the Hotel Unit Owner, and any City of Reno real estate transaction tax shall be paid by Declarant.

(ii)

If on the day the Declarant actually receives a copy of the offer, the sale, from the Declarant to third parties, of 560 Hotel Units or more have closed: (i) the price of the Unit Ownership and FF&E shall be the price set forth in the copy of the offer conveyed to Declarant under this Section, plus or minus proration of general real estate taxes, prepaid insurance premiums, utility charges, monthly assessments and other similar proratable items; (ii) the Hotel Unit Owner shall convey good and marketable title to the Unit Ownership by special warranty deed to Declarant or its designee, and the FF&E by bill of sale with warranties of title, subject only to those Permitted Exceptions (excluding acts of Purchaser) existing at closing and any acts of Declarant; (iii) closing of the repurchase shall be effected through an escrow similar to that described in Paragraph 5(b) of the Purchase and Sale Agreement; (iv) the Hotel Unit Owner and Declarant each shall bear one-half of the costs of the escrow; (v) the Hotel Unit Owner shall bear the cost of title insurance in the amount of the offer price; and (vi) the Hotel Unit Owner and Declarant each shall bear one-half of the costs of any Nevada and Washoe County transfer taxes, and any City of Reno real estate transaction tax.

(b) If Declarant notifies the Hotel Unit Owner within said ten (10) day period of its election to repurchase the Unit Ownership and all FF&E, then such repurchase shall be closed and possession delivered to Declarant within thirty (30) days after the giving of Declarant's notice of such election. In the event of Declarant's repurchase of the Unit Ownership and all FF&E as provided herein, the Hotel Unit Owner agrees to reconvey the Unit Ownership and FF&E to Declarant in the same physical condition as at closing, except for ordinary wear and tear.

(c) If Declarant gives written notice to the Hotel Unit Owner within said ten (10) day period that it does not elect to exercise said repurchase right, or if Declarant fails to give written notice to Purchaser during the ten (10) day period, then the Hotel Unit Owner may proceed to consummate the proposed sale; provided, however, that if the Hotel Unit Owner fails to close the proposed sale with the proposed purchaser at the purchase price and on the other terms and conditions contained in the aforesaid written notice to Declarant (except for extensions of the closing date collectively amounting to no more than four (4) months beyond the closing date contained in the offer), the right of repurchase granted to Declarant herein shall remain in effect and shall be applicable to the proposed sale as modified, and to any subsequent proposed sale by the Hotel Unit Owner of the Unit Ownership.

(d) Declarant shall have the right to execute and deliver to any one or more Hotel Unit Owners a release of Declarant's rights under this Section 12.2.



(e) Any purported sale of a Hotel Unit in violation of the provisions of this Section 12.2 shall be null and void and of no force and effect. The deed to be delivered by Declarant to each Hotel Unit Owner on the Closing Date, as defined in the Purchase and Sale Agreement, shall contain provisions incorporating the foregoing right of repurchase, and stipulating that it binds the grantee under the deed and its successors and assigns by acceptance of a deed.

(f) For purposes of this Section 12.2 "sell" or "sale" means: any sale, transfer or other voluntary conveyance of the Unit Ownership; lease with an option to purchase the Unit Ownership; any assignment (except for collateral purposes only) of all or any portion of the beneficial interest or power of direction under any trust which owns legal or beneficial title to the Unit Ownership for consideration; or sale or transfer of substantially all of the stock, partnership or membership interests of a corporation, partnership or limited liability company which owns legal or beneficial title to the Unit Ownership.

(g) Declarant's right of repurchase under this Section 12.2 shall be subordinate to the rights of the holder of any mortgage or trust deed hereafter placed upon the Unit Ownership.

**12.3 Financing of Purchase by Association.** The Board shall have authority to make such mortgage arrangements and other financing arrangements, and to authorize such special assessments proportionately among the respective Unit Owners, as the Board may deem desirable, in order to close and consummate the purchase or lease of a Unit Ownership, or interest therein, by the Association.

#### **12.4 Miscellaneous.**

(a) The Association shall hold title to or lease any Unit Ownership, pursuant to the terms hereof, in the name of the Association, or a nominee thereof delegated by the Board, for the sole benefit of all Unit Owners. The Board shall have the authority at any time to sell, mortgage, lease or sublease said Unit Ownership on behalf of the Association upon such terms as the Board shall deem desirable, but in no event shall a Unit be sold (other than pursuant to a foreclosure or deed in lieu of foreclosure) for less than the amount paid by the Association to purchase said Unit Ownership unless Unit Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements first authorize the sale for such lesser amount. All of the net proceeds from such a sale, mortgage, lease or sublease shall be applied in such manner as the Board shall determine.

(b) The Board may adopt rules and regulations, from time to time, not inconsistent with the provisions of this Article 12, for the purpose of implementing and effectuating said provisions.

### **ARTICLE 13**

#### **GENERAL PROVISIONS**

**13.1 Manner of Giving Notices.** Notices provided for in this Declaration and in the Act to be given to the Board or Association shall be in writing and addressed to the Unit address of each member of the Board or at such other address as otherwise provided herein. Notices provided for in this Declaration and in the Act to any Unit Owner shall be in writing and

addressed to the Unit address of said Unit Owner, or at such other address as otherwise provided in the Purchase and Sale Agreement or designated by the Unit Owner. Any Unit Owner may designate a different address or addresses for notices to such Unit Owner by giving written notice of his change of address to the Board or Association, and to the Declarant. Unless otherwise specifically provided herein, any notice shall be deemed received when delivered as it relates to personal delivery, nationally recognized overnight courier service or facsimile with proof of transmission (provided any such delivery or transmission must be received on or before 5:00 p.m. Nevada time on such date of delivery in order for such notice to be effective as of the date of delivery); and any notice mailed as aforesaid shall be deemed received three (3) business days after deposit in the United States mail. Notice of change of address for receipt of notices, demands or requests shall be sent in the manner set forth in this Section 13.1.

**13.2 Notice to Mortgagees.** Upon written request to the Board, notices shall be given to a First Mortgagee as required under Article 10.

**13.3 Notices of Estate or Representatives.** Notices required to be given any devisee, heir or personal representative of a deceased Unit Owner may be delivered either personally or by mail to such party at his, her or its address appearing in the records of the court wherein the estate of such deceased Unit Owner is being administered.

**13.4 Conveyance and Leases.** Each grantee of the Declarant, each subsequent grantee by the acceptance of a deed of conveyance, and each tenant under a lease for a Unit Ownership, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed, shall be deemed and taken to be covenants running with the land and/or equitable servitudes and shall bind any person having at any time an interest or estate in the Property, and shall inure to the benefit of such Unit Owner in like manner as though the provisions of the Declaration were recited and stipulated at length in each and every deed of conveyance.

**13.5 No Waivers.** No covenants, restrictions, conditions, obligations or provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

**13.6 Change, Modification or Rescission.** No provision of this Declaration affecting the rights, privileges and duties of the Declarant may be modified without its written consent. Except as otherwise expressly provided herein, other provisions of this Declaration may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission signed and acknowledged by the President or a Vice-President of the Association, and approved by the Unit Owners having, in the aggregate, at least seventy-five percent (75%) of the total vote, at a meeting called for that purpose; provided, however, that (i) all First Mortgagees have been notified by certified mail of any change, modification or rescission, (ii) an affidavit by the Secretary of the Association certifying to such mailing is made a part of such instrument and (iii) any provisions herein which specifically grant rights to First Mortgagees, Insurers or Guarantors may be amended only with the written consent of all such

First Mortgagees, Insurers or Guarantors, except in those instances in which the approval of less than all First Mortgagees is required. Any such change, modification or rescission shall be effective, upon recordation of such instrument in the Office of the County Recorder of Washoe County, Nevada; provided, however, that no such change, modification or rescission shall change the boundaries of any Unit, the allocation of percentages of ownership in the Common Elements and votes in the Association, quorum and voting requirements for action by the Association, or liability for Common Expenses assessed against any Unit, except to the extent authorized by other provisions of this Declaration or by the Act.

**13.7 Partial Invalidity.** The invalidity of any covenant, restriction, condition, limitation or any other provision of this Declaration, or any part of the same, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration.

**13.8 Perpetuities and Other Invalidity.** If any of the options, privileges, covenants or rights created by this Declaration would otherwise be unlawful or void for violation of (i) the rule against perpetuities or some analogous statutory provisions, (ii) the rule restricting restraints on alienation, or (iii) any statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of Nevada Governor, Kenny Guinn.

**13.9 Liberal Construction.** The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a hotel condominium development consistent with the standard set forth in Section 4.5(c) hereof.

**13.10 Ownership by Land Trustee.** In the event title to any Unit Ownership is conveyed to a land title holding trust, under the terms of which all powers of management, operation and control of the Unit Ownership remain vested in the trust beneficiary or beneficiaries, then the Unit Ownership under such trust and the beneficiaries thereunder from time to time shall be responsible for payment of all obligations, liens or indebtedness and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Unit Ownership. No claim shall be made against any such title holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon the Unit Ownership and the beneficiaries of such trust notwithstanding any transfers of the beneficial interest of any such trust or any transfers of title of such Unit Ownership.

**13.11 Special Amendment.** Declarant reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Department of Veteran's Affairs (formerly known as the Veteran's Administration), the American Land Title Association, or any other governmental agency or any other public, quasi-public or private entity which performs (or may perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Unit Ownerships, (iii) to bring this

Declaration into compliance with the Act, or (iv) to correct clerical or typographical or similar errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to vote in favor of, make or consent to a Special Amendment on behalf of each Unit Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit Ownership, and the acceptance thereof, shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power to the Declarant to vote in favor of, make, execute and record Special Amendments. The right of the Declarant to act pursuant to rights reserved or granted under this Section shall terminate at such time as the Declarant no longer holds or controls title to a Unit Ownership.

**13.12 Assignments by Declarant.** All rights which are specified in this Declaration to be rights of the Declarant are mortgageable, pledgeable, assignable or transferable. Any successor to, or assignee of, the rights of the Declarant hereunder (whether as the result of voluntary assignment, foreclosure, assignment in lieu of foreclosure or otherwise) shall hold or be entitled to exercise the rights of Declarant hereunder as fully as if named as such party herein. No party exercising rights as Declarant hereunder shall have or incur any liability for the acts of any other party which previously exercised or subsequently shall exercise such rights.

**13.13 Intellectual Property Rights.** At any time during which Grand Sierra Operating Corp. or any parent, subsidiary or affiliate thereof is engaged in the development, sale or management of the Condominium, the Identity (as such term is defined below) may be made available for use by the Condominium, the Association and the management company for the Condominium pursuant to a license agreement with the party or parties owning the rights to the use of the Identity; provided, however, that the terms of such use are at all times subject to the terms and conditions of, and the privileges established in, the license agreement granting such rights, which license may be revoked at any time. Neither the Association, the Board nor any Unit Owner (by virtue of any such Unit Owner's ownership interest in a Unit and such Unit Owner's percentage ownership interest in the Common Elements) shall have any right to the use of the Identity in any manner whatsoever by virtue of any such party's interest in the Condominium or otherwise. The "Identity" shall mean the name, likeness, image or indicia of "Grand Sierra Resort," or any variation thereof.

**13.14 Hotel Management Company.** The Declarant shall have the sole and absolute discretion to select, appoint, designate, terminate, renew and otherwise engage the Hotel Management Company, from time to time, on such terms and conditions as shall be determined, from time to time, by the Declarant and the Hotel Management Company. Neither the Association nor the Unit Owners shall have any right to determine which company the Declarant selects as the Hotel Management Company or the terms and conditions of such engagement, both of which shall be determined by the Declarant and the Hotel Management Company, in their sole and absolute discretion. The Declarant hereby reserves the right, in its sole discretion, to manage the Hotel or Property itself or to utilize a nationally branded hotel management company or a local management company that may or may not be an affiliate of the Declarant. The Declarant makes no representations as to the identity of the manager, and each purchaser of a Unit hereby

waives any and all claims of injury or default relating to the identity of any manager or future manager of the Hotel or the Property.

**13.15 Dispute Resolution Addendum Agreement, and Agreement to Modify Statutorily Implied Warranties of Quality, to Run with the Land.** The Dispute Resolution Addendum Agreement, and Agreement to Modify Statutorily Implied Warranties of Quality, attached to the Purchase and Sale Agreement for each Hotel Unit as Exhibits "I" and "J," respectively, shall run with and burden each Unit Ownership, and all Persons having or acquiring any right, title or interest in each Unit Ownership, or any part thereof, and their successive owners, heirs, successors, and assigns, and shall be enforceable as covenants running with the land and/or equitable servitudes.

IN WITNESS WHEREOF, Grand Sierra Operating Corp. has caused this Declaration to be signed this 8th day of June, 2007.

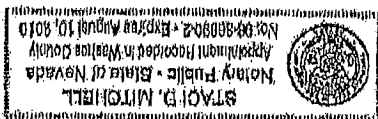
GRAND SIERRA OPERATING CORP., a Nevada Corporation

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

STATE OF NEVADA }  
COUNTY OF WASHOE } SS

I, Stacy D. Mitchell, a Notary Public in and for the County and State aforesaid, do hereby certify that Roberts H. Pace, Jr., 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 and the 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.

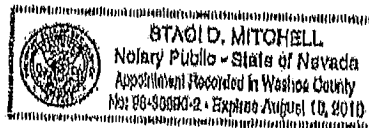
GIVEN under my hand and notarial seal this 6th day of June, 2007.



[Signature]  
Notary Public

My Commission Expires:

August 10, 2010



**CONSENT OF BENEFICIARY OF DEED OF TRUST**

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, as the legal owner and holder of the original promissory note(s) and all other indebtedness secured by the following described Deed of Trust:

TRUSTOR: Grand Sierra Operating Corp., a Nevada Corporation  
TRUSTEE: Stewart Title of Northern Nevada, a Nevada Corporation  
BENEFICIARY: 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

recorded in the office of the County Recorder of Washoe County, Nevada, on June 23, 2006, in Book 1, as Document No. 3404772, hereby consents to the execution and recording of the within Declaration and agrees that said Deed of Trust is subject thereto and to the provisions of the Uniform Common-Interest Ownership Act of the State of Nevada.

IN WITNESS WHEREOF, 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, has caused this Consent of Beneficiary of Deed of Trust to be signed by its duly authorized officer on its behalf, this 13 day of June, 2007.

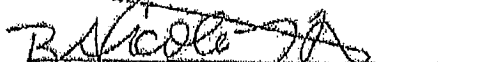
WELLS FARGO BANK, N.A., as trustee for the benefit of holders of J.P. Morgan Chase Commercial Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2006-FL2 and for the holders of the Non-Trust Partition Interests

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:   
Name: Michael Farrell Title: Vice President

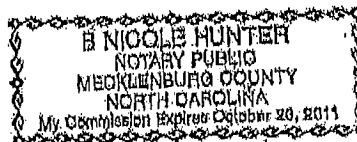
STATE OF NORTH CAROLINA )  
 ) SS  
COUNTY OF MECKLENBURG )

On this 7<sup>th</sup> 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.

  
Notary Public

My commission expires: 10/26/2011

(Notary Seal)



LRGAT02/30395809v1

IUO-GSR 002508

R.App.0048



# **EXHIBIT A**

**LEGAL DESCRIPTIONS OF THE PROPERTY AND THE PARCEL,  
AND  
COPIES OF MAPS TO BE PROVIDED PRIOR TO RECORDING**

**LEGAL DESCRIPTION OF THE PROPERTY**

IJO-GSR 002510

R.App.0050

Order No. 1 80V190

### LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of, described as follows:

#### PARCEL 1:

All that certain lot, piece or parcel of land situated in the City of Reno, County of Washoe, State of Nevada, Section Seven (7), Township Nineteen (19) North, Range Twenty (20) East, M.D.M.

BEGINNING at the Northwest corner of Parcel Map No. 340, recorded November 10, 1976, Official Records, Washoe County, Nevada, said POINT OF BEGINNING being further described as lying on the southerly right of way of Glendale Avenue;

THENCE North 88°15'47" East along said southerly right of way 847.44 feet to a found 5/8" rebar with cap, stamped "Summit Engineers RLB 4787", said point also being the Northeast corner of Parcel 1 of Parcel Map 338, recorded November 10, 1976, Official Records, Washoe County, Nevada;

THENCE South 00°06'54" East along the East line of said Parcel 1, a distance of 208.59 feet;

THENCE South 89°53'06" West, 174.30 feet;

THENCE South 00°06'54" East, 158.86 feet to the North line of said Parcel 1;

THENCE North 89°23'04" West along said South line, a distance of 174.31 feet to a found 5/8" rebar, being the Southwest corner of said Parcel 1;

THENCE North 00°06'54" East along the West line of Parcel 1, a distance of 888.44 feet to the POINT OF BEGINNING.

Said parcel is also shown as Adjusted Parcel 2 on Record of Survey No. 3004.

APN: 012-211-24.

#### PARCEL 1-A:

A non-exclusive easement for the right, privilege and authority  
Continued on next page

-1-

SCHROEDER  
OLTA PRELIMINARY REPORT  
(12/82)

STEWART TITLE  
Company Company

Order No. 507198

for the purpose only of ingress and egress of vehicles and/or persons in, upon and over the roadway and curb, 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, N.D.B.M., County of Washoe, State of Nevada, and being more particularly described as follows:

Beginning at the Northwest corner of Parcel B, as shown on Parcel Map No. 227, filed in the office of the Washoe County Recorder on the 25th day of February, 1976, T111 No. 897923; thence South  $89^{\circ}23'54''$  East, 51.51 feet;

thence North  $89^{\circ}53'06''$  East, 10.00 feet to the true point of beginning; thence North  $0^{\circ}06'54''$  West, 29.51 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  $90^{\circ}00'00''$ ; thence North  $0^{\circ}06'54''$  West, 50.00 feet; thence 15.71 feet on the arc of a curve to the left whose tangent bears North  $89^{\circ}53'06''$  East, having a radius of 10.00 feet and a central angle of  $90^{\circ}00'00''$ ; thence North  $0^{\circ}06'54''$  West, 50.00 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  $90^{\circ}00'00''$ ;

thence North  $0^{\circ}06'54''$  West, 50.00 feet; thence 15.71 feet on the arc of a curve to the left, whose tangent bears North  $89^{\circ}53'06''$  East, having a radius of 10.00 feet and a central angle of  $90^{\circ}00'00''$ ; thence North  $0^{\circ}06'54''$  West, 50.00 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  $91^{\circ}37'19''$  to a point on the southeasterly right of way of Glendale Avenue; thence along said southeasterly right of way line North  $88^{\circ}15'47''$  East, 59.74 feet; thence departing said southeasterly right of way line, 15.42 feet on the arc of a curve to the right, whose tangent bears South  $88^{\circ}15'47''$  West, having a radius of 10.00 feet and a central angle of  $88^{\circ}22'41''$ ; thence North  $0^{\circ}06'54''$  West, 51.51 feet; thence South  $89^{\circ}53'06''$  East, 50.00 feet to the true point of beginning.

Continued on next page

Order No. B07198

EXCEPT all that portion of said easement lying within the hereinafter described Parcel 1.

Document Number 2292358 is provided pursuant to the requirements of Section 1, NRS 111.222

PARCEL 1:

A portion of the North Half (N 1/2) of Section 18, Township 19 North, Range 20 East, N.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, N.D.M. and proceeding South  $10^{\circ}25'59''$  West, 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. 206880 of the official Records of Washoe County, Nevada; thence North  $89^{\circ}00'20''$  West, along the northerly line of said parcel, a distance of 663.20 feet to a 1/2 inch diameter iron pin; thence South  $00^{\circ}55'49''$  West, a distance of 187.77 feet to a 1/2 inch diameter iron pin; thence North  $84^{\circ}25'24''$  West, a distance of 34.46 feet to the TRUE POINT OF BEGINNING; thence North  $84^{\circ}35'28''$  West, a distance of 231.51 feet; thence South  $00^{\circ}54'52''$  West, a distance of 870.06 feet to a galvanized steel survey post; thence North  $84^{\circ}40'01''$  West, a distance of 231.84 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  $47^{\circ}58'37''$  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  $19^{\circ}33'42''$ , 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  $83^{\circ}54'12''$ , an arc length of 68.90 feet; 4) South  $25^{\circ}43'28''$  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 RAIL GRAB, filed in the office of the County Recorder of Washoe County, Nevada, on November 24, 1981, as File No. 768945.

APN: 012-251-28

Continued on next page

-2-

Order No. 507398

Document Number 2292339 is provided pursuant to the requirements of Section 1, NRS 111.212

**PARCEL 3:**

A parcel of land situate in Sections 7 & 18, Township 18 North, Range 20 East, M.D.N., Tenth, Washoe County, Nevada, and more particularly described as follows:

Beginning at the intersection of the Northerly line of 44th Street with the Westerly line of U.S. Highway 895 as shown on Record of Survey Map Number 1515, File Number 769946 of the Official Records of Washoe County, Nevada, thence along the Northeast corner of said Section 18 bears North 86°22'08" East a distance of 3260.13 feet; thence along the Westerly line of Interstate 890 the following eight (8) courses and distances: 1) North 09°34'53" West, a distance of 352.44 feet; 2) North 03°28'08" West, a distance of 425.16 feet; 3) North 01°28'58" West, a distance of 495.41 feet; 4) North 01°34'09" West, a distance of 434.30 feet; 5) From a tangent which bears North 01°28'53" West, along a circular curve to the right with a radius of 888.06 feet and a central angle of 86°08'39", an arc length of 541.54 feet; 6) From a tangent which bears North 32°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°19'00" 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 81.15 feet and a central angle of 83°37'49", an arc length of 89.36 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 85°53'57" East, a distance of 188.41 feet; 2) North 00°06'22" East, a distance of 2.00 feet; 3) North 85°53'57" East, a distance of 11.17 feet; 4) North 84°16'07" East, a distance of 40.43 feet to a point on the Westerly line of Watson and Meahan Corporation Property, said point being the Northeastly corner of Parcel No. 1, as shown on the Parcel Map No. 240, filed in the Office of Washoe County Recorder on November 10, 1976 File No. 434432; thence along the Westerly, Southerly, and Westerly lines of said Watson and Meahan Corporation Property the following three (3) courses and distances: 1) North 00°05'56" West, a distance of 352.44 feet; 2) South

Continued on next page

Order No. 807198

89°23'34" East, a distance of 340.82 feet; 3) North 00°00'34" East, a distance of 308.83 feet to a point on the southeasterly right of way line of Glendale Avenue, said point being the Northeast corner of Parcel No. 1, as shown on the Parcel Map No. 388, filed in the Office of Westchester County Recorder on November 10, 1978, File No. 434402; thence North 88°18'07" West, along the southeasterly right of way line of Glendale Avenue, a distance of 186.68 feet; thence South 02°12'08" West a distance of 4.24 feet to the Northeast corner of a concrete block wall, thence South 02°12'08" East, along westerly side of said block wall, a distance of 13.05 feet to an angle point in said block wall; thence North 88°00'20" West, along the northerly line of said block wall, a distance of 51.54 feet to a chain link fence; thence along said chain link fence the following seventeen (17) courses and distances: 1) South 89°11'13" East, a distance of 10.04 feet; 2) South 79°03'18" East, a distance of 10.54 feet; 3) South 70°04'34" 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 48°03'32" East, a distance of 10.87 feet; 7) South 38°43'47" East, a distance of 71.93 feet; 8) South 41°22'41" 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 39.98 feet; 12) South 60°23'10" East, a distance of 10.37 feet; 13) South 39°50'28" East, a distance of 10.32 feet; 14) South 31°37'47" East, a distance of 105.60 feet; 15) South 20°08'38" East, a distance of 76.82 feet; 16) South 04°15'10" East, a distance of 189.32 feet; 17) South 14°17'38" 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 08°44'18" East, a distance of 109.38 feet; 2) South 08°15'13" East, a distance of 158.53 feet; 3) South 27°57'06" East, a distance of 129.07 feet; 4) South 43°28'16" East, a distance of 228.10 feet; 5) South 42°58'46" East, a distance of 138.07 feet; 6) South 38°2'46" East, a distance of 64.06 feet; 7) South 47°18'36" East, a distance of 107.92 feet; 8) South 50°30'39" East, a distance of 159.08 feet; 9) South 55°41'02" East, a distance of 45.51 feet; 10) South 46°30'29" East, a distance of 98.99 feet; 11) South 68°34'22" East, a distance of 151.20 feet; 12) South 52°21'06" East, a distance of 181.08 feet; 13)

Continued on next page

45

Order No. 507198

North 78°53'28" West, a distance of 78.55 feet; 14) South 78°48'40" West, a distance of 133.04 feet; 15) South 84°33'20" West, a distance of 98.89 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 30°40'40" West, a distance of 264.78 feet; 2) from a tangent which bears South 47°48'33" West, along a circular curve to the right with a radius of 730.00 feet and a central angle of 27°10'28", an arc length of 325.75 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 35.00 feet and a central angle of 38°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 31°40'13", an arc length of 67.11 feet; 6) South 77°14'37" West, a distance of 86.62 feet; 7) South 11°03'08" 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 38.00 feet and a central angle of 78°28'01", 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°43'58", an arc length of 193.42 feet; 10) South 47°55'57" West, a distance of 824.52 feet to the Northeast corner of parcel conveyed to Brine Hanna, et al, recorded as Document No. 88899, Official Records of Washoe County, Nevada; thence North 52°45'57" West along the Northerly line of said Hanna Parcel, a distance of 1099.55 feet to the Northeast corner of Parcel B as shown on Parcel Map No. 349, filed in the office of Washoe County recorded on November 10, 1976, File No. 434454, thence South 18°13'03" West, along the Easterly line of said Parcel B, a distance of 466.57 feet; thence South 18°46'57" East and distance of 28.38 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 40.00 feet; thence North 25°18'03" East, a distance of 286.32 feet to the Northerly line of said Hanna Parcel; thence from a tangent which bears North 03°43'05" West, along a circular curve to the left with a radius of 86.55 feet and a central angle of 51°51'29" an arc length of 133.19 feet; thence North 77°49'23" 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. 897188

Northwily line of Mill Street, thence North  $63^{\circ}44'52''$  West, along the Northwily line of Mill Street, a distance of 208.94 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 3775, File No. 1824848 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**

SEE REVERSE PAGE

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 3604, 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 3604, 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 4853.30 and an elevation of 4864.55 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 320.83 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 4864.55 and an elevation of 4875.80 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 320.83 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 4575.00 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  $72^{\circ}02'35''$  East a distance of 2423.93 feet; thence South  $83^{\circ}13'24''$  West a distance of 67.50 feet; thence North  $06^{\circ}46'36''$  West a distance of 114.50 feet; thence South  $83^{\circ}13'24''$  West a distance of 162.67 feet; thence North  $06^{\circ}46'36''$  West a distance of 75.33 feet; thence North  $83^{\circ}13'24''$  East a distance of 162.67 feet; thence North  $06^{\circ}46'36''$  West a distance of 114.50 feet; thence North  $83^{\circ}13'24''$  East a distance of 67.50 feet; thence South  $06^{\circ}46'36''$  East a distance of 114.50 feet; thence North  $83^{\circ}13'24''$  East a distance of 328.83 feet; thence South  $06^{\circ}46'36''$  East a distance of 67.50 feet; thence South  $83^{\circ}13'24''$  West a distance of 138.33 feet; thence South  $06^{\circ}46'36''$  East a distance of 7.83 feet; thence South  $83^{\circ}13'24''$  West a distance of 190.50 feet; thence South  $06^{\circ}46'36''$  East a distance of 114.50 feet to the Point of Beginning.

PHASE 7:

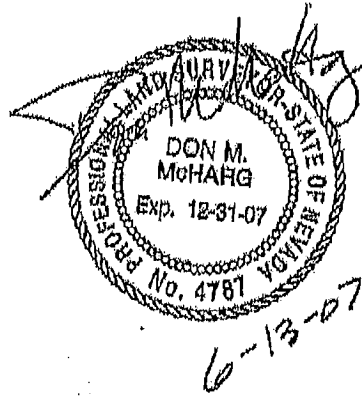
A portion of Parcel B as shown on Tract Map 4760, located between an elevation of 4709.55 and an elevation of 4722.80 within the following described parcel within Section 7, Township 19 North, Range 20 East, M.D.M., Reno, Washoe County, Nevada:

Beginning at a point from which the Southeast corner of said Section 7 bears South  $72^{\circ}02'35''$  East a distance of 2423.93 feet; thence South  $83^{\circ}13'24''$  West a distance of 67.50 feet; thence North  $06^{\circ}46'36''$  West a distance of 114.50 feet; thence South  $83^{\circ}13'24''$  West a distance of 162.67 feet; thence North  $06^{\circ}46'36''$  West a distance of 75.33 feet; thence North  $83^{\circ}13'24''$  East a distance of 162.67 feet; thence North  $06^{\circ}46'36''$  West a distance of 114.50 feet; thence North  $83^{\circ}13'24''$  East a distance of 67.50 feet; thence South  $06^{\circ}46'36''$  East a distance of 114.50 feet; thence North  $83^{\circ}13'24''$  East a distance of 328.83 feet; thence South  $06^{\circ}46'36''$  East a distance of 67.50 feet; thence South  $83^{\circ}13'24''$  West a distance of 138.33 feet; thence South  $06^{\circ}46'36''$  East a distance of 7.83 feet; thence South  $83^{\circ}13'24''$  West a distance of 190.50 feet; thence South  $06^{\circ}46'36''$  East a distance of 114.50 feet to the Point of Beginning.

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

BASIS OF ELEVATIONS: NGVD 1988.

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



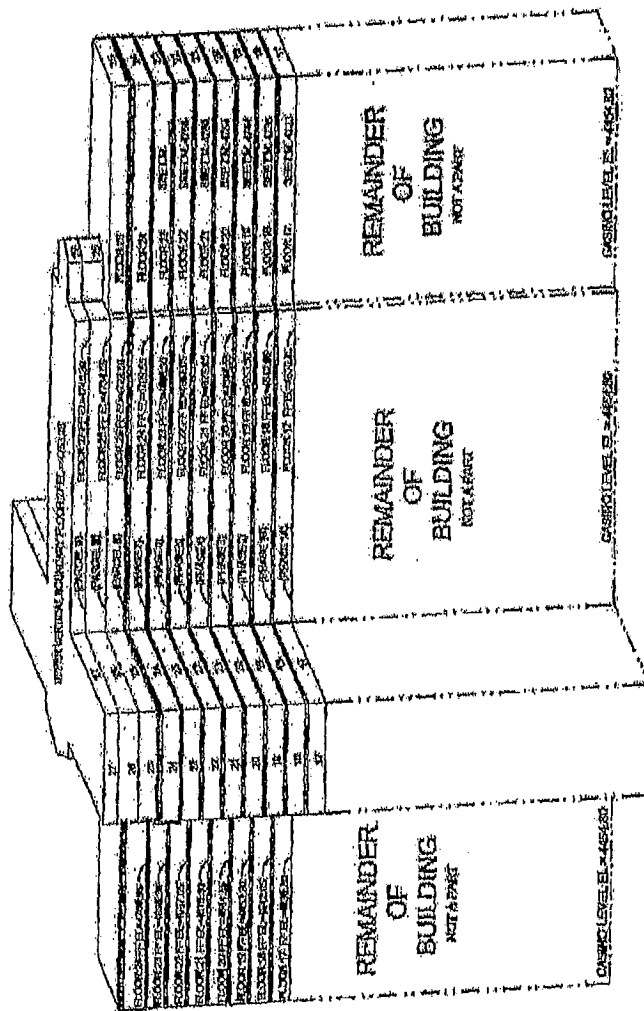
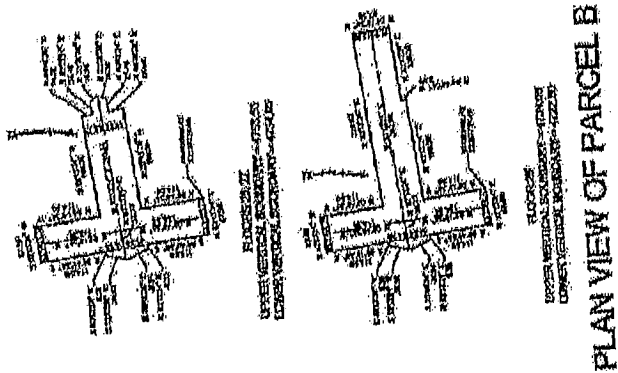
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[COPIES OF MAPS TO BE PROVIDED PRIOR TO RECORDING]





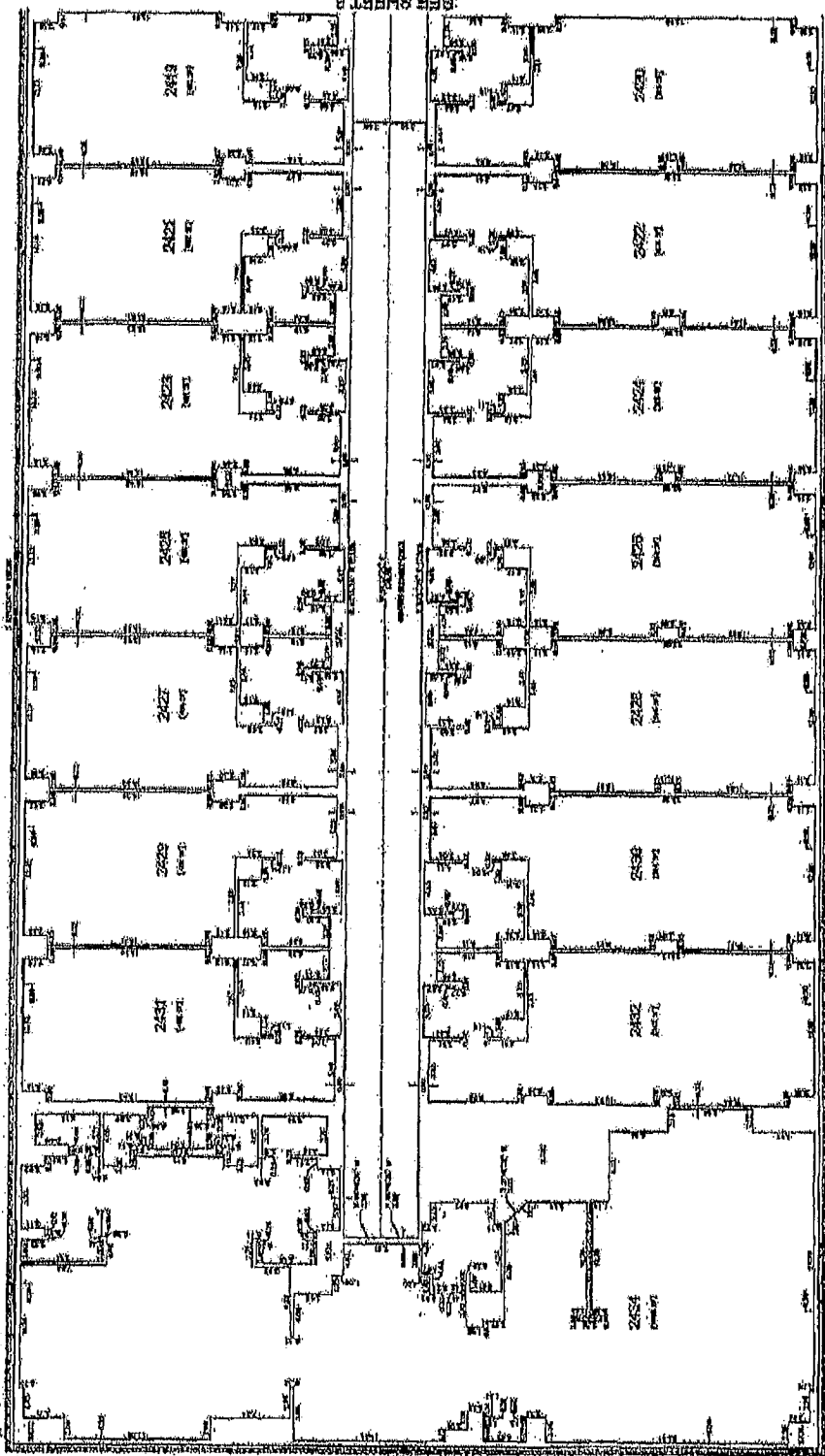


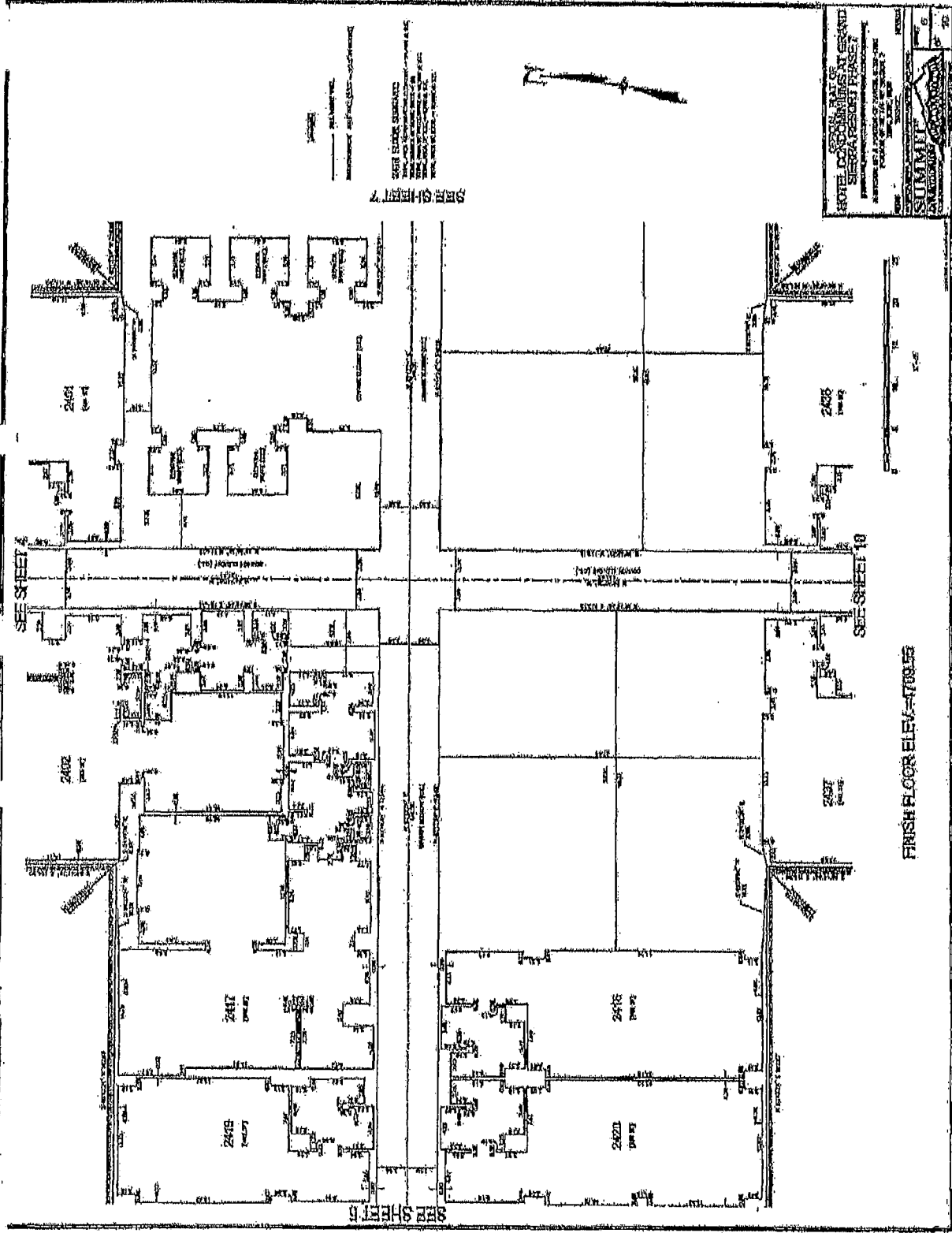


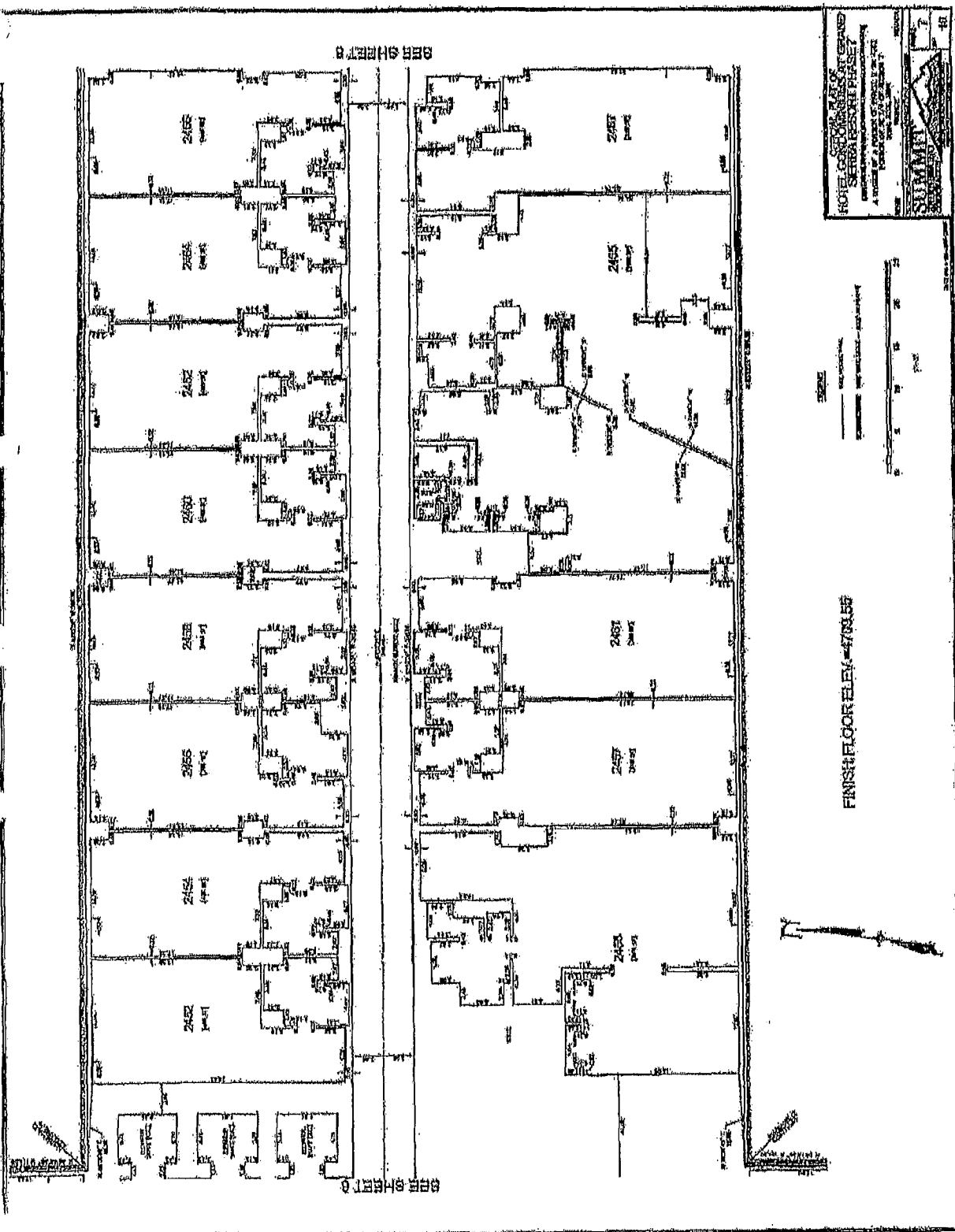
SEAL BETWEEN CEILING AND FLOOR OF ABOVE HEIGHT VARIETIES. SEE NOTE ON PAGE 2

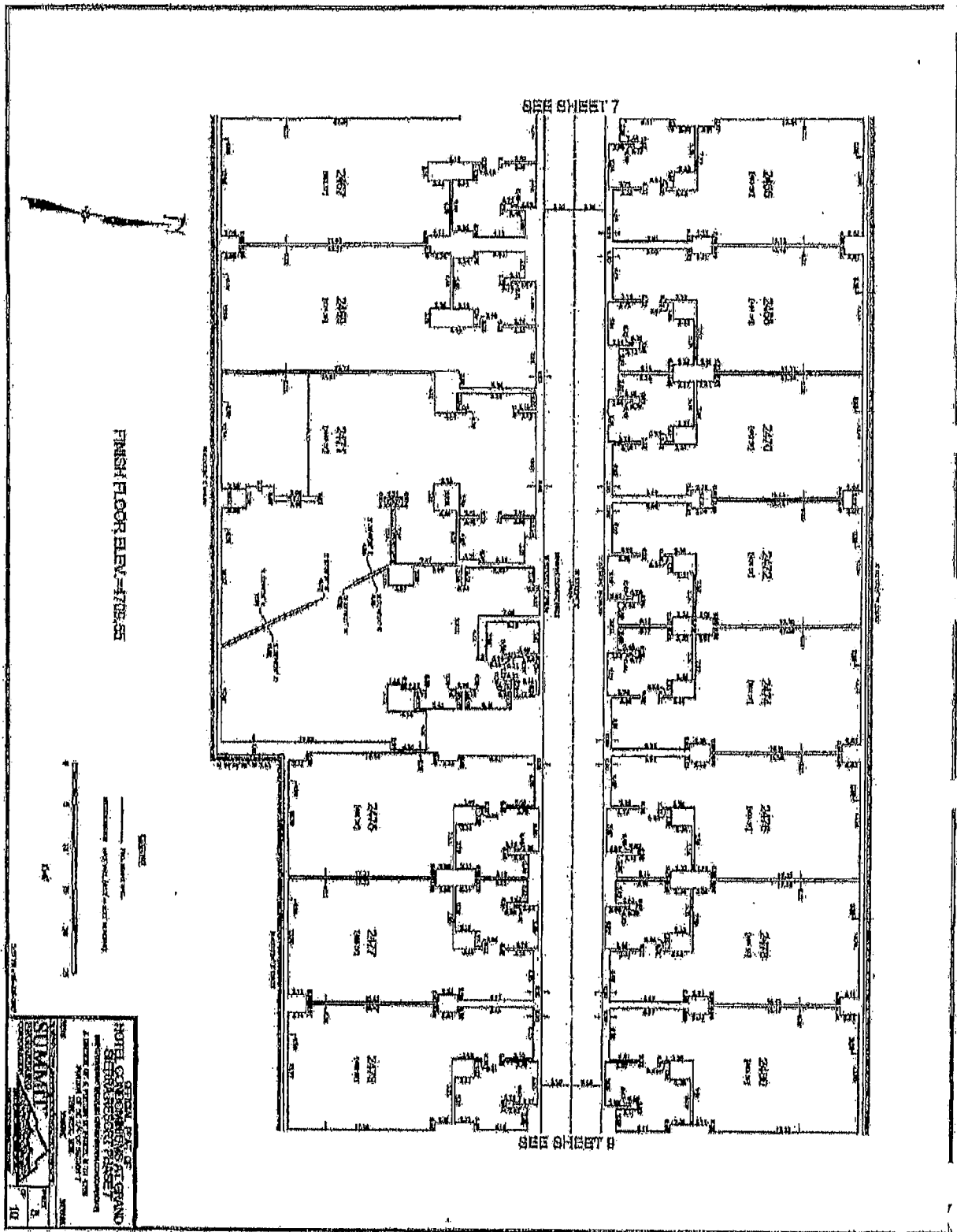
















OFFICE PLAT OF  
 HOTEL CONDOMINIUMS AT BOWEN  
 SENIOR RESORT PROJECT  
 PREPARED BY  
 SUMMIT ARCHITECTS  
 1000 10TH AVENUE, SUITE 100  
 DENVER, COLORADO 80202  
 303.733.1000  
 10 10



FINISH FLOOR ELEV. = 4709.55

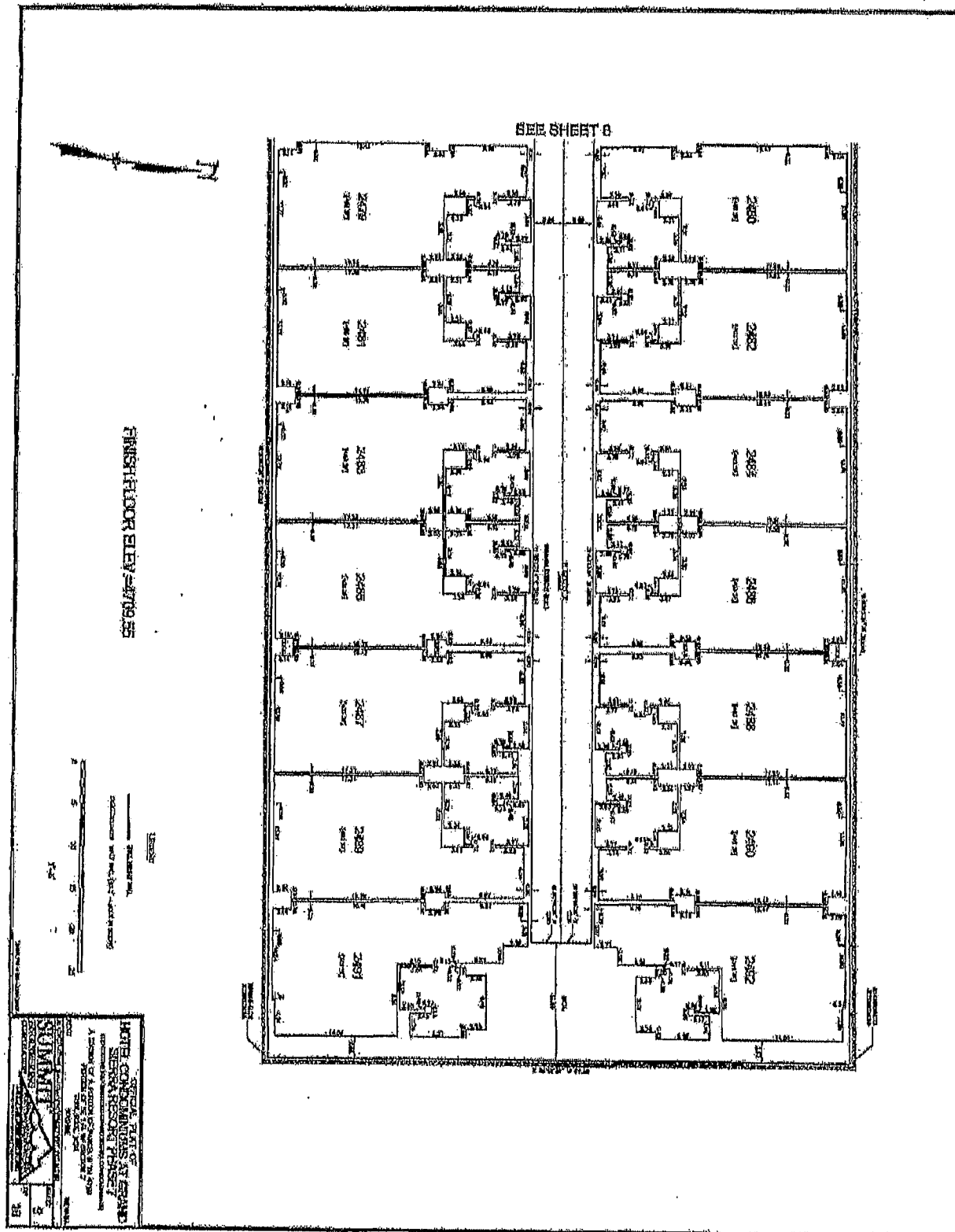
GSR SHEET 3

# **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**

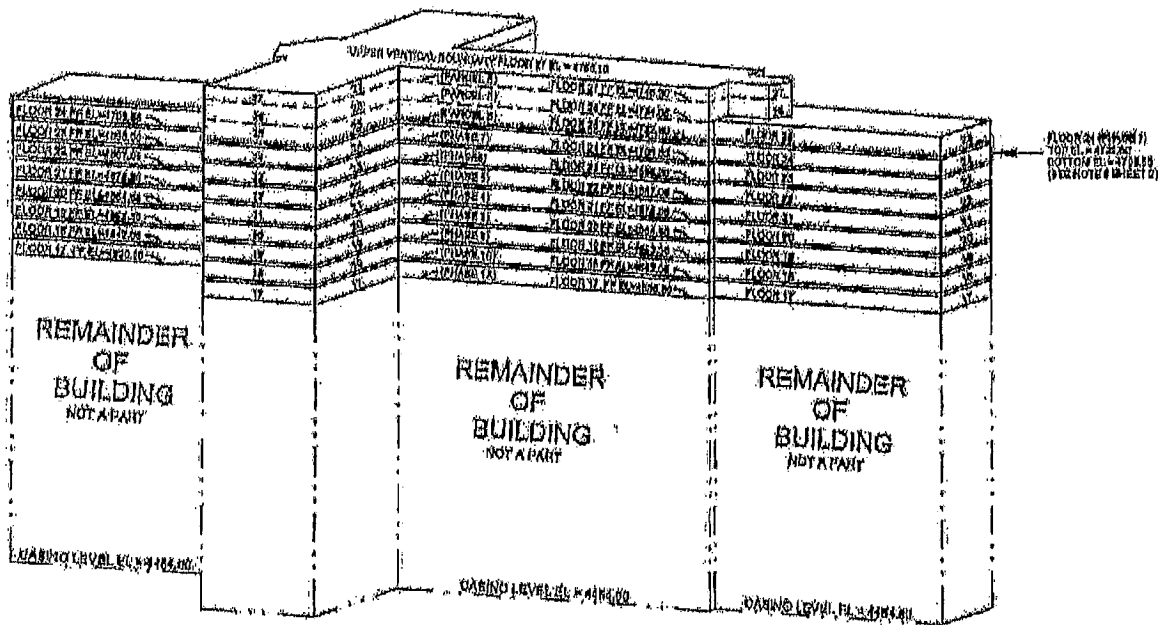
Unit Type	Units	Unit Sq. Ft.	Common Area Sq. Ft.	Unit % of Common Area	Unit % of Total	Total Common Area Sq. Ft.	Total % of Total
The Imperial Suite	16	1,340	0.394%	21,440	6.305%		
The DMD Suite	6	2,101	0.618%	12,606	3.707%		
The Loft (1)	8	922	0.271%	7,376	2.169%		
The Loft (2)	4	1,006	0.296%	4,024	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 <sup>2</sup> (A)	250	427	0.126%	106,750	31.391%		
The Grand <sup>2</sup> (B)	223	420	0.124%	93,660	27.542%		
The Grand <sup>2</sup> (C) / The Flat	2	436	0.128%	872	0.256%		
The Grand <sup>2</sup> (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			340,864	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.

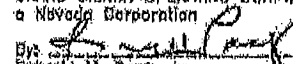
- ALL PORTIONS OF THE FUTURE EXPANSION PARCEL ARE SUBJECT TO DEVELOPMENTAL RIGHTS AS DESCRIBED IN THE DECLARATION.

- ALL REAL ESTATE SHOWN ON THE OFFICIAL PLAT OF HOTEL CONDOMINIUMS AT GRAND SIERRA RESORT PHASE 1A, CONDOMINIUM TRACT MAP #4733, FILED ON THE 10TH DAY OF DECEMBER, 2008, AS FILE NUMBER 3478704, 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.

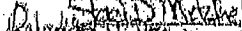
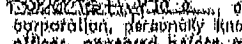
**Plan of Development  
Exhibit C to CC&R Document**

 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:   
Robert H. Pace, Jr.  
Executive Vice President &  
Chief Operating Officer


STATE OF NEVADA }  
COUNTY OF WASHOE }

I,  a Notary Public in and for the County and State aforesaid, do hereby certify that  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

 STACI D. MITCHELL  
Notary Public - State of Nevada  
Appointment Recorded in Washoe County  
No: 86-06800-2 - Expires August 10, 2010

  
Notary Public



This is a detailed architectural floor plan of a large, symmetrical building, likely a government or institutional structure. The plan is divided into two main wings by a central corridor or courtyard. Each wing contains several large rooms, each labeled with a number (e.g., 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 2682, 2683, 2684, 2685, 2686, 2687, 2688, 2689, 2690, 2691, 2692, 2693, 2694, 2695, 2696, 2697, 2698, 2699, 2700, 2701, 2702, 2703, 2704, 2705, 2706, 2707, 2708, 2709, 2710, 2711, 2712, 2713,

FINISH FLOOR ELEV. = 709.55

[illegible]

# **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**

	Imperial Suite	DMD Suite	The Loft (1)	The Loft (2)	The Loft (3)	The Presidential Suite	The Grand Suite (A)	The Grand Suite (B)	The Grand <sup>2</sup> (A)	The Grand <sup>2</sup> (B)	The Grand <sup>2</sup> (C) / The Flat	The Grand <sup>2</sup> (D) / The Flat	Delux Parlor Combined	
	16	6	8	4	4	2	64	75	250	228	2	14	2	670
	1,340	2,101	922	1,006	856	1,552	558	552	427	420	436	434	1,600	
	0.395%	0.619%	0.271%	0.296%	0.252%	0.457%	0.164%	0.163%	0.126%	0.124%	0.128%	0.128%	0.471%	
	21,440	12,686	7,376	4,024	3,424	3,104	35,712	41,400	106,750	93,660	872	6,076	3,200	338,644
	6.312%	3.712%	2.172%	1.185%	1.008%	0.914%	10.615%	12.189%	31.430%	27.576%	0.257%	1.789%	0.942%	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)

# **EXHIBIT F**

## **FORMULA FOR ALLOCATION OF ALLOCATED INTERESTS**

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

Unit	Number of Units	Area of Unit (sq. ft.)	Percentage of Total Area	Allocated Interest	Percentage of Total Allocated Interest
The Imperial Suite	22	1,340	0.316%	29,480	6.860%
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 <sup>2</sup> (A)	320	427	0.101%	136,640	32.261%
The Grand <sup>2</sup> (B)	275	420	0.099%	115,500	27.259%
The Grand <sup>2</sup> (C)	2	436	0.103%	872	0.206%
The Grand <sup>2</sup> (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%
<b>Total</b>	<b>826</b>			<b>428,552</b>	<b>100.000%</b>

# **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	Number of Units	Percentage of Total Units	Total Units	Percentage of Total Units
The Imperial Suite	22	0.317%	29,480	6.967%
The DMD Suite	6	0.497%	12,606	2.979%
The Loft (1)	11	0.218%	10,142	2.397%
The Loft (2)	4	0.238%	4,024	0.951%
The Loft (3)	6	0.202%	5,138	1.214%
The Presidential Suite	8	0.367%	12,416	2.934%
The Solarium Suite	2	0.288%	2,438	0.576%
The Grand Suite (A)	64	0.132%	35,712	8.440%
The Grand Suite (B)	87	0.130%	48,024	11.350%
The Grand <sup>2</sup> (A)	320	0.101%	136,640	32.299%
The Grand <sup>2</sup> (B)	275	0.099%	115,500	27.296%
The Grand <sup>2</sup> (C)	2	0.103%	872	0.206%
The Grand <sup>2</sup> (D)	16	0.103%	6,944	1.641%
Delux Parlor Combined	2	0.378%	3,200	0.756%
	825		425,132	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

## **Exhibit 2**

## **Exhibit 2**

**GRAND SIERRA RESORT  
UNIT MAINTENANCE AGREEMENT**

This UNIT MAINTENANCE AGREEMENT ("Agreement") is made and entered into this \_\_\_\_\_ (the "Effective Date") by and between GRAND SIERRA OPERATING CORP., a Nevada corporation, (the "Company") and \_\_\_\_\_ (collectively and jointly and severally referred to in this Agreement as "Owner"), whose address is \_\_\_\_\_

Office Phone: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_

Home Phone #: \_\_\_\_\_  
Fax #: \_\_\_\_\_  
Owner's Designate: \_\_\_\_\_

A. Owner has, concurrently herewith, purchased Hotel Unit # 1902 (the "Unit") in the Hotel-Condominiums at Grand Sierra Resort (the "Hotel"), and desires to receive certain hotel services from the Company with respect to Owner's Unit and Owner's personal use of the Unit.

B. The Company, either directly or through a hotel management company engaged by the Company to manage the operations of the Hotel (the "Manager"), has agreed to provide Owner with the services described herein upon the terms and conditions set forth in this Agreement. All references to the Company in this Agreement refer to either the Company or the Manager, if any, appointed by the Company to provide the services described herein 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) "CC&Rs" means the Declaration of Conditions, Covenants, Restrictions and Reservations of Easements for Grand Sierra Resort.
- (b) "Company" means Grand Sierra Operating Corp. or any Manager that may be appointed by the Company to provide the services described herein as agent of the Company.
- (c) "Guest" means any person or persons who rents the Unit, including complimentary Guests, but excluding Owner and Owner's immediate family.
- (d) "Owner" means the owner of the Unit identified in the introductory paragraph of this Agreement and his or her immediate family; the term "Owner" excludes all other persons who may use and occupy the Unit, all of whom are referred to as "Guests" herein.
- (e) "Unit" means the Unit identified in Recitals.

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Owner Initials

2. UNIT MAINTENANCE SERVICES. During the term of this Agreement, the Company, either directly or through the Manager as the Company's agent, shall provide and/or make available to Owner for use as Owner requests, the following services:

- (a) Reservation Services. Reservation services for scheduling Owner's and Guest's use of the Unit; provided, however, that the Company shall have no responsibility for collecting payment from any rental guests booked either through Owner or Owner's third party rental agent, which shall be the sole responsibility of Owner and/or Owner's third party rental agent unless otherwise agreed to between Owner and the Company under a separate Unit Rental Agreement;
- (b) Registration Services. Registration of arrivals and departures by Owner and Guests, including verification of identity, preparation of electronic keys, and verification of arrivals and departures;
- (c) Switchboard Operations. Routing of all inbound and outbound telephone calls to Owner's Unit through a central telephone system;
- (d) Linen and Housekeeping Services. Linen service and housekeeping service during any period that the Unit is occupied either by Owner or Guests, in accordance with the standards in effect by the Company for the Hotel operations in general.
- (e) Departure Cleaning. Upon check-out by Owner or a Guest of the Unit, Departure Cleaning of the Unit, sufficient to return it to a condition ready for rental or occupancy;
- (f) Additional Housekeeping Services. Additional housekeeping or cleaning services, as requested by Owner or Guests;
- (g) Annual Interior Deep Cleaning. An annual interior deep cleaning of the Unit including, but not limited to, carpet and upholstery steam cleaning, floor waxing, external window washing and other cleaning services as necessary to maintain the Unit in a first-class, occupiable condition suitable for rental;
- (h) Routine Maintenance Services. Routine maintenance services which are, in the sole discretion of the Company, necessary to keep the Unit suitable for occupancy and in compliance with the Hotel's first class standards of operation. Such routine maintenance shall include, but not be limited to, tasks that are normally performed by property management and other semi-skilled personnel;
- (i) Non-Routine Maintenance and Emergency Repairs. Non-routine and emergency maintenance or repair work as determined necessary in the sole discretion of the Company to keep the Unit suitable for occupancy and in compliance with the first-class operating standards of the Hotel or upon discovery of a condition in the Unit which, in the Company's sole discretion, requires immediate attention.



3. FEES FOR SERVICES. Owner agrees to pay to the Company fees for all services provided under this Agreement, in accordance with the Fee Schedule attached as SCHEDULE A hereto.

4. OWNER RESPONSIBILITIES. Owner shall be responsible for maintaining the following standards for the Unit during the Term of this Agreement:

- (a) Unit Furnishings. Owner shall, at Owner's sole expense, furnish and maintain the Unit in a first-class, occupiable condition, with complete furniture, fixtures, and equipment including, but not limited to, the minimum requirements for furniture, fixtures, and equipment specified by the Company for the Owner's Unit type. Determinations of first-class, occupiable condition and the type, color and specifications of all furniture, fixtures, equipment and decorations shall be within the absolute discretion of the Company. Owner understands and agrees that the Unit shall be required to comply with the standards for uniform appearance of Hotel units, as required under the CC&Rs;
- (b) Replacement of Furnishings. Owner shall be responsible for the cost of replacing any item of furniture, fixtures and equipment required by the Company as necessary to maintain the Unit in a first-class, occupiable condition. Owner shall not hold the Company or Manager responsible for repair, restoration, redecorating or other expenses arising as the result of the rental or use of the Unit including wear and tear, and acknowledges that such expenditures are Owner's responsibility. Owner further recognizes that rental occupancy will accelerate normal wear and tear. For the purpose of funding a periodic replacement of Unit Furnishings, the Company will charge Owner a monthly reserve (the "FF&E Reserve"), in accordance with SCHEDULE A hereto. All amounts in the FF&E Reserve maintained by the Company for all Unit Owners shall be held in a segregated account by the Company and used for the sole purpose of funding replacement furnishings, fixtures and equipment of the Unit. The Owner shall have no right to a refund of any amounts in the FF&E Reserve upon a sale or transfer of Owner's Unit, but the purchaser or transferee of the Unit shall receive the benefit of amounts held in the FF&E Reserve at the time or times that the Company determines to make replacements of furnishings, fixtures and equipment.
- (c) Inspection of Unit. The Company shall, at least once annually, or more frequently as needed, inventory all furniture, fixtures, and equipment in the Unit, inspect the general condition of the Unit, and provide Owner with a written statement regarding the general condition of the Unit. Based upon such inspection, the Company shall assign an acceptable or unacceptable rating to the Unit. The term "acceptable" shall refer to those units which, in the sole judgment of the Company, meet the Company's rental standards and are in a first-class, occupiable condition. If the Company assigns an unacceptable rating to the Unit, the Company shall deliver to Owner a written statement detailing the Company's requirements to make the Unit acceptable. Owner hereby authorizes the Company to undertake such actions as are necessary to comply with the Company's requirements.

5. TERM. This Agreement shall be effective from the date that Owner purchases the Unit until the date that Owner sells or otherwise transfers the ownership of the Unit, or the date that Owner ceases to be the owner of the Unit, whether due to the destruction or condemnation of the Hotel or otherwise. Owner agrees that Owner will be subject to the terms of this Agreement for as long as Owner shall own the Unit.

6. INSURANCE. Pursuant to the terms of Section 5.7 of the CC&Rs, the Association and the Company will obtain and maintain commercial general liability and physical damage insurance in the amounts and on the terms disclosed from time to time by the Association and the Company to Owner. Owner shall be responsible for physical damage insurance on any additions, alterations, improvements and betterments to the Unit to the extent not covered by the policies of insurance obtained by the Company, and for insurance covering any personal belongings of the Owner located in the Unit.

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

(a) Owner Usage Calendar. 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 advance reservation by completing and submitting to the Company an Owner usage calendar (the "**Owner Usage Calendar**") no later than June 1 of each year showing all reservation dates for the subsequent twelve (12) month period provided, however, in the first year of ownership, Owner shall submit to the Company the Owner Usage Calendar on or before the closing of Owner's purchase of the Unit. Owner shall (i) comply with any reasonable reservation policies and procedures that the Company may adopt; and (ii) 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 does not permit the Unit to be used as a permanent residence, and that it may only be used for transient occupancy. If Owner fails to deliver the Owner Usage Calendar to the Company as required above, the Company 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 and non-paying Guests of owner, and all of such usage shall be deemed to be occupancy of Owner.

(b) Owner Use on Non-Calendar Date. Notwithstanding the reservation requirements in Section 7(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 the Company of the desire to personally use the Unit. If the Company has not received a tentative or confirmed reservation for the Unit on the dates requested by Owner, the Company shall make every reasonable effort to accommodate such a request. If the Company has received a tentative or confirmed reservation for use of the Unit, the Company may deny such request and Owner shall have no right to personally use the Unit, the Company 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.

- (c) Registration, Check-In, Daily Use Fee and Additional Charges. Owner shall register at the front desk of the Hotel in order to receive a key to Owner's Unit. The Company shall charge a Daily Use Fee in the amount described in SCHEDULE A on a per night basis to Owner or any Guest of Owner who is to occupy the Unit. In addition, Owner and any Guest of Owner will pay the same fees and charges that are paid by other guests of the hotel for food and beverage, in-room entertainment, spa services, business services and/or any other services or products made available to the general public for sale by the Company, together with transient, sales, use or other taxes thereon.
- (d) Arrival/Departure Requirements. Owner and Owner's Guests shall: (i) comply with any applicable arrival / departure requirements established by the Company 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 or Shared Facilities Unit appurtenant to the Unit, nor permit any person, whether family member, repairman, or Owner's Guest to do so, other than during previously reserved dates of occupancy by Owner, without prior notification to, approval of, and coordination with the Company.
- (e) Credit Card Authorization. In order to assure Owner's timely payment of amounts owed under this Agreement for Owner's personal use and the use of the Unit by Guests who are charged separately by Owner or Owner's rental agent, Owner agrees to maintain a valid credit card authorization on file with the Company'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.
- (f) 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.

8. **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 as necessary for the operation of the Hotel. 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.

9. **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 common 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.

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10. (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 in connection with the sale, assignment or other hypothecation of 100% of Owner's interest in the Unit, and any such assignment shall be subject to the proposed assignee's specific assumption of this Agreement and the rights, duties and obligations of Owner hereunder, or in the case of any mortgagee of Owner, be subject to a Subordination, Non-Disturbance and Attornment Agreement on such terms as the Company may require.

11. STORAGE OF PERSONAL PROPERTY. Owner shall not store or leave any property in the Unit and the Company shall have no liability for any lost or damaged items left in the Unit.

12. 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 exercise any all remedies available to it at law or in equity, including the remedies provided for in the CC&Rs.

13. 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, seek monetary damages from the Company in an amount equal to Owner's actual losses incurred as a result of the Company's default. Owner shall have no right to receive damages for emotional distress, consequential, lost profits, punitive or any other damages other than compensatory damages. Owner and the Company agree that recoverable damages are limited to the reasonable cost of any expense incurred by Owner to receive any of the services required to be provided by the Company under this Agreement as a result of the Company's failure to provide such services or failure to provide such services in the manner required under this Agreement.

14. OWNER'S ACKNOWLEDGEMENTS.

A) OWNER UNDERSTANDS AND ACKNOWLEDGES THAT EXECUTION OF THIS AGREEMENT IS A MANDATORY 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; OR (III) 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.

15. 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.

16. 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 CC&Rs and the Dispute Resolution Addendum attached hereto as Schedule B, constitutes the entire Agreement between the parties with respect to the operation and maintenance of the Unit, and there are no oral or written amendments, modifications, other agreements or representations. The Company may,

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Owner Initials \_\_\_\_\_  
Owner Initials \_\_\_\_\_

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 Daily Use Fee 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 hereto as SCHEDULE B.
- (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.
- (j) Binding on Assignees of Unit. This Agreement will run with the land and will be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of Owner. Owner covenants and agrees for itself and for its

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Owner Initials \_\_\_\_\_  
Owner Initials \_\_\_\_\_

successors and assigns that the conveyance of any interest in the Unit to any other person or entity shall constitute an assumption by such successors, assigns or transferees of all of the duties and obligations arising under this Agreement.

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

GRAND SIERRA RESORT

By: Rich Dumas  
Signature

Print Name: Rich Dumas

Title: Vice President Residences

Dated signed: 1/17/07

OWNER:

Signature

Print name: [REDACTED]

Signature of Co-Owner (if any)

Print name: \_\_\_\_\_

Date signed: 1/07/07

Owner Initials \_\_\_\_\_  
Owner Initials \_\_\_\_\_

SCHEDULE A  
PRICE AND FEE SCHEDULE

Daily Use Fee (charged for each night Unit is occupied by Owner or any Guest) (includes all housekeeping charges except Additional Housekeeping Services requested by Owner)	Per Night Per Unit Type:	
	Less than 800 sq. ft.:	\$20.92
	800 to 1500 sq. ft.:	\$28.62
	Over 1500 sq. ft.:	\$36.33
Additional Housekeeping Services (charges will be disclosed prior to service requested)	(provided upon request)	
Annual Interior Deep Cleaning	\$600.00 per year	
Routine Maintenance Services (included in Daily Use Fee)	0	
Non-Routine Maintenance and Emergency Services as determined necessary by Company at rates customary in the hotel industry in Reno, Nevada	(provided at time of service)	
FF&E Reserve	Per Month Per Unit Type:	
	The Imperial Suite	\$406.69
	The DMD Suite (Dodd Mitchell Design)	\$387.43
	The Loft (1)	\$294.50
	The Loft (2)	\$282.60
	The Loft (3)	\$246.47
	The Presidential Suite	\$395.31
	The Solarium Suite	\$306.41
	The Grand Suite (A)	\$183.64
	The Grand Suite (B)	\$183.64
	The Grand <sup>2</sup> (A)	\$164.51
	The Grand <sup>2</sup> (B)	\$164.51
	The Grand <sup>2</sup> (C)	\$164.51
	The Grand <sup>2</sup> (D)	\$164.51
	Deluxe Parlor Combined	\$379.96

SCHEDULE B

DISPUTE RESOLUTION ADDENDUM AGREEMENT

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

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

OWNER AND GRAND SIERRA AGREE THAT:

This addendum, when duly executed by both parties, will constitute a part of the "Unit Maintenance Agreement" dated 01/07/07, between [REDACTED] referred to as "Owner," and Grand Sierra Operating Corp., referred to as "Grand Sierra," covering Unit number 1902 located within the Hotel at 2500 East Second Street, Reno, Washoe County, Nevada.

I. DEFINITIONS

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

(b) "Owner" shall mean the person or persons executing the Unit Maintenance Agreement as "Owner," and their successors, heirs, assigns, subsequent

Grand Sierra Initials [Signature]

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Owner Initials [Signature]

Owner Initials [Signature]

Owners, and any third party claiming any right or interest in the Unit through them; provided, however, that the term "Owner" does not include any lender, its successors, or assigns (collectively, a "Mortgagee") whose loan is secured by a deed of trust on the Unit and who may take title to the Unit through foreclosure of such deed of trust or through a deed in lieu of foreclosure. Any third party claiming any right or interest in the Unit through such a Mortgagee shall, however, be a "Owner" for purposes of this Dispute Resolution Addendum Agreement.


(c) "Unit" shall mean the Unit identified on page 1 of this Agreement as Owner's Unit.

(d) "Dispute(s)" shall mean any claim, cause of action (whether at law or in equity), demand or disagreement of any nature whatsoever ("Claim") arising from or in connection with the Unit Maintenance Agreement. The Disputes shall include, without limitation, claims and causes of action for real and personal property damage, breach of contract, breach of warranty (whether express, implied or by operation of law), tort, bodily injury or wrongful death, nondisclosure, misrepresentation, emotional distress, nuisance, compensatory or punitive damages, rescission of any agreement, enforceability of this Agreement, and/or specific performance. The following matters are excluded from the definition of a Dispute and are not subject to this Dispute Resolution Agreement:

1. Judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or land contract;
2. An unlawful detainer action;
3. The filing or enforcement of a mechanic's lien or a lien for non-payment of assessments or fines;
4. Any matter which is within the jurisdiction of a probate court;
5. Any claim made by a Unit Owner's Association or Grand Sierra against Owner pursuant to Nevada Revised Statutes, Sections 38.300 to 38.360 inclusive to enforce any covenants, conditions or restrictions, bylaws or rules or regulations adopted by the association against the Owner, or to increase, decrease or impose additional assessments upon residential property against the Owner;
6. The filing of judicial action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies;

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Owner Initials 

Owner Initials \_\_\_\_\_

## II. SUBMISSION OF DISPUTES TO ARBITRATION

a. Owner and Grand Sierra agree to submit any and all Disputes between Grand Sierra and Owner and their respective successors-in-interest to final and binding arbitration, unless specified otherwise herein, under the following procedures.

b. Before any Dispute can be submitted to mediation or arbitration, the party wishing to submit the Dispute must first, at least sixty (60) days before filing a Demand for Arbitration, give written notice to the other party of the Dispute, and therein detail with reasonable specificity the actions to be taken to resolve the Dispute.

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


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

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

f. Any Dispute between Owner and Grand Sierra where the claim of damage is more than \$5,000, where the estimated cost of performance, repair or replacement of the item(s) in dispute is more than \$5,000 and which is not resolved by the responding party, shall first be submitted to non-binding mediation. If such mediation is not successful in resolving the Dispute, either Owner or Grand Sierra may submit the Dispute to arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), unless both Owner and Grand Sierra otherwise agree in writing.

1. Arbitration shall be initiated by filing a written Demand for Arbitration with the American Arbitration Association, accompanied by the required filing fee, and concurrently mailing a copy of the demand to the other party. In the event of a demand for arbitration that would be heard by a panel

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Grand Sierra Initials 

Owner Initials 

Owner Initials \_\_\_\_\_



of three arbitrators pursuant to AAA rules, the parties shall each select an arbitrator and the two so selected shall in turn select a third, the three of whom shall act as an arbitration panel. The arbitration shall take place in the office of the American Arbitration Association nearest to the Unit, at such time and date selected by the arbitrator. Any Dispute regarding the scope of the arbitration or the procedures to be followed in the arbitration shall be resolved by the arbitrator or arbitration panel.

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

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

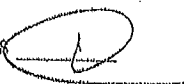
g. Grand Sierra may, in its sole discretion, consolidate the Disputes of other Owner(s) in the event that such Disputes are similar in nature and, if the aggregate amount of damage claimed by such Owners exceeds \$5,000, such Disputes will be addressed in the same manner as a single Dispute where the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

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

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

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

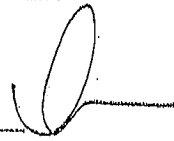
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Owner Initials



III. LIMITATION OF AWARD AND LIABILITY

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

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

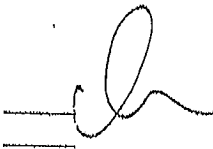
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Owner Initials



C. ATTORNEY'S FEES - EACH PARTY SHALL BEAR ITS OWN ATTORNEY'S FEES AND OTHER COSTS IN PROSECUTING OR DEFENDING THE DISPUTE, EXCEPT THAT IN THE EVENT ANY ACTION OR PROCEEDING IS BROUGHT BY ANY PARTY HERETO TO ENFORCE THIS AGREEMENT, THE PREVAILING PARTY SHALL BE ENTITLED TO REASONABLE ATTORNEY'S FEES AND COSTS IN ADDITION TO ALL OTHER RELIEF TO WHICH THAT PARTY OR THOSE PARTIES MAY BE ENTITLED.

IV. MISCELLANEOUS

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

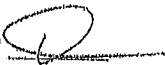
b. If there is any conflict between this Dispute Resolution Addendum Agreement and the Unit Maintenance Agreement, the provisions of this Dispute Resolution Addendum Agreement shall control.

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

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

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

f. This Dispute Resolution Addendum Agreement, along with the Unit Maintenance Agreement and attachments, contain the entire agreement of the parties with respect to matters described herein and in the Unit Maintenance Agreement. Any oral representations or modifications contrary to the terms of this Agreement or the other contract documents for the Unit shall be of no force and effect unless reduced to writing and signed by all parties hereto.

Grand Sierra Initials 

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Owner Initials \_\_\_\_\_

BY SIGNING IN THE SPACE BELOW, GRAND SIERRA AND OWNER WAIVE ANY RIGHTS THEY MAY POSSESS TO HAVE ANY ABOVE-DEFINED DISPUTE LITIGATED IN A COURT OR HEARD BY A JURY, AND WAIVE THE RIGHT TO RECOVER DAMAGES NOT PROVIDED FOR IN THIS AGREEMENT FOR A COVERED DISPUTE. IF EITHER PARTY REFUSES TO COMPLY WITH THE TERMS CALLED FOR HEREIN, THE OTHER PARTY MAY APPLY TO AN APPROPRIATE NEVADA COURT TO COMPEL ARBITRATION AS PROVIDED HEREIN.

GRAND SIERRA RESORT

OWNER:

By:

*Rich Dumas*  
Signature

[Redacted Signature]  
Signature

Print Name: *Rich Dumas*

Print name: [Redacted Name]

Title: *Vice President - Residences*

Signature of Co-Owner (if any)

Print name: \_\_\_\_\_

Dated signed: *1/15/07*

Date signed: *01/07/07*

Grand Sierra Initials

*RD*

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Owner Initials

Owner Initials

*[Signature]*

GRAND SIERRA RESORT  
PURCHASE AND SALE AGREEMENT



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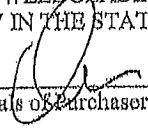
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GRAND SIERRA RESORT

PURCHASE AND SALE AGREEMENT

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

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

  
(Initials of Purchaser)

NAME OF PURCHASER:

\_\_\_\_\_

SOCIAL SECURITY NUMBER or E.I.N.:

\_\_\_\_\_

HOME ADDRESS:

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

OFFICE ADDRESS:

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

HOME PHONE:

\_\_\_\_\_

OFFICE PHONE:

\_\_\_\_\_

HOME FAX:

\_\_\_\_\_

OFFICE FAX: (530) 886-0981

HOME E-MAIL:

\_\_\_\_\_

OFFICE E-MAIL:

\_\_\_\_\_

PURCHASER'S ATTORNEY:

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

PHONE:

\_\_\_\_\_

FAX:

\_\_\_\_\_

E-MAIL:

PURCHASER'S BROKER:

220 Finedale Ave.

Graville  
Graville California, 95966

MILLER REALTY, DON MILLER  
PHONE: (530) 534-0347 / 530-680-3911

FAX: 530-886-0951

E-MAIL: destinyprop@yahoo.com

Purchaser Initials

Seller Initials



GRAND SIERRA OPERATING CORP.

1902

1. Purchase Price. The total Purchase Price ("Purchase Price") for the Property (and below) is \$260,000, payable as hereinafter set forth;

Base Price for the Property (defined below)	\$ 260,000
Other _____	\$ 0.00
<b>Total Purchase Price for the Property</b>	<b>\$ 260,000</b>

Initial earnest money deposit ("Initial Deposit"), which shall equal five percent (5%) of the Total Purchase Price for the Property, less any funds paid into escrow pursuant to a Non-Contractual Reservation Agreement, payable concurrently with the execution of this Agreement by Purchaser:

5% = \$	<u>13,000</u>
Res. Dep. = \$	<u>0</u>
= (\$	<u>0</u> ) due

(\$ \_\_\_\_\_ 0)

( \$ 0 )

\$ 247,000

GRAND SIERRA RESORT

DEPOSIT ADDENDUM AGREEMENT TO PURCHASE AND SALE AGREEMENT

Purchaser and Seller are parties to a certain Purchase and Sale Agreement for Unit number 1902 within the Hotel-Condominiums at Grand Sierra Resort ("Agreement"). In consideration of the mutual promises contained in the Agreement and as a further inducement to enter into the Agreement, Purchaser and Seller hereby further agree to replace Paragraph 1(b) of the Agreement, with the following:

1.

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

Initial earnest money deposit ("Initial Deposit"), which shall equal five percent (5%) of the Total Purchase Price for the Property, less any funds paid into escrow pursuant to a Non-Contractual Reservation Agreement, payable concurrently with the execution of this Agreement by Purchaser. The Initial Deposit, together with any other advance payments against the Total Purchase Price made by Purchaser, collectively shall be referred to herein as the "Earnest Money."

5% = \$ 13,000  
Res. Dep. - \$ 0  
= (\$ 0) due

Balance of the Purchase Price due at Closing

\$ 247,000

NAME OF PURCHASER:

[REDACTED]

PURCHASED UNIT: 1902

AGREED TO BY PURCHASER:

[REDACTED]

(Signature of Purchaser)

Date: 1/7/07

AGREED TO BY SELLER:

GRAND SIERRA OPERATING CORP.,  
a Nevada corporation

By:

Name:

Its:

Date:

Richard Dumas  
Richard Dumas  
Vice President - Residential  
1/15/07


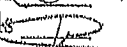
## 2. Purchase of Condominium Unit.

(a) Seller agrees to convey, or cause to be conveyed, to Purchaser, and Purchaser agrees to purchase from Seller, pursuant to the terms and conditions of this Purchase Agreement: (a) Unit No. 1902 ("Purchased Unit") in the "Hotel-Condominiums at Grand Sierra Resort" (the "Condominium"); (b) the undivided percentage interest attributable to such Unit as a tenant-in-common in the Common Elements (as defined in the Condominium CC&Rs); and (c) the Personal Property (hereinafter defined). The Purchased Unit and its corresponding percentage interest in the Common Elements are herein collectively referred to as the "Unit Ownership." The Unit Ownership and the Personal Property are herein collectively referred to as the "Property." The Condominium will be located at 2500 East Second Street, Reno, Nevada, within portions of the building formerly known as The Reno Hilton Hotel (the "Building"). The Condominium consists or will consist of the real estate legally described in Exhibit A hereto, together with improvements which may be made thereto. The "Personal Property" means the appliances, furnishings and finishes to be installed in the Purchased Unit more particularly described on a schedule of Personal Property, Finishes and FF&E to be provided to Purchaser at or before Closing. Seller reserves the right to amend the schedule of Personal Property, Finishes and FF&E at any time. The Purchased Unit and the Condominium are described in greater detail in the Condominium Documents described in Paragraph 4 hereof.

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

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

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

Purchaser Initials   
Seller Initials 

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

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

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

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

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

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

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

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

Purchaser Initials

Seller Initials

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

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

PURCHASER(S):



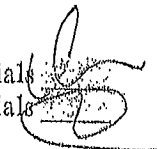
(Signature of Purchaser)

4. Condominium Documents: Condominium CC&Rs.

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

(b) In addition to the Condominium, portions of the Building and/or surrounding Parcel may include separate condominiumized parcels which may include approximately 1,171 hotel rooms, parking lots, retail spaces, public spaces, a casino, approximately 200,000 square feet of meeting space, restaurants, and, in the future, one or two water parks each of 150,000

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square feet or more, all of which currently is in conceptual stages, and NEED NOT BE BUILT, and if built, may not become part of the Condominium.

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

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

##### 5. Closing.

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

Subject to Seller's Extension Right as provided below, if Closing on the Unit Ownership and Personal Property does not occur on or before June 30, 2007 (the "Anticipated Outside Closing Date") for reasons other than Purchaser Delay, and Purchaser is not then in default hereunder, then upon Purchaser's written notice to Seller of its election to terminate, which must

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

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

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

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

(d) At Closing, Seller shall convey, or cause to be conveyed, to Purchaser, title to the Unit Ownership by Grant Deed, subject only to the following (collectively, "Permitted



## **Exhibit 3**

## **Exhibit 3**

EXHIBIT I

**DISPUTE RESOLUTION ADDENDUM AGREEMENT**

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

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

**PURCHASER AND GRAND SIERRA AGREE THAT:**

This addendum, when duly executed by both parties, will constitute a part of the "Purchase and Sale Agreement" dated 1/7/07, between [REDACTED] referred to as "Purchaser," and Grand Sierra Operating Corp., referred to as "Grand Sierra," covering the Property identified by Unit number 1902 located within the Hotel at 2500 East Second Street, Reno, Washoe County, Nevada.

**I. DEFINITIONS**

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

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Purchaser Initials  
Purchaser Initials

R.App.0122

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

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

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

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

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

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

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

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

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

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

## II. TIME LIMITATIONS TO COMMENCE ACTION FOR DISPUTE


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

Agreed to by Purchaser(s) as a

(Signature of Purchaser)

(Signature of Purchaser)

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



## III. SUBMISSION OF DISPUTES TO ARBITRATION

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

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Purchaser Initials  
Purchaser Initials

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### IV. LIMITATION OF AWARD AND LIABILITY

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

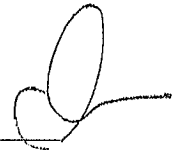
A. WITH RESPECT TO ANY DISPUTE WHICH OTHERWISE MAY HAVE BEEN GOVERNED BY NEVADA REVISED STATUTES, SECTIONS 40.600 TO 40.695, INCLUSIVE, PURCHASER AND GRAND SIERRA AGREE THAT RECOVERABLE DAMAGES ARE LIMITED TO THE REASONABLE COST OF ANY REPAIRS NECESSARY TO CURE ANY CONSTRUCTIONAL DEFECT TO THE PROPERTY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

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

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

I-7

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





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

V. MISCELLANEOUS

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

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

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

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

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

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

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

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

AGREED TO this

7th Jan. 2007



(Signature of Purchaser)

AGREED TO this

1/15/07



GRAND SIERRA OPERATING CORP.

\_\_\_\_\_  
(Signature of Purchaser)

EXHIBIT J

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

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

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

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

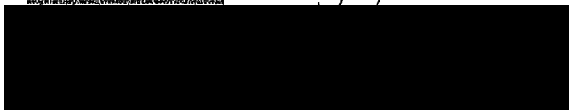
To the extent statutory implied warranties are deemed to apply notwithstanding the above, Seller and Purchaser hereby agree to modify such implied warranties as follows:

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

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

Agreed to by:

**PURCHASER:**



(Signature of Purchaser)

\_\_\_\_\_  
(Signature of Purchaser)

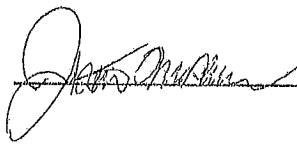
Dated 6/2, 2006.

**SELLER:**

**GRAND SIERRA OPERATING CORP.**

a Nevada corporation

By: \_\_\_\_\_



Its: Administration

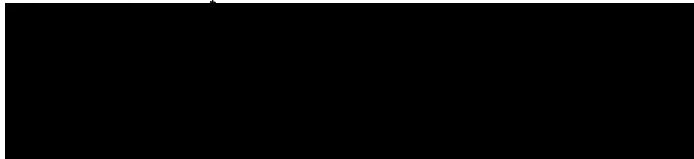
Dated 6/3, 2006

EXHIBIT K

RECEIPT FOR GOVERNING DOCUMENTS

Date: June 3, 2006

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

A large black rectangular redaction box covering the signature of the purchaser.

(Signature of Purchaser) (Redacted)

\_\_\_\_\_  
(Signature of Purchaser)

EXHIBIT L


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

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

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

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

Date: 6/2/06

  
(Signature of Purchaser)

\_\_\_\_\_  
(Signature of Purchaser)

Exhibit M

Lead-Based Paint Disclosure

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

Lead Warning Statement

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

Seller's Disclosure

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

Purchaser's Acknowledgment (Initial)

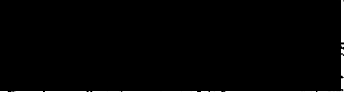
- (c) [initials] Purchaser has received copies of all information listed above.
- (d) [initials] Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.
- (e) Purchaser has (check (i) or (ii) below):
- (i) [initials] received a 10-day opportunity (or mutually agreed upon period)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

Agent's Acknowledgment (Initial)

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

Certification of Accuracy

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

	<u>[initials]</u>	<u>[initials]</u>	<u>10/3/06</u>
Purchaser	Date	Purchaser	Date
<u>[signature]</u>	<u>[initials]</u>	<u>[signature]</u>	<u>[initials]</u>
Agent	Date	Agent	Date

## **Exhibit 4**

## **Exhibit 4**



**GRAND SIERRA RESORT  
UNIT RENTAL AGREEMENT**

This UNIT RENTAL AGREEMENT ("Agreement") is made and entered into this 7<sup>th</sup> 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: 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.

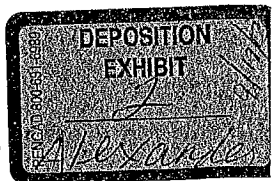
B. The Company plans to advertise and promote the rental of all rooms and suites in the Hotel (sometimes referred to collectively herein as "Hotel Units"), including those owned by individual owners of Hotel Units and those owned by the Company.

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.



*Note: HOA Fees waived for the first year per Scott Bayless.*

- (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 Easements 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 31<sup>st</sup> 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 hereafter 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:

Signature

Print Name:

Title:

Print Name:

OWNER:

Signature

Print name:

Signature of Co-Owner (if any)

Print name:

Dated signed:

Signed and delivered in the presence of:

Witness:

[type: Name of Witness]

Witness:

[type: Name of Witness]

Date signed:

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.

## **Exhibit 5**

## **Exhibit 5**

**GRAND SIERRA RESORT  
UNIT RENTAL AGREEMENT**

This UNIT RENTAL AGREEMENT ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2011 (the "Effective Date") by and between MEI-GSR Holdings LLC d/b/a Grand Sierra Resort & Casino (the "Company"), and \_\_\_\_\_ (collectively referred to in this Agreement as "Owner"), whose address is \_\_\_\_\_.

Home Phone: \_\_\_\_\_ Fax #: \_\_\_\_\_  
Office Phone: \_\_\_\_\_ Owner's Designate: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_

A. Owner wishes to participate in the Company's voluntary rental program to offer Owner's Hotel Unit # \_\_\_\_\_ (the "Unit") in the Grand Sierra Resort & Casino (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.

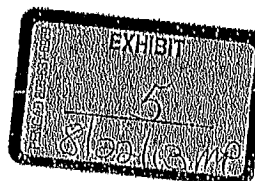
NOW, THEREFORE, in consideration of the terms, conditions and the mutual covenants herein set forth, the parties agree as follows:

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 may be entered into between the Company, as initial owner of Units, and an 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(d) 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 Easements 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, and any references to "Manager" in this Agreement automatically shall refer instead to the Company.
- (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 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, where applicable, 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 individually owned Rental Units, other than units owned by the Company, are fairly and equitably offered for rental after Company owned units and hotel rooms on Hotel floors 17 through 27 have been rented. 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 (or Owner's predecessor in title) 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 commence as of the Effective Date and end on December 31<sup>st</sup> of the same calendar year, unless terminated earlier as provided in this Agreement. Upon expiration of the initial term, this Agreement shall be automatically renewed for additional terms of one (1) year each unless Owner or the Company, at least sixty (60) 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. Owner may terminate this Agreement upon not less than 60 days prior written notice to the Company, and upon the immediate one-time payment to the Company of a termination fee as liquidated damages equal to \$2,000 if such termination notice is delivered to the Company more than six (6) months prior to the expiration of the next ensuing initial term or a renewal term, and \$1,000 if such termination notice is delivered to the Company on or less than six (6) months prior to the expiration of the next ensuing initial term or a renewal term. The parties recognize that the actual damages sustained by the Company in the event of an early termination of this Agreement by Owner would be difficult to compute. The parties agree, however, that the liquidated damages amounts set forth above are a good-faith estimate of the minimum amount of actual damages that would be sustained by the Company in the event of an early termination of this agreement by Owner. 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 under the Rotation System 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 consecutive 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 under the Rotation System.
- (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 Costs. 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 ensure 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. The insurance deductible amount on the Association's or the Company's property insurance covering the damage to the Unit shall be charged as a Shared Facilities Expense, 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 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, immediately pursue any remedy provided in Section 6 of this Agreement.



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 individually owned units in the Hotel, other than units owned by the Company, on a rotating and equal basis. Company owned units and hotel rooms on Hotel floors 17 through 27 will not be included in the Rotation System and will be rented prior to other owned Units. 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 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 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 sent 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 thirty (30) 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 (d) below, Owner may reserve the Unit for Owner's personal use at any time within the current term, provided that: Owner makes an advanced reservation by completing and submitting to Manager an Owner usage calendar (the "Owner Usage Calendar") no later than thirty (30) days after the Effective Date, and January 31 of each term after the initial term, showing all reservation dates for the remaining term or for the subsequent twelve (12) month period, as applicable. 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 applicable term. 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.
- (c) Owner Use on Non-Calendar 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. Within 30 days after full execution of this Agreement, and thereafter 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 or for the remainder of such partial year, as applicable. 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 by virtue of Owner's ownership or use of the Unit 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 any of Owner's financial obligations to the Company or to the Association.

- (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, except as otherwise required by law.

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 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 voluntary sale, assignment or other hypothecation of 100% of Owner's interest in the Unit, this Agreement shall automatically terminate. In the event of any involuntary foreclosure, sale, assignment or other hypothecation of 100% of Owner's interest in the Unit, this Agreement shall automatically continue in full force and effect. Any voluntary assignees 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, any voluntary 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 assignment, 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 voluntary assignee 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.** Except as otherwise provided in this Agreement, 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 thirty (30) 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, or under this Agreement or any other agreement applicable to Owner's ownership or use of the Unit, 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 thereafter, 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: (1) 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. Except as otherwise provided in this Agreement, The Company may, no more frequently than once each term, upon at least thirty (30) 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, as determined in the Company's sole discretion; provided that the Company shall not increase such standard charges to Owner by more than seven percent (7%) per year without Owner's written consent.

- (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.
- (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 to receive any notices 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.

MEI-GSR HOLDINGS LLC d/b/a  
GRAND SIERRA RESORT & CASINO OWNER:

By: \_\_\_\_\_  
Signature \_\_\_\_\_ Signature \_\_\_\_\_  
Print Name: \_\_\_\_\_ Print name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Signature of Co-Owner (if any) \_\_\_\_\_  
Print name: \_\_\_\_\_  
Date signed: \_\_\_\_\_ Date signed: \_\_\_\_\_

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

## **Exhibit 6**

## **Exhibit 6**

TRANSFER OF SPECIAL DECLARANT'S RIGHTS AND ASSIGNMENT  
OF SALES AGREEMENTS, DEPOSITS AND PROCEEDS

THIS TRANSFER OF SPECIAL DECLARANT'S RIGHTS AND ASSIGNMENT OF SALES AGREEMENTS, DEPOSITS AND PROCEEDS (this "Assignment") is made and executed this \_\_\_\_ day of \_\_\_\_\_, 2011, by CREDIT MARKETS REAL ESTATE CORP., a Delaware corporation have an office at 383 Madison Avenue, 3<sup>rd</sup> Floor, New York, NY 10179 ("Assignor") in favor of GAGE VILLAGE COMMERCIAL DEVELOPMENT, LLC, a California limited liability company, as to an undivided 68.1979%, and AM-GSR HOLDINGS, LLC, a Nevada limited liability company, as to an undivided 31.8021%, having an office at 9550 Firestone Blvd., Suite 210, Downey, CA 90241 (collectively, "Assignee").

R E C I T A L S:

A. Assignor has, by Grant, Bargain and Sale Deed dated of even date herewith, conveyed to Assignee all of Assignor's right, title and interest in and to certain real property situated in Washoe County, Nevada (the "Property"), as more fully described on Exhibit "A" attached hereto and made a part hereof.

B. Portions of the Property are subject to a condominium hotel regime established pursuant to Nevada Revised Statutes Chapter 116 (the "Condominium Act") and the following recorded documents: (1) Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Hotel-Condominiums at Grand Sierra Resort, dated as of November 27, 2006 and recorded December 15, 2006 in the office of the County Recorder of Washoe County, as Document No. 3475705; (2) Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Hotel-Condominiums at Grand Sierra Resort, dated as of December 19, 2006 and recorded January 10, 2007 in the office of the County Recorder of Washoe County, as Document No. 3485358; (3) Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Hotel-Condominiums at Grand Sierra Resort, dated as of January 4, 2007 and recorded February 9, 2007 in the office of the County Recorder of Washoe County, as Document No. 3496644; (4) Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Hotel-Condominiums at Grand Sierra Resort, dated as of January 31, 2007 and recorded March 8, 2007 in the office of the County Recorder of Washoe County, as Document No. 3506332; (5) Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Hotel-Condominiums at Grand Sierra Resort, dated as of March 7, 2007 and recorded March 26, 2007 in the office of the County Recorder of Washoe County, as Document No. 3512878; (6) Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Hotel-Condominiums at Grand Sierra Resort, dated as of March 22, 2007 and recorded April 13, 2007 in the office of the County Recorder of Washoe County, as Document No. 3520553; (7) Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for Hotel-Condominiums at Grand Sierra Resort, dated as of April 23, 2007 and recorded May 18, 2007 in the office of the County Recorder of Washoe County, as Document No. 3534170;

and (8) Declaration of Covenants, Conditions, Restrictions and Reservations of  
Easements for Hotel-Condominiums at Grand Sierra Resort, dated as of June 8, 2007 and

recorded June 27, 2007 in the office of the County Recorder of Washoe County, as Document No. 3548504; (the "Declarations"), and corresponding recorded final maps. Assignor is the successor developer of the condominium hotel units established pursuant to the Documents and the successor declarant ("Declarant") under the Declaration. Assignee desires to acquire all of Assignor's rights with respect to the ownership and development of the Property and all of the Special Declarant's Rights (as defined in Nevada Revised Statutes Section 116.089) of Assignor as Declarant under the Declaration in accordance with the provisions of Nevada Revised Statutes Section 116.3104 permitting the transfer of Special Declarant's Rights.

C. Assignor and Assignee desire to set forth herein their agreements with respect to the assignment of the above-described rights and the transfer of the Special Declarant's Rights.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged and confessed. Assignor and Assignee hereby agree as follows:

1. Assignor hereby assigns, transfers and sets over unto Assignee all of Assignor's right, title and interest in and to (i) the Documents, to the extent permitted by the Condominium Act, (ii) the condominium hotel regime affecting the Property, to the extent permitted by the Condominium Act, (iii) all agreements of sale, unit maintenance agreements, and rental agreements (the "Sales Contracts") respecting the individual or bulk sale of condominium hotel units in the Property, (iv) all deposits, escrow deposits, and the like, made pursuant thereto, and the proceeds, income, profits, monies and other rights and benefits to be derived in, from and under the Sales Contracts and otherwise and the disposition of the properties described therein, now existing or hereafter obtained by or on behalf of Assignor, subject to the provisions of the Sales Contracts, and (v) all of the Special Declarant's Rights created pursuant to the Declarations and otherwise arising under and transferable in accordance with the applicable provisions of the Condominium Act, to have and to hold the all of the foregoing from this day forward.

2. The intent of this Assignment is to assign to Assignee any and all rights of Assignor as stated herein and to transfer the Special Declarant's Rights to the fullest extent permitted by the applicable provisions of the Condominium Act and the full power to exercise any and all rights, including without limitation, the Special Declarant's Rights, so assigned and transferred. Without limiting the foregoing, the rights conveyed hereby shall include the rights of Assignor, subject to the applicable provisions of the Condominium Act:

2.1 To vote for Assignor in the Grand Sierra Resort Unit-Owners' Association, pursuant to the Bylaws of Grand Sierra Resort Unit-Owners' Association, dated December 15, 2006, as amended;

2.2 To do all acts and to execute, acknowledge, obtain and deliver any and all instruments, documents, items or things necessary, proper or required as a term,

condition or provision of the Documents or in order to exercise the rights under the Documents permitted to be assigned in accordance with the Condominium Act, including, without limitation, the Special Declarant's Rights of Assignor under the Declaration and transferred to Assignee hereby, or to receive and enforce any performance due Assignor under the Documents;

2.3 To give any notices, instructions, or other communications in connection with the Documents;

2.4 To demand and receive all performances due under or with respect to the Documents and to take all lawful ways and means for the enforcement thereof and to compromise and settle any claim or cause of action in Assignor arising from or related to the Documents and give acquittances and other sufficient discharges relating thereto;

2.5 To file any claim or proceeding or to take any other action, either in its own name, in that of its nominee, in the name of Assignor, or otherwise, to enforce performance under or related to the Documents or protect and preserve the right, title and interest of Assignee hereunder; and

2.6 To perform any and all obligations of Assignor contained in any of the Sales Contracts and exercise any and all rights of Assignor therein contained (including, without limitation, the power to sue on the Sales Contracts, in the name of Assignor or Assignee or both, as fully as Assignor itself could.

3. Assignor represents, warrants and covenants that:

3.1 The Documents and the Sales Contracts, as of the date hereof, have not been altered, amended, changed, terminated or canceled by Assignor in any way except as disclosed by public record or by Assignor in writing to Assignee, and no material breach or default by Assignor exists therein or thereunder.

3.2 Assignor had full power, right and authority to execute and deliver the Sales Contracts and the Documents, if any, that were executed and delivered by Assignor, and has full power, right and authority to execute and deliver this Assignment, including, without limitation, the full power, right and authority to transfer the Special Declarant's Rights.

3.3 Assignor has not conveyed, transferred, or assigned the Sales Contracts, the Documents, the Special Declarant's Rights or any right or interest therein (including, without limitation, any security deposits) and has not executed any other document or instrument that might prevent or limit Assignee from operating under the terms, conditions and provisions of this Assignment.

4. Assignee hereby assumes the performance of, and agrees to perform, all of the terms, provisions, covenants and conditions contained in the Documents and the Sales Contracts, to be performed on the part of Assignor (as declarant, sponsor, seller or otherwise) thereunder accruing or occurring from and after the date hereof.

5. Assignor shall indemnify and hold Assignee harmless from any and all damages and losses as a result of or related to the Sales Contracts first arising or accruing prior to the date hereof, including, without limitation, any judgment, amounts paid in settlement, and all costs and expenses, including reasonable attorneys' fees, actually incurred in defending or settling any action, suit or proceeding in connection with the foregoing, except with respect to the claims set forth on Exhibit "B" attached hereto.

6. Assignor, upon request of Assignee but at no out-of-pocket expense to Assignor, shall execute and deliver such additional documents, and do such other acts as may be reasonably necessary to fully implement the intent of this Assignment and to preserve the rights and interests of Assignee hereunder and the priority, validity and enforceability thereof.


7. This Assignment shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.



*IN WITNESS WHEREOF*, Assignor has caused this Assignment to be executed on the day and year first above written.

Assignor:

CREDIT MARKETS REAL ESTATE  
CORP., a Delaware corporation

By:   
Name: JEFF NUSSBAUM  
Title: VICE PRESIDENT

STATE OF NEW YORK }  
COUNTY OF NEW YORK } ss.:

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of March, 2011, by Guy Nussbaum, as Vice President of Credit Markets Real Estate Corp., a Delaware corporation, on behalf of said corporation.

My Commission Expires:

December 31, 2011

Notary Public  
Notary Public, State of New York

[Notarial Seal]

LENTICE HARRIS  
Notary Public, State of New York  
Commission Expires Dec 31, 2011

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss.:

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ limited liability company, on behalf of said company.

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

[Notarial Seal]

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } ss.:

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2011, by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ limited liability company, on behalf of said company.

My Commission Expires:

\_\_\_\_\_

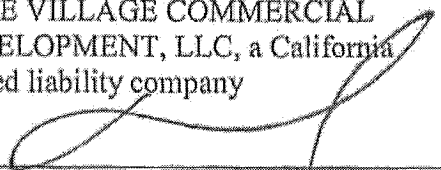
\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

[Notarial Seal]

The foregoing assignment of rights and transfer of Special Declarant's Rights is hereby accepted:

Assignee:

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

By:   
Name: ALEX MERUELLO  
Title: PRESIDENT OF MANAGER

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

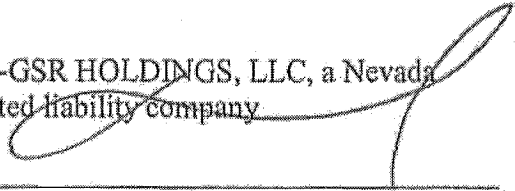
By:   
Name: ALEX MERUELLO  
Title: MANAGER

Exhibit A: the Property  
Exhibit B: Claims

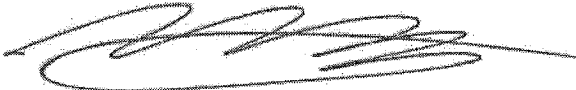
## CERTIFICATE OF ACKNOWLEDGMENT

State of California                    )  
  ) ss.  
County of Los Angeles                )

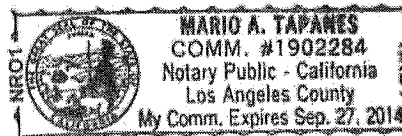
On March 30, 2011 before me, MARIO A. TAPANES, a Notary Public, personally appeared ALEX MERUELO, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Notary Public



Notary Registration No. : 1902284  
Commission Expires: 09/27/2014  
Notary Phone: (562) 745-2355

*The data below is not required by law. The failure to include any information below does not affect the validity of the Certificate of Acknowledgment*

### Signer Capacity:

- ☐ Individual(s)
- ☐ Corporate Officer :
- ☐ Partner(s):
  - ☐ Limited      ☐ General
- ☐ Member (LLC):
  - ☐ Managing    ☐ Regular
- ☐ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Guardian/Conservator
- ☐ Other:

Signer is Representing: ---

### Description of Attached Document:

*Title/Type of Document:* Transfer of Special Declarant's Rights and Assignment of Sales Agreements, Deposits and Proceeds

*Number of Pages:* Four (4) exclusive of exhibits

*Date of Document:* ----

*Signer(s) Other Than Named Above:*

Code: 3370

SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

IN AND FOR THE COUNTY OF WASHOE

ALBERT THOMAS, individually; et al.,

Plaintiffs,

vs.

Case No. CV12-02222  
Dept. No. 10

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

Defendants.

**ORDER REGARDING PLAINTIFFS' MOTION IN SUPPORT OF PUNITIVE  
DAMAGES, DEFENDANTS' MOTION TO DISMISS, AND  
DEFENDANTS' EX PARTE MOTION FOR ORDER SHORTENING TIME**

The Court has considered the following facts in connection with Plaintiffs' Motion in Support of Punitive Damages Award, Defendants' Motion to Dismiss, and the Defendants' Ex Parte Motion for Order Shortening Time:

WHEREAS, a hearing on Plaintiffs' Motion in Support of Punitive Damages Award was previously set for December 10, 2015;

WHEREAS, Plaintiffs' reply brief to Defendants' Opposition to Motion in Support of Punitive Damages Award was due on December 7, 2015.

1 WHEREAS, Defendants were granted a ten (10) day extension to file their opposition to  
2 Plaintiffs' Motion in Support of Punitive Damages Award, up to and including November 30,  
3 2015;

4 WHEREAS, Defendants filed their Opposition to Plaintiffs' Motion in Support of  
5 Punitive Damages Award on December 1, 2015;

6 WHEREAS, on December 2, 2015, the Defendants filed a Motion to Dismiss for Lack of  
7 Subject Matter Jurisdiction ("Motion to Dismiss");

8 WHEREAS, on December 2, 2015, Defendants filed an Ex Parte Motion for Order  
9 Shortening Time for the Plaintiffs to respond to Defendants' Motion to Dismiss;

10 WHEREAS, Defendants failed to contact and notify Plaintiffs of their Motion to Dismiss  
11 and Ex Parte Motion for Order Shortening Time;

12 WHEREAS, Defendants have failed to demonstrate good cause for the timing of the  
13 Motion to Dismiss and failed to show good cause for the appropriateness of the Ex Parte Motion  
14 for Order Shortening Time;

15 WHEREAS, Defendants and their counsel have demonstrated a pattern of bad faith and  
16 intent to delay this action;

17 WHEREAS, this Court held a telephonic hearing with Defendants' counsel Stan Johnson,  
18 Esq. and Plaintiffs' counsel, Jonathan Tew, Esq. and Jarrad Miller, Esq., on December 2, 2015.

19 IT IS HEREBY ORDERED that within five (5) days of the date of this Order,  
20 Defendants shall file an Affidavit from Stan Johnson, Esq. explaining: (1) when Mr. Johnson  
21 commenced drafting the Motion to Dismiss; (2) when Mr. Johnson first discovered NRS 38.310;  
22 and (3) why Plaintiffs were not contacted in connection with the Ex Parte Motion for Order  
23 Shortening Time.

24 IT IS FURTHER ORDERED that the Ex Parte Motion for Order Shortening Time is  
25 DENIED. Additionally, the December 10, 2015 hearing on punitive damages is VACATED in  
26 order to allow Plaintiffs the proper time proscribed by the Nevada Rules of Civil Procedure to  
27 oppose Defendants' Motion to Dismiss. The time proscribed for the Plaintiffs to file their reply  
28 brief to the Defendants' Opposition to Plaintiffs' Motion in Support of Punitive Damages Award

1 is STAYED and shall begin to run on the date this Court issues an order on the Defendants'  
2 Motion to Dismiss.

3       ADDITIONALLY, if the Court determines after reviewing Mr. Johnson's Affidavit that  
4 the Ex Parte Motion for Order Shortening Time and/or Motion to Dismiss were a dilatory tactic  
5 employed by Defendants and Defendants' counsel, the Court will impose an appropriate  
6 monetary sanction against the Defendants and will also require the Defendants to pay the  
7 Plaintiffs' attorneys' fees incurred in opposing the Motion to Dismiss.

8       Dated: December 7, 2015.

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

\* \* \*

ALBERT THOMAS, individually, et al,

Plaintiffs,

Case No: CV12-02222

vs.

Dept. No: 10

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

Defendants.

**ORDER**

Presently before the Court is DEFENDANTS' MOTION TO DISMISS FOR LACK OF SUBJECT MATTER JURISDICTION ("the Motion") filed by the Defendants MEI-GSR HOLDINGS, LLC, A NEVADA LIMITED LIABILITY COMPANY, ET AL. ("the Defendants") on December 1, 2015. Plaintiffs ALBERT THOMAS, ET AL., ("the Plaintiffs") filed an OPPOSITION TO MOTION TO DISMISS ("the Opposition") on December 21, 2015. The Defendants filed a REPLY IN SUPPORT OF DEFENDANTS' MOTION TO DISMISS FOR LACK OF SUBJECT MATTER JURISDICTION ("the Reply") on December 29, 2015. The Court heard argument on the Motion on February 8, 2016, and March 2, 2016. This written ORDER follows.

The COMPLAINT ("Complaint") in this matter was filed on August 27, 2012. The Complaint alleged twelve causes of action: 1) Petition for Appointment of a Receiver as to Defendant Grand Sierra Resort Unit-Owner's Association; 2) Intentional and/or Negligent



1 Misrepresentation as to Defendant MEI-GSR; 3) Breach of Contract as to Defendant MEI-GSR; 4)  
2 Quasi-Contract/Equitable Contract/Detrimental Reliance as to Defendant MEI-GSR; 5) Breach of  
3 the Implied Covenant of Good Faith and Fair Dealing as to Defendant MEI-GSR; 6) Consumer  
4 Fraud/Nevada Deceptive Trade Practices Act Violations as to Defendant MEI-GSR; 7) Declaratory  
5 Relief as to Defendant MEI-GSR; 8) Conversion as to Defendant MEI-GSR; 9) Demand for an  
6 Accounting as to Defendant MEI-GSR and Defendant Grand Sierra Unit Owners Association; 10)  
7 Specific Performance Pursuant to NRS 116.122, Unconscionable Agreement; 11) Unjust  
8 Enrichment/Quantum Meruit against Defendant Gage Village Development; and 12) Tortious  
9 Interference with Contract and/or Prospective Business Advantage against Defendants MEI-GSR  
10 and Gage Development. The Plaintiffs were individuals or other entities who had purchased  
11 condominiums in the Grand Sierra Resort ("the GSR"). The Plaintiffs filed the FIRST AMENDED  
12 COMPLAINT ("the First Amended Complaint") on September 10, 2012. The First Amended  
13 Complaint alleged the same causes of action as the Complaint.

14 The Defendants filed an ANSWER AND COUNTER CLAIM ("the Answer") on November  
15 21, 2012. The Answer denied the twelve causes of action, asserted eleven Affirmative Defenses,  
16 and alleged three Counterclaims. The Counterclaims were: 1) Breach of Contract: 2) Declaratory  
17 Relief: and 3) Injunctive Relief. The Plaintiffs filed a SECOND AMENDED COMPLAINT ("the  
18 Second Amended Complaint") on March 26, 2013. The Defendants filed an ANSWER TO  
19 SECOND AMENDED COMPLAINT AND COUNTER CLAIM ("the Second Answer") on May  
20 23, 2013.

21 These proceedings have been the subject of numerous allegations of discovery abuses by the  
22 Defendants. The Court denied a request for case concluding sanctions in its ORDER REGARDING  
23 ORIGINAL MOTION FOR CASE CONCLUDING SANCTIONS filed December 18, 2013 ("the  
24 December Order"). The Court found case concluding sanctions were not appropriate; however, the  
25 Court felt some sanctions were warranted based on the Defendants' repeated discovery violations.  
26 The Court struck all of the Defendants' Counterclaims in the December Order and required the  
27 Defendants to pay for the costs of the Plaintiffs' representation in litigating the issue of case  
28 concluding sanctions.

1 The Plaintiffs' renewed their motion for case concluding sanctions on January 27, 2014. The  
2 Court conducted a two day hearing regarding a renewed motion for case concluding sanctions. The  
3 Court entered an ORDER GRANTING PLAINTIFFS' MOTION FOR CASE-TERMINATING  
4 SANCTIONS on October 3, 2014 ("the October Order"). The Defendants' Answer was stricken in  
5 the October Order. A Default was entered against the Defendants on November 26, 2014. The  
6 Court conducted a "prove-up" hearing regarding the issue of damages from March 23 to March 25,  
7 2015. The Court entered the FINDINGS OF FACT, CONCLUSIONS OF LAW AND JUDGMENT  
8 on October 9, 2015 ("the Judgment"). The Court set a hearing on punitive damages for December  
9 10, 2015. The hearing was vacated due to the filing of the Motion.

10 The Motion contends the Court lacks subject matter jurisdiction over this entire dispute. The  
11 Motion alleges the Plaintiffs have failed to abide by procedures codified in NRS 38.310. NRS  
12 38.310 provides:

13 1. No civil action based upon a claim relating to:

14 (a) The interpretation, application or enforcement of any covenants, conditions or  
15 restrictions applicable to residential property or any bylaws, rules or regulations  
16 adopted by an association; or

17 (b) The procedures used for increasing, decreasing or imposing additional  
18 assessments upon residential property,

19 may be commenced in any court in this State unless the action has been submitted  
20 to mediation or, if the parties agree, has been referred to a program pursuant to the  
21 provisions of NRS 38.300 to 38.360, inclusive, and, if the civil action concerns  
22 real estate within a planned community subject to the provisions of chapter 116 of  
23 NRS or real estate within a condominium hotel subject to the provisions of chapter  
24 116B of NRS, all administrative procedures specified in any covenants, conditions  
25 or restrictions applicable to the property or in any bylaws, rules and regulations of  
26 an association have been exhausted.

27 *2. A court shall dismiss any civil action which is commenced in violation of the*  
28 *provisions of subsection 1.*

29 (emphasis added). The Motion avers the Plaintiffs' claims pertain to the "interpretation, application  
30 or enforcement of any covenant, conditions or restrictions" of the governing documents to the GSR  
31 condominiums. The governing documents in this matter are the Seventh Amendment to  
32 Condominium Declaration of Covenants, Conditions, Restrictions and Reservations of Easements

1 for Hotel Condominiums at Grand Sierra Resort (“the CC&Rs”), The Grand Sierra Resort Unit  
2 Maintenance Agreement (“the UMA”), the Grand Sierra Resort Purchase and Sale Agreement (“the  
3 PA”), and the Unit Rental Agreements (“the URA”). The Motion asserts the failure to comply with  
4 the provisions of NRS 38.310 requires all action taken in this matter should be vacated and the case  
5 dismissed.

6 The Motion asserts the creation, operation, and management of the Grand Sierra Resort Unit  
7 Rental Association (“GSRURA”) is expressly provided for within the CC&R’s. The fees imposed  
8 on the condominium owners, including those within the UMA, are controlled by the CC&Rs. The  
9 Motion argues the Second Amend Complaint alleged violations of the CC&R’s and UMA, thus  
10 requiring their interpretation and requiring the application of NRS 38.310.

11 The Opposition avers NRS 38.310 is not applicable to the instant case because the  
12 Defendants are third-parties outside the scope of NRS 38.310’s protections. The Opposition relies  
13 on *Hamm v. Arrowcreek Homeowners’ Ass’n*, 124 Nev. 290, 183 P.3d 895 (2008), to support their  
14 contention the Defendants are not acting as agents of the GSRURA. In *Hamm*, the Supreme Court  
15 of the State of Nevada (“the Supreme Court”) addressed whether NRS 38.310 applied to collection  
16 agencies. The Supreme Court determined the collection agency at issue was in an agency  
17 relationship with the HOA because it was hired by the HOA to collect the assessments from the  
18 homeowner. “An agency relationship results when one person possesses the contractual right to  
19 control another’s manner of performing the duties for which he or she was hired.” *Id.* at 299, 183  
20 P.3d at 902. The Supreme Court determined “an agency relationship existed here because  
21 Arrowcreek HOA hired [the collection agency] to collect the Hamms’ alleged assessments and  
22 possessed the contractual right to direct” the collection agency to act on the HOA’s behalf. *Id.*, 183  
23 P.3d at 902. The Supreme Court concluded NRS 38.310 was applicable to those claims arising from  
24 actions performed as the HOA’s agent. The Opposition asserts the Supreme Court therefore held  
25 NRS 38.310 only applies to the HOA or agents of the HOA.

26 The Opposition argues MEI-GSR, Gage, and AM-GSR are not agents of GSRURA, thus  
27 NRS 38.310 is not applicable to the defendants in this action. The Opposition therefore asserts the  
28 dismissal of this case is not warranted. The Opposition argues the evidence presented in this case

1 fails to demonstrate the GSRURA pays MEI-GSR to operate the rental program. The Opposition  
2 asserts MEI-GSR never acted to effectuate the purposes of GSRURA, only to effectuate the goals of  
3 MEI-GSR, Gage, and AM-GSR. The Opposition contends the actions of the Defendants were only  
4 to benefit themselves and “wholly abandoned the interests and purposes of the [GSRURA]” by never  
5 putting the money collected for various fees and assessments into GSRURA reserves and by acting  
6 with the intent to eliminate the GSRURA. The Opposition 20:16-17. The Opposition asserts the  
7 absence of an agency relationship between the Defendants and GSRURA renders NRS 38.310  
8 inapplicable. The Opposition argues, should the Court find an agency relationship, NRS 38.310 is  
9 still inapplicable because the Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Eleventh, and  
10 Twelfth causes of action are not asserted against GSRURA. The Opposition alleges the first cause  
11 of action for the appointment of a receiver is not subject to NRS 38.310 because an arbitrator cannot  
12 appoint a receiver.

13 The Reply argues the Defendants are all within the provisions of NRS 38.300 to NRS 38.360.  
14 The Reply contends GSRURA is the homeowner’s association for the Grand Sierra hotel-  
15 condominium units and is covered by NRS 38.310. Both Gage and AM-GSR are successor  
16 Declarants pursuant to the CC&Rs. The liability of both Gage and AM-GSR to the Plaintiffs would  
17 be as Declarants under the CC&Rs relating to the operation and management of the units. The  
18 Reply asserts all issues in the Second Amended Complaint implicate the interpretation and  
19 application of the governing documents, requiring the Plaintiffs to comply with NRS 38.310.

20 The Opposition also relies on *McKnight Family, LLP v. Adept Mgmt. Serv.*, 129 Nev. Adv.  
21 Op. 64, 310 P.3d 555 (2013), to argue NRS 38.310 is inapplicable to claims regarding the right to  
22 possess and use property. In *McKnight*, the Supreme Court found:

23 An action is exempt from the NRS 38.310 requirements if the action relates to an  
24 individual's right to possess and use his or her property. In *Hamm*, this court  
25 determined that a lien on a property does not present an immediate danger of  
26 irreparable harm nor is it related to an individual's title to property for NRS 38.310  
27 purposes because a lien exists separate from the property, and the right to use and  
28 dispose of the property remains with the owner until the lien is enforced at  
foreclosure proceedings.

1 *Id.*, 310 P.3d at 558. The Opposition asserts all causes of action in this case relate to the Plaintiffs'  
2 right to use and possess their property. The Opposition argues the evidence establishes the  
3 Defendants deliberately interfered with the Plaintiffs' rights to use and possess their property by  
4 renting the condominiums without permission and taking steps to force the Plaintiffs to sell or lose  
5 their units. The Opposition relies on the Court's finding MEI-GSR wrongfully committed numerous  
6 acts of dominion and control over the property of the Plaintiffs in "derogation, exclusion or defiance  
7 of the title and/or rights of the individual unit owners." The Judgment 18:15-21. Within the  
8 Opposition, and during oral argument, the Plaintiffs argue all their claims pertain to and stem from  
9 the title the Plaintiffs hold in the condominium units.

10 The Reply argues the Plaintiffs' claims do not relate to the title of property. The Reply  
11 contends the *McKnight* Court stated claims "relating to title" are exempt from NRS 38.310, not  
12 claims regarding the right to possess and use property. The *McKnight* Court addressed wrongful  
13 foreclosure, quiet title, and slander of title. The Supreme Court found only the quiet title claim was  
14 exempt from NRS 38.300(3) because it required the district court to determine who holds superior  
15 title to a land parcel. The Reply contends the Plaintiffs' claims exist separate from the title to land  
16 and are civil actions per NRS 38.300.

17 The Court finds none of the claims in the Second Amended Complaint would impact the  
18 owners' title to the units; therefore the Court will not deny the Motion on this ground. The Court  
19 finds the claims raised by the Plaintiffs require interpretation and application of the governing  
20 documents. The Plaintiffs' causes of action relate to matters provided for in the governing  
21 documents. *McKnight* limited its analysis to a claim for quiet title. The causes of action in this  
22 matter do not concern claims of superior title. To determine whether there was interference with the  
23 use of the Plaintiffs' ability to use their condominiums necessarily requires interpretation of the  
24 CC&Rs. To apply *McKnight*'s "possession and use" language as the Plaintiffs request would be a  
25 broader application than the Supreme Court has permitted in *McKnight*. *McKnight*, 129 Nev. Adv.  
26 Op. 64, 310 P.3d at 558. Pursuant to the Plaintiffs' argument, almost any alleged violations of the  
27 CC&Rs could arguably be framed as interference with the use and possession of one's property.  
28

1 This is an unreasonable reading of the applicable statute. “If the plain meaning of a statute is clear on  
2 its face, then [this court] will not go beyond the language of the statute to determine its meaning.”  
3 *Rosequist v. Int’l Ass’n of Firefighters*, 118 Nev. 444, 448, 49 P.3d 651, 653 (2002).<sup>1</sup>

4 The Opposition next contends NRS 38.310 does not pertain to subject matter jurisdiction.  
5 The Opposition asserts NRS 38.310 pertains to justiciability and not jurisdiction. The Opposition  
6 argues “the Nevada Legislature *cannot divest the District Court of subject matter jurisdiction*.” The  
7 Opposition 27:20-22 (emphasis in original). The Opposition alleges the Supreme Court has erred in  
8 finding a party must exhaust administrative remedies prior to proceeding with an action in the  
9 district court. The Opposition 29:3-5. The Opposition cites *City of Henderson v. Kilgore*, 122 Nev.  
10 331, 336, 131 P.3d 11, 15, n.10 (2006), to argue the failure to exhaust administrative remedies does  
11 not pertain to subject matter jurisdiction, but pertains to justiciability. The Reply contends NRS  
12 38.310 provides a mandatory statutory administrative remedy which deprives the Court of subject  
13 matter jurisdiction due to the Plaintiffs’ failure to exhaust all administrative measures.

14 The Court finds the Opposition’s argument on this issue be unpersuasive. Access to the  
15 courts has been limited by the legislature via requirements to exhaust available administrative  
16 remedies. “[W]hether couched in terms of subject-matter jurisdiction or ripeness, a person  
17 generally must exhaust all available administrative remedies before initiating a lawsuit, and failure to  
18 do so renders the controversy nonjusticiable.” *Allstate Ins. Co. v. Thorpe*, 123 Nev. 565, 571, 170  
19 P.3d 989, 993 (2007). There are various types of legal actions which the legislature has placed  
20 conditions upon before a party may seek relief in the district court. Similar to the requirements of  
21

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22 <sup>1</sup> *McKnight* has been cited twenty-four times by the Federal District Court for the District of Nevada (“Federal District  
23 Court”) and once in an unpublished decision by the Supreme Court. The Court finds these cases to be persuasive, but  
24 not precedential, authority. In reversing the granting of a motion to dismiss a quiet title action, the Supreme Court stated  
25 *McKnight* recognized a quiet title claim is exempt from NRS 38.310, but did not expand *McKnight*’s holding. *LN*  
26 *Mgmt., LLC v. Caban*, 64833, 2014 WL 5795500, at \*1 (Nev. Nov. 5, 2014). The Federal District Court has found  
27 claims for unjust enrichment, bad faith, and wrongful foreclosure fall under the confines of NRS 38.310 and such claims  
28 must be dismissed. The Federal District Court has noted *McKnight* found quiet title claims are expressly exempt from  
NRS 38.310, but has not expanded this exemption beyond causes of action for quiet title. *Carrington Mortgage*  
*Services, LLC v. Absolute Bus. Sols., LLC; Estrella Homeowners Ass’n*, 215CV01862JADPAL, 2016 WL 1465339, at \*3  
(D. Nev. 2016); *U.S. Bank, N.A., v. Woodchase Condominium Homeowners Association & Jason Edington*,  
215CV01153APGGWF, 2016 WL 1734085, at \*2 (D. Nev. 2016); *Abet Justice LLC v. First Am. Tr. Servicing Sols.,*  
*LLC*, 214CV908JCMGWF, 2016 WL 1170989, at \*3 (D. Nev. 2016); *U.S. Bank, Nat. Ass’n v. NV Eagles, LLC*, 2:15-  
CV-00786-RCJ, 2015 WL 4475517, at \*3 (D. Nev. 2015).

1 NRS 38.310, NRS 613.420, requires the exhaustive of administrative remedies as a prerequisite for  
2 filing employment discrimination claims in district court. *Pope v. Motel 6*, 121 Nev. 307, 114 P.3d  
3 277 (2005) (“NRS 613.420 requires an employee alleging employment discrimination to exhaust her  
4 administrative remedies by a filing a complaint with NERC before filing a district court action.”).  
5 The Supreme Court has acknowledged “the legislature intended that claims involving employment  
6 discrimination were to be administratively exhausted prior to seeking redress in the district courts.”  
7 *Palmer v. State*, 106 Nev. 151, 153, 787 P.2d 803, 804 (1990). The Supreme Court has upheld  
8 similar application of administrative remedy requirements in various matters. *See* NRS 679B.120;  
9 NRS 463.310; NRS 374.640; NRS 278.3195; NRS 41A.071.

10 In *State, Nevada Dept. of Taxation v. Scotsman Mfg. Co., Inc.*, 109 Nev. 252, 254, 849 P.2d  
11 317, 319 (1993), the Supreme Court addressed whether NRS 374.640(1) and NRS 374.680 required  
12 Scotsman to file a refund claim with the Department of Taxation and Tax Commission prior to filing  
13 a claim in the district court. The Supreme Court found “[a] taxpayer must exhaust its administrative  
14 remedies before seeking judicial relief; failure to do so deprives the district court of subject matter  
15 jurisdiction.” *Id.*, 849 P.2d at 319.

16 The Supreme Court discussed the exhaustion of administrative remedies requirement in  
17 *Benson v. State Eng’r*, 131 Nev. Adv. Op. 78, 358 P.3d 221 (2015). In *Benson*, the district court  
18 granted the State Engineer’s motion to dismiss for failure to exhaust administrative remedies. The  
19 Supreme Court affirmed and found the party was required to “exhaust all available administrative  
20 remedies pertaining to the State Engineer’s decision on a water permit before filing a petition for  
21 judicial review with the district court.” *Id.*, 358 P.3d at 228. In *Mesagate Homeowners' Ass’n v. City*  
22 *of Fernley*, 124 Nev. 1092, 1099, 194 P.3d 1248, 1252 (2008), the Supreme Court again found  
23 exhaustion of administrative remedies was required “before initiating a lawsuit, and failure to do so  
24 renders the controversy nonjusticiable.” The Supreme Court held in *Mesagate* the plaintiff failed to  
25 exhaust their administrative remedies by not appealing the City’s approval of a building permit to  
26 the Board of Appeals established pursuant to NRS 278.3195, and the matter was nonjusticable as a  
27 result.

28 //

1 Similar to the language in NRS 38.310, NRS 41A.071 states if an action for medical  
2 malpractice “is filed in the district court, the district court *shall* dismiss the action, without prejudice,  
3 if the action is filed without a [medical expert] affidavit.” (emphasis added). Both NRS 38.310 and  
4 NRS 41A.071 contain “shall.” Shall “is mandatory and does not denote judicial discretion.” *Washoe*  
5 *Med. Ctr. v. Second Judicial Dist. Court of State of Nev. ex. re. County of Washoe*, 122 Nev. 1298,  
6 1303, 148 P.3d 790 (2006). “The Legislature’s choice of the words ‘shall dismiss’ instead of ‘subject  
7 to dismissal’ indicated that the Legislature intended that the court have no discretion with respect to  
8 dismissal.” *Id.*, 148 P.3d at 790.

9 The Supreme Court has recently found failure to comply with the affidavit requirement  
10 warrants dismissal even after years of litigation. In *Wheble v. Eighth Judicial Dist. Court of State ex*  
11 *rel. County of Clark*, 128 Nev. Adv. Op. 11, 272 P.3d 134, 137 (2012), the plaintiff filed the  
12 complaint in 2006. The plaintiff failed to attach the affidavit to the complaint and filed an errata to  
13 the complaint five days later attaching the expert affidavit. The defendants moved for summary  
14 judgment in 2009 arguing the plaintiff’s failure to attach an expert affidavit to their initial complaint  
15 rendered the entire complaint void. The Supreme Court held a “medical malpractice complaint filed  
16 without the required affidavit is void ab initio.” *Id.*, 272 P.3d at 137. A void ab initio complaint is  
17 “of no force and effect” from the beginning of the action. *Washoe Med Ctr*, 122 Nev. at 1304, 148  
18 P.3d at 794.

19 The United States Supreme Court has recognized there is a “long-settled rule of judicial  
20 administration that no one is entitled to judicial relief for supposed or threatened injury until the  
21 prescribed administrative remedy has been exhausted.” *Myers v. Bethlehem Shipbuilding Corp.*, 303  
22 U.S. 41, 50-51, 58 S. Ct. 459, 463 (1938). The “doctrine is applied in a number of different  
23 situations.” *McKart v. United States*, 395 U.S. 185, 193, 89 S. Ct. 1657, 1662 (1969). The United  
24 States Supreme Court has held “strict adherence to the procedural requirements specified by the  
25 legislature is the best guarantee of evenhanded administration of the law.” *McNeil v. United States*,  
26 508 U.S. 106, 113, 113 S.Ct. 1980, 1984 (1993)(citing *Mohasco Corp. v. Silver*, 447 U.S. 807, 826,  
27 100 S.Ct. 2486, 2497, (1980)).

28 //



1 “Lack of subject matter jurisdiction can be raised at any time during the proceedings and is  
2 not waivable.” *Mainor v. Nault*, 120 Nev. 750, 761, 101 P.3d 308, 315 (2004). The Supreme Court,  
3 however, has held “a party may, by his conduct, become estopped to raise such a jurisdictional  
4 question.” *Gamble v. Silver Peak Mines*, 35 Nev. 319, 133 P. 936, 937 (1913). The Opposition  
5 asserts the Defendants have waived the issue of subject matter jurisdiction by litigating this case,  
6 filing in justice court, and by stipulating with the Plaintiffs to bring the dispute before the Court. The  
7 Court notes the Defendants filed the Motion after the entry of the Judgment in this matter and prior  
8 to the hearing on punitive damages. The Defendants did not raise the purported jurisdictional defect  
9 until almost four years after the institution of this action. The Defendants explained during oral  
10 argument the issue of subject matter jurisdiction could be raised at any time. When asked by the  
11 Court whether the trial could have occurred and the jury was in deliberation whether the Defendants  
12 could seek to dismiss the case for lack of subject matter jurisdiction, the Defendants responded in the  
13 affirmative. February 8, 2016, Hearing Trans. 9:17-24. The Defendant asserted the parties “could  
14 have gone through the entire case, and then if there was an appeal, the Supreme Court could have  
15 actually, on their own, without anyone raising the issue” dismissed the action for lack of subject  
16 matter jurisdiction pursuant to NRS 38.310. February 8, 2016, Hearing Trans. 33:13-18.

17 The Defendants allege they were not aware of the application and requirements of NRS  
18 38.310 until preparing for the punitive damages hearing. Dec. of H. Stan Johnson 1:6-10 (“I was  
19 doing research on the Opposition to Plaintiffs’ Motion for Punitive Damages. I read a case which  
20 referenced NRS 38.310. To the best of my knowledge this was when I became aware of NRS  
21 38.310.”). The Court notes it is unclear why NRS 38.310 was discovered in the course of punitive  
22 damages research and not at a prior time. The Defendants referenced NRS 116 at the March 25,  
23 2015, Evidentiary Hearing. The Defendants acknowledged the requirement to arbitrate because the  
24 Real Estate Division “actually have primary jurisdiction” over issues regarding the homeowners  
25 association’s actions regarding reserves. March 25, 2015, Evidentiary Hearing Trans. 537:15-16.  
26 As the Plaintiffs noted at oral argument, the reference to NRS 116 indicates there was an awareness  
27 of possible administrative measures that needed to be exhausted prior to the Court having  
28 jurisdiction. Defendants’ counsel’s assertion his comments were limited to NRS 116 and

1 underfunded reserve damages sought rather than civil actions considered under NRS 38.310, is  
2 unpersuasive. The reasoning of *Gamble*, however, is not applicable to the instant case.

3 The Supreme Court in *Gamble* addressed the jurisdictional argument raised by the  
4 respondents, finding, “[a] party in an *appellate* court who has treated the judgment as final and asked  
5 that the same be affirmed or reversed will not be heard afterwards, when the decision has gone  
6 against him, to contend that the judgment was not final and the court therefore without jurisdiction to  
7 determine the questions presented on appeal.” *Gamble*, 35 Nev. at 319, 133 P. at 937 (emphasis  
8 added). The Supreme Court stated,

9 We see no valid reason why the rule of estoppel to question the finality of the  
10 judgment ought not to apply as well to a respondent who has assumed throughout  
11 the proceedings that the judgment was final. In this case counsel for respondents,  
12 not only did not question the finality of the judgment in brief or oral argument, but  
13 prayed for its affirmance. In the lower court they stipulated that the statement on  
14 motion for a new trial should be regarded as the statement on appeal from the  
judgment. They also petitioned for and obtained an order for the issuance of a writ  
of assistance as a part of the process to carry out the judgment, assuming, as they  
must have done for such purpose, that the judgment was final.

15 *Id.*, 133 P. at 938. The Supreme Court has further noted defendants who are willing to proceed and  
16 be bound by the jurisdiction of the court and the ultimate resolution of the dispute cannot challenge  
17 jurisdiction after judgment has been entered against them. *Boisen v. Boisen*, 85 Nev. 122, 124, 451  
18 P.2d 363, 364 (1969)(“[H]is assertion of jurisdiction by the counterclaim coupled with his complete  
19 acquiescence in the wife’s claim to jurisdiction at trial estopped him from raising the issue for the  
20 first time on appeal.”). The “judgement being in favor of the [Plaintiffs], the [Defendants], who  
21 invoked the jurisdiction of the court in the first instance, cannot now be heard to question that  
22 jurisdiction.” *Grant v. Grant*, 38 Nev. 185, 189, 147 P. 451, 452 (1915).

23 Clearly there is a tension between the freedom to raise jurisdiction at any time and the waiver  
24 or estoppel bars to raise the issue. The Court finds it is constrained to resolve the issue in favor of the  
25 Defendants. The Court finds the reasoning of *Gamble* or *Grant* does not extend to this case. The  
26 Defendants sought relief through the court system by filing numerous actions in Justice Court. The  
27 Defendants later stipulated with the Plaintiffs to resolve the disputes between the parties in District  
28 Court. The Opposition 3:18-21. However, the parties did not proceed to trial. It was the action of

1 this Court in issuing case concluding sanctions which resulted in the judgment in favor of the  
2 Plaintiffs. The Court's actions accelerated the conclusion of these proceedings and the parties did  
3 not proceed to the ultimate resolution of the matter through trial. The Defendants did not wait to  
4 raise the issue of jurisdiction after the conclusion of trial and on appeal such as the parties  
5 did in *Gamble*. Accordingly, the Court finds the facts of this case do not warrant estoppel as  
6 discussed in *Gamble* and *Grant*.

7 The Court finds the language of NRS 38.310 mandates the Court to dismiss this action.  
8 Under NRS 38.310, "the district court must dismiss any dispute arising from the interpretation,  
9 application, or enforcement of homeowners' associations covenants, conditions, and restrictions  
10 [ ] if the parties did not first submit the dispute to mediation or arbitration." *Hamm*, 124 Nev. at 293,  
11 183 P.3d at 898. Unlike *Arrowcreek* and *McKnight*, where the parties challenging the court's  
12 jurisdiction acted immediately, the Defendants waited to take action until after judgment was  
13 rendered against them. This conduct results in great detriment to the Plaintiffs in this action. Yet, the  
14 Court finds the Supreme Court's application of mandatory statutory language in *Wheble* requires the  
15 Court to dismiss this action, despite the great deal of work the parties and Court have dedicated to  
16 this litigation.

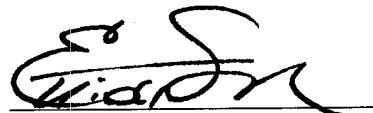
17 The Court finds to act contrary to the mandates of NRS 38.310 would violate the separation  
18 of powers, whereby courts are bound to follow the laws passed by legislative bodies. As John  
19 Adams noted in his 7<sup>th</sup> "Novanglus" letter published in 1774, we are "a government of laws, and not  
20 of men." "This separation is fundamentally necessary because '[w]ere the power of judging joined  
21 with the legislative, the life and liberty of the subject would be exposed to arbitrary control, for the  
22 judge would be the legislator: Were it joined to the executive power the judge might behave with all  
23 the violence of an oppressor.'" *Berkson v. LePome*, 126 Nev. 492, 498-99, 245 P.3d 560, 565  
24 (2010)(citing *Galloway v. Truesdell*, 83 Nev. 13, 19, 422 P.2d 237, 242 (1967)). The Court cannot  
25 substitute its opinion of what should happen under these facts for the opinion of the people of this  
26 State as expressed by their elected legislators.

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1 This matter has been the subject of extensive motion practice. The Court finds this result to  
2 be inimical and unjust after the course of the Defendants' conduct throughout this litigation. The  
3 record speaks for itself regarding the lackadaisical and inappropriate approach the Defendants have  
4 exhibited toward the Nevada Rules of Civil Procedure, the District Court Rules, the Washoe District  
5 Court Rules, and the Court's orders. The Defendants have done everything possible to make the  
6 proceedings unjust, dilatory, and costly in abject contravention of NRCP 1. The Court is bound to  
7 following the law and its application and interpretation by the Supreme Court. Should this Court  
8 feel it had the authority to decide the issue presented based on what was "fair" or "just" it would  
9 deny the Motion out of hand. The Defendants clearly do not deserve the result they will receive, but  
10 it is the law.

11 IT IS HEREBY ORDERED the DEFENDANTS' MOTION TO DISMISS FOR LACK OF  
12 SUBJECT MATTER JURISDICTION is GRANTED.

13 DATED this 9 day of May, 2016.

14   
15 ELLIOTT A. SATTLER  
16 District Judge  
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CERTIFICATE OF MAILING

Pursuant to NRCP 5(b), I certify that I am an employee of the Second Judicial District Court of the State of Nevada, County of Washoe; that on this \_\_\_\_\_ day of May, 2016, I deposited in the County mailing system for postage and mailing with the United States Postal Service in Reno, Nevada, a true copy of the attached document addressed to:

NONE

CERTIFICATE OF ELECTRONIC SERVICE

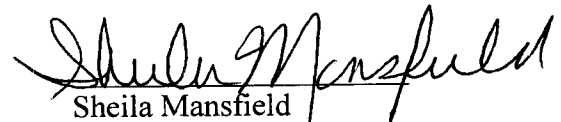
I hereby certify that I am an employee of the Second Judicial District Court of the State of Nevada, in and for the County of Washoe; that on the 9 day of May, 2016, I electronically filed the foregoing with the Clerk of the Court by using the ECF system which will send a notice of electronic filing to the following:

Jonathan Tew, Esq.

Jarrad Miller, Esq.

Stan Johnson, Esq.

Mark Wray, Esq.

  
Sheila Mansfield  
Administrative Assistant

ORIGINAL

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CODE: 2210  
Jarrad C. Miller, Esq. (NV Bar No. 7093)  
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Reno, Nevada 89501  
(775) 329-5600  
Attorneys for Plaintiffs

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

ALBERT THOMAS, individually; *et al.*,

Plaintiffs,

vs.

Case No. CV12-02222  
Dept. No. 10

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

Defendants.

**MOTION FOR SUPPLEMENTAL DAMAGES PROVE-UP HEARING**

Plaintiffs Albert Thomas *et al.*, by and through their counsel of record, the law firm of  
Robertson, Johnson, Miller & Williamson, hereby move the Court for an order: (1) directing the  
parties to schedule a supplemental damages prove-up hearing; and (2) authorizing limited  
discovery pursuant to this Court's inherent authority and prior sanctions orders. Such relief is  
also justified since the Defendants are in active violation of the Court's sanctions orders and  
FFCLJ. This motion ("Motion") is supported by the attached memorandum of points and  
authorities, the attached exhibits, the papers, pleadings and documents on file herein, and any  
oral argument this Court may choose to hear.

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1                   **II.     FACTUAL BACKGROUND**

2           After the Defendants committed a series of unprecedented discovery abuses and bad faith  
3 litigation tactics, the Plaintiffs moved for case terminating sanctions in this action. Plaintiffs'  
4 first request was denied, but this Court issued an order on December 18, 2013 wherein the Court  
5 struck all of the Defendants' Counterclaims. Because the discovery abuses continued, and it  
6 became clear that "Defendants were disingenuous with the Court and Plaintiffs' counsel when  
7 the first decision regarding case concluding sanctions was argued," Plaintiffs again moved for  
8 case terminating sanctions, and this Court issued its Order Granting Plaintiffs' Motion for Case-  
9 Terminating Sanction on October 3, 2014. This order struck the Defendants' Answer. (See  
10 October 9, 2015 Findings of Fact, Conclusions of Law and Judgment ("FFCLJ") at 3:7-9.) All  
11 of the Defendants' general and affirmative defenses were stripped and the Defendants conceded  
12 all of the allegations contained in the Second Amended Complaint ("SAC").

13           From March 23 - 25, 2015, a prove-up hearing was held pursuant to Foster v. Dingwall,  
14 126 Nev. Adv. Op. 6, 227 P. 3d 1042 (2010). The Court heard expert testimony from Craig L.  
15 Greene, CPA/CFF, CFE, CCEP, MAFF ("Plaintiffs' Expert") and he was cross-examined by  
16 Defendants. Following the prove-up hearing, this Court issued its FFCLJ. In addition to  
17 awarding damages to the Plaintiffs for conduct prior to October 9, 2015, the FFCLJ contains the  
18 following provisions:

19                   The Plaintiffs shall not be required to pay any fees, assessments, or reserves allegedly due  
20 or accrued prior to the date of this ORDER;

21                   The receiver will determine a reasonable amount of FF&E, shared facilities and hotel  
22 reserve fees required to fund the needs of these three ledger items. These fees will be  
23 determined within 90 days of the date of this ORDER. No fees will be required until the  
implementation of these new amounts.

24 Id. at 22:23-27.

25           Mr. Proctor was appointed under the terms of this Court's Order Appointing Receiver  
26 and Directing Defendants' Compliance filed January 7, 2015 ("Receiver Order"). Mr. Proctor  
27 served in that capacity until this Court dismissed this action for a lack of subject matter  
28 jurisdiction on May 9, 2016 ("Dismissal").



As directed by the Court, on January 7, 2016, a Receiver's Determination of Fees and Reserves was filed with the Court wherein the receiver determined the following:

1. The amount of the monthly **Furniture, Fixture & Equipment (FF&E) reserve** to be charged to all units, both TPO and non-TPO (GSR) is **\$0.329** per square foot ranging from **\$138.09** to **\$690.76** per unit.
2. The amount of the monthly **Shared Facilities Unit (SFU) reserve** to be charged to all units, both TPO and non-TPO (GSR) is **\$144.32** to **\$721.97**.
3. The amount of the monthly **Shared Facilities Unit (SFUE) expense** to be charged to each TPO unit is **\$0.094** per square foot ranging from **\$39.64** to **\$151.00** per unit.
4. The amount of the monthly **Hotel Reserve Fee (HRF)** to be charged to all units, both TPO and non-TPO (GSR) is **\$71.13** to **\$355.83**.
5. The amount of the monthly **Hotel Expense (HE)** to be charged to each TPO unit is **\$0.071** per square foot ranging from **\$71.78** to **\$273.45** per unit.
6. As the costs for deep cleaning the units is considered in the overall calculations of expenses allocated to the above fees, the \$600 annual deep cleaning fee is not a separate identifiable item.
7. The **Daily Use Fee (DUF)** to be charged to each occupied TPO unit is **\$24.54**.

Id. at 12. The receiver operated the rental of the condo units based on those fees/expenses until the Dismissal.

Immediately after the Dismissal in May of 2016, Defendants returned to the "illegal and unethical business practices" – keeping virtually all revenue from the use of Plaintiffs' condo units.

Notably, on July 19, 2016, Defendants sent correspondence to the Plaintiffs stating that because this Court dismissed the action, "it is the GSR's position that fees and expenses due under the applicable agreements between the GSR, the Home Owners' Association and the unit owners that have not been paid because of prior Court rulings are now due and payable." (See Exhibit 1.) The time period referenced by the Defendants was from April 2011 through February of 2016. Id.

Under this Court's FFCLJ, Plaintiffs were not required to pay the fees and expenses Defendants demanded. Further, Defendants knew that Plaintiffs were appealing the Dismissal and that the Dismissal was subject to reversal by the Nevada Supreme Court.

To collect the funds, Defendants added the amounts to monthly Owner Account Statements as amounts owed by owner and kept any rent proceeds to apply the money to the fees and expenses outstanding balance. (See Exhibit 2, the fees were listed as "Reconciling Amounts

1 From Court Case Dismissal”).) Thus, the Defendants strategically deprived Plaintiffs of all  
2 revenue during the appeal – electing not to exercise any caution or restraint.

3 In addition to reinstating fees and expenses back to April of 2011, the Defendants  
4 disregarded the Receiver’s Determination of Fees and Reserves and *substantially* increased the  
5 fees and expenses. Attached as Exhibit 3 are two Owner Account Statements for a Plaintiff  
6 owned unit number 1775. *Id.* The first statement is from April of 2016, before Dismissal, and  
7 shows “Contracted Hotel Fees: \$464.96” and a “Daily Use Fee of \$24.54”. *Id.* The second  
8 statement is from September of 2018, after Dismissal, and shows “Contracted Hotel Fees:  
9 \$647.85” and a “Daily Use Fee of \$31.18”. *Id.* The Defendants simply increased the fees and  
10 expenses to prevent Plaintiffs from receiving any funds – a simple continuation of the  
11 Defendants’ misconduct flowing from what was alleged in the SAC.

12 The Court will note that on the August 2018 statement, Defendants rented the particular  
13 plaintiff’s unit every night that month. Yet, at the end of the month, Plaintiff received nothing.  
14 *Id.* The “Net Due from Owner” went from \$7,939.50 to \$7,930.70. *Id.* Also of note from the  
15 September statement, is that Defendants charged Plaintiff for one night, September 21st, rather  
16 than provide a credit for the use of the room. *Id.* Further, Defendants comped/provided a  
17 gaming reduction for the use of Plaintiff’s unit on three nights wherein Plaintiff received less  
18 than \$10 per night for the use of the room. *Id.* Even under the old agreements, that this Court  
19 deemed unconscionable, the Defendants could only comp Plaintiffs’ units up to five nights per  
20 year. In September of 2018, Defendants were setting a pace for 36 comps per year—a patent  
21 continuation of their improper theft.

22 Additionally, a common scenario since Dismissal is that the Defendants will rent  
23 Plaintiffs units between 25 and 30 nights and Plaintiffs will end up with a negative balance  
24 *increasing the claimed “Net Due From Owner” reported on the monthly statements. (See*  
25 *Exhibit 4.)* Clearly, this continued misconduct during the appeal was all intended to further the  
26 GSR’s plan to force Plaintiffs to abandon or sell their units – a plan that was alleged in the SAC,  
27 and proved by the “smoking gun” emails that Defendants refused to produce in discovery.

1           Given the continuation of misconduct of Defendants, Plaintiffs anticipate the Defendants  
2 have continued their other “illegal and unethical business practices” whereby they underreport  
3 room revenue on the monthly Owner Account Statements or do not report room usage at all.  
4 (See FFCLJ at 18:15-20.) It is also unlikely that they have instituted an equal rotation of rentals  
5 as opposed to giving their rooms priority. The aforementioned acts of theft can only be divulged  
6 through discovery of the room key data and analysis by Plaintiffs’ Expert.

7           Separately, in early 2017, the Defendants used their control of the majority of votes in the  
8 Grand Sierra Resort Unit-Owners Association to approve the “Eighth Amendment to  
9 Condominium Hotel Declaration of Covenants Conditions, Restrictions and Restrictions of  
10 Easements for Hotel-Condominiums” to inflict further damage to Plaintiffs. (See Exhibit 5.) An  
11 analysis of the amendment and need to determine the action void is beyond the scope of this  
12 Motion.

13           Finally, after this Court’s Dismissal, Defendants charged Plaintiffs with a “Special  
14 Assessment” claiming that “reserve amounts are now insufficient in light of their respective  
15 allocation to the renovation projects related to the Units and the Condominium Hotel Property.”  
16 (See Exhibit 6.) As an example, the “special assessment” was for the amount of \$13.70 per  
17 square foot with the unit referenced in Exhibit 6 being assessed \$7,560. Id.

18           The above-referenced acts conducted by the Defendants since this Courts’ Dismissal are  
19 not even remotely exhaustive of the Defendants’ continued, nefarious actions since the  
20 Dismissal, but rather, are examples of how the Defendants have continued to cause the Plaintiffs  
21 additional damages since the Dismissal. Given the Nevada Supreme Court’s reversal of the  
22 Dismissal, the actions of the Defendants must be corrected to conform with the FFCLJ and  
23 receivership. Accordingly, Plaintiffs need to obtain discovery into these issues so that they can  
24 prove supplemental damages from the date of the Dismissal and termination of the receivership,  
25 until such time as the receivership is effectively reinstated. Plaintiffs’ discovery requests are  
26 attached as Exhibit 7. Upon review of the responses it may become necessary for Plaintiffs to  
27 depose key witnesses.

28

1 Plaintiffs' request for a supplemental prove-up hearing is simply to supplement, and not  
2 modify, this Court's FFCLJ through a separate order that, together with the FFCLJ, would  
3 establish the compensatory damages portion of the Court's ultimate judgment in the case.  
4 Punitive damages, of course, have not yet been resolved and should be placed on hold until the  
5 Court rules on this Motion.

### 6 III. LEGAL ARGUMENT

#### 7 A. *Good Cause Exists to Re-Open Discovery*

8 The Court has found that Plaintiffs are entitled to compensatory damages, or actual  
9 damages, which are defined as "[d]amages sufficient in amount to indemnify the injured person  
10 for the loss suffered," and "[a]n amount awarded to a complainant to compensate for a proven  
11 injury or loss; damages that repay actual losses."<sup>1</sup> This Court entered a non-final judgment  
12 against Defendants in October 2015 in favor of Plaintiffs. However, since the date of the  
13 Dismissal until the filing of this Motion, Defendants' unlawful actions persisted and continued to  
14 harm Plaintiffs. Plaintiffs have suffered greatly while this action was on appeal due to the  
15 Defendants' decision to continue its misconduct during that period – despite that the Defendants  
16 understood the Dismissal was subject to reversal. The current damages awarded by the Court are  
17 now insufficient to make Plaintiffs whole for the losses they have suffered. Had the Defendants  
18 elected not to continue their misconduct, a supplement of damages to those awarded in the  
19 FFCLJ would be unnecessary.

20 Good cause therefore exists to re-open discovery to supplement compensatory damages.  
21 This Court is still vested with the same authority under NRCP 37(b)(2), and its inherent powers,  
22 to provide complete relief as part of its sanctions orders. See, e.g., Young v. Johnny Ribeiro  
23 Bldg., 106 Nev. 88, 92, 787 P.2d 777 (1990). While complete, compensatory damages are  
24 justified under this Court's prior sanctions orders, Defendants are now also indisputably in  
25 violation of those orders and the FFCLJ. Since the Defendants could have awaited the outcome  
26 on appeal without changing the status quo, they have essentially invited and justified additional  
27

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28 <sup>1</sup> *Compensatory Damages*, cross referencing *Actual Damages*, BLACK'S LAW DICTIONARY, 321 (7th ed. abr. 2000).

1 compensatory damages so that this Court can provide complete relief and compensatory damages  
2 in this action.

3 Since no final judgment has been entered in this case, and the Defendants are in active  
4 violation of the sanctions orders and FFCLJ, (a) a supplemental damages prove-up hearing under  
5 Foster and (b) additional, time-restricted discovery is appropriate.

6 It is well-known that district courts have broad discretion to control the discovery process  
7 of actions before it. See In re Adoption of a Minor Child, 118 Nev. 962, 968-69, 60 P.3d 485,  
8 489 (2002) (“Absent a clear abuse of discretion, this court will not reverse a district court’s  
9 management of discovery.”) Furthermore, this Court has authority to broaden the scope of  
10 discovery under NRCP 26(b)(2) if it determines that,

11 (i) the discovery sought is [not] unreasonably cumulative or duplicative, or is  
12 [not] obtainable from some other source that is more convenient, less  
13 burdensome, or less expensive; (ii) the party seeking discovery has [not] had  
14 ample opportunity by discovery in the action to obtain the information sought;  
15 (iii) the discovery is [not] unduly burdensome or expensive, taking into account  
16 the needs of the case, the amount in controversy, limitations on parties’ resources,  
17 and the importance of the issues at stake in the litigation.

18 Here, the discovery sought is neither duplicative nor cumulative: Plaintiffs are merely seeking to  
19 supplement their claim for compensatory damages. The only way to do so is to allow limited  
20 discovery to determine the amount of damages suffered from the Dismissal to the reinstatement of  
21 a receiver.

22 ***B. The Requested Prove-Up Hearing Would be Limited in Time and Scope,  
23 and Would Supplement, Not Modify, the Court’s FFCLJ***

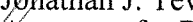
24 In the FFCLJ, this court already determined that Plaintiffs established their claims  
25 through substantial evidence and proved the compensatory damages they were entitled to up to  
26 that point. Accordingly, any supplemental prove-up hearing would not impact the Court’s  
27 findings in the FFCLJ or require any change to it (or the damages findings specified therein) for  
28 the time frames addressed. As such, at any supplemental prove-up hearing, Plaintiffs would only  
need to put on a prima facie case to support supplemental damages suffered subsequent to the  
date of the Dismissal. See Foster v. Dingwall, 126 Nev. 56, 227 P.3d 1042 (2010).

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Plaintiffs request that the Court hold the Defendants accountable and afford Plaintiffs complete relief under the Court's sanctions orders and FFCLJ. Complete relief is justified under the Court's prior orders and is necessary to fully redress the Defendants' misconduct. Further, since the Defendants elected not to maintain the status quo while this case was on appeal, the Supreme Court's reversal places the Defendants in active and ongoing violation of the Court's sanctions orders and the FFCLJ. This must be corrected and accounted for. The Defendants could have avoided this very situation by acting within the law, and instead have now placed the Court in the position of having to again hold them to justice. For these reasons, Plaintiffs respectfully request that the Court grant their Motion.

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

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

By:  \_\_\_\_\_  
Jarrad C. Miller, Esq.  
Jonathan J. Tew, 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 27<sup>th</sup> day of December, 2018, I  
5 caused to be deposited in the U.S. Mail, first-class postage fully prepaid the foregoing **MOTION**  
6 **FOR SUPPLEMENTAL DAMAGES PROVE-UP HEARING** with the Clerk of the Court by  
7 using the ECF system which served the following parties electronically:

8 H. Stan Johnson, Esq.  
9 Steven B. Cohen, Esq.  
Cohen-Johnson, LLC  
10 255 E. Warm Springs Road, Suite 100  
Las Vegas, NV 89119  
11 Facsimile: (702) 823-3400  
Email: [sjohnson@cohenjohnson.com](mailto:sjohnson@cohenjohnson.com)  
12 *Attorneys for Defendants*

Jeffrey L. Hartman, Esq.  
Hartman & Hartman  
510 W. Plumb Lane, Suite B  
Reno, NV 89509  
Facsimile: (775) 324-1818  
Email: [notices@banhkrupcyreno.com](mailto:notices@banhkrupcyreno.com)  
*Attorneys for Receiver*

13  
14 I further certify that on the 27<sup>th</sup> day of December, 2018, I caused to be hand-delivered, a  
15 true and correct copy of the foregoing **MOTION FOR SUPPLEMENTAL DAMAGES**  
16 **PROVE-UP HEARING**, addressed to the following:

17 Gayle A. Kern, Esq.  
18 Kern & Associates, Ltd.  
5421 Kietzke Lane, Suite 200  
19 Reno, NV 89511  
20 Facsimile: (775) 324-6173  
Email: [gaylekern@kernltd.com](mailto:gaylekern@kernltd.com)  
21 *Attorneys for Defendants*

22  
23   
24 An Employee of Robertson, Johnson,  
Miller & Williamson  
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**EXHIBIT INDEX**

<b>Ex. No.</b>	<b>Description</b>	<b>Pages</b>
1	Correspondence from Defendants to Plaintiffs dated July 19, 2016 (Reconciliation)	4
2	Sample monthly rental statements from Defendants to Plaintiffs (Taylor 1769, dated July 20, 2016)	2
3	Sample monthly rental statements from Defendants to Plaintiffs (Taylor 1775, dated April 28, 2016)	4
4	Sample monthly rental statements from Defendants to Plaintiffs	9
5	HOA Written Ballot dated January 3, 2017 (Nunn)	1
6	Correspondence from Defendants to Plaintiffs dated June 5, 2017 (Special Assessment)	4
7	Plaintiffs' First Set of Post-Judgment Requests for Production of Documents	24
8	Declaration of Jarrad C. Miller, Esq. in support of Motion for Supplemental Damages Prove-Up Hearing	2



EXHIBIT “1”

EXHIBIT “1”

EXHIBIT “1”



July 19, 2016

Lee VANDERBOKKE  
1181 Dutch Hollow Tr  
Reno, NV 89523

Re: Unit 2385

Dear Lee VANDERBOKKE,

We are writing you this letter to inform you that on May 9<sup>th</sup> 2016 the Court dismissed the Thomas v. MEI-GSR Holdings case (CV12 -02222), which was pending in Department 10 of the Second Judicial District Court for Washoe County. The Grand Sierra Resort and Casino ("GSR") filed a Motion to Dismiss for Lack of Subject Matter Jurisdiction. The Court found it did lack jurisdiction to hear the case and granted the motion to dismiss.

Since the case has been dismissed, it is the GSR's position that fees and expenses due under the applicable agreements between the GSR, the Home Owners' Association and the unit owners that have not been paid because of prior Court rulings are now due and payable.

In order to assist you in understanding which fees or expenses have not been previously paid, the GSR has put together the attached spreadsheet that serves to identify (i) gross revenues received, (ii) expenses and fees due, and (iii) payments between the parties, for the period beginning April 2011 through February 2016. In addition, we are also including the statement for March, which reflects this reconciliation. April and May statements will be forthcoming.

If you are an owner with a balance that is due, please contact the GSR at the following number (775) 789-2314 and leave a message. We will then get back to you, so that arrangements can be made for payment.

If you believe that the amounts are in error or if you have any questions with respect to the spreadsheet, please contact the GSR at the number above, and we will do our best to rectify any mistakes and answer your questions.

As we hope you have seen these past five years, current ownership is committed to making the GSR the best property in Northern Nevada. To date, GSR has undergone \$100 million in renovations. We strongly believe that it has been this stewardship that has help turn around a property that was once on the verge of bankruptcy and/or shutting down. However, in order to ensure that the property continues to go in the right direction, we need your commitment that you will abide by the terms of your agreements. We look forward to working with you.

Sincerely,

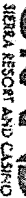
Grand Sierra Resort and Casino



Total Summary  
For all Units Owned

Net Due to / (from) Owner: \$ (16,322.30)

Revenue Calculation										Contracted Hotel Fees										Receivable Calculation									
Year Month	# of Nights	Gross Revenue	Deduct Daily Use	Revenue Split	Owner Revenue	SFU Expense	Hotel Expense	Deep Cleaning	SFU Reserve	Hotel Reserve	FTE	Total	Statement Adjustments	Additional Payment by Owner	Due To/ (Due From) Owner	Balance Forward	Previous Month	Amount Paid to Owner	Remaining Due To/ (Due From) Owner										
2011 April	31	2,725.76	(385.76)	1,070.00	1,070.00	(447.33)	-	(100.00)	(348.15)	(35.78)	(317.93)	(1,249.07)	-	-	255.37	(127.07)	(73.73)	(287.07)	(287.07)										
May	46	4,981.00	(663.78)	2,008.61	2,008.61	(447.33)	-	(100.00)	(348.15)	(35.78)	(317.93)	(1,249.07)	-	-	759.54	(672.67)	(183.86)	(672.67)	(183.86)										
June	20	1,907.84	(288.78)	760.53	760.53	(447.33)	-	(100.00)	(348.15)	(35.78)	(317.81)	(1,249.07)	-	-	(488.54)	(1,335.67)	(1,335.67)	(1,335.67)	(1,335.67)										
July	1	-	(22.38)	-	-	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	1,335.67	(1,335.67)	(1,335.67)	(1,335.67)	(1,335.67)										
August	15	268.56	(67.14)	-	-	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	854.50	(1,908.07)	(1,908.07)	(1,908.07)	(1,908.07)										
September	20	223.80	(223.80)	-	-	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	67.14	(1,053.57)	(1,053.57)	(1,053.57)	(1,053.57)										
October	6	89.52	-	-	-	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	426.18	(2,110.20)	(2,110.20)	(2,110.20)	(2,110.20)										
November	5	67.14	-	-	-	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	1,258.05	(1,684.02)	(1,684.02)	(1,684.02)	(1,684.02)										
December	3	-	-	-	-	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	44.76	(1,697.26)	(1,697.26)	(1,697.26)	(1,697.26)										
2012 January	0	-	-	-	-	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
February	2	-	-	-	-	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
March	4	44.76	-	-	-	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
April	19	22.38	-	-	-	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
May	12	-	(268.56)	-	-	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
June	35	3,178.76	(383.30)	835.20	835.20	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
July	40	3,459.22	(895.20)	1,282.01	1,282.01	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
August	33	3,112.10	(738.54)	1,186.78	1,186.78	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
September	35	3,876.00	(783.30)	1,546.35	1,546.35	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
October	43	3,543.70	(962.34)	1,290.68	1,290.68	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
November	32	2,288.04	(716.16)	775.94	775.94	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
December	39	3,129.71	(872.87)	1,128.45	1,128.45	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
2013 January	41	2,807.48	(917.58)	944.95	944.95	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
February	41	3,188.45	(850.44)	1,053.30	1,053.30	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
March	38	2,957.09	(693.41)	1,458.61	1,458.61	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
April	31	3,611.00	(693.78)	1,458.61	1,458.61	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
May	35	3,681.10	(783.30)	1,448.90	1,448.90	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
June	40	4,135.73	(895.20)	1,620.27	1,620.27	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
July	48	4,568.03	(1,074.24)	1,746.90	1,746.90	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
August	41	3,865.43	(917.58)	1,473.93	1,473.93	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
September	37	4,241.75	(808.68)	1,706.85	1,706.85	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
October	36	3,253.39	(805.68)	1,213.86	1,213.86	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
November	41	3,165.46	(917.58)	1,123.94	1,123.94	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
December	35	2,456.89	(783.30)	836.80	836.80	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
2014 January	36	2,021.40	(805.68)	607.86	607.86	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
February	23	1,647.46	(514.74)	566.36	566.36	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
March	41	3,370.66	(917.58)	1,201.54	1,201.54	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
April	27	2,311.96	(604.26)	853.85	853.85	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
May	26	3,097.95	(861.88)	1,258.04	1,258.04	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
June	45	3,385.63	(1,007.10)	1,189.27	1,189.27	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
July	43	4,361.57	(962.34)	1,699.62	1,699.62	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
August	48	4,101.72	(1,074.24)	1,513.74	1,513.74	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
September	47	4,620.48	(1,051.86)	1,733.31	1,733.31	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
October	34	3,060.22	(760.92)	1,149.65	1,149.65	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
November	46	3,083.00	(1,028.48)	1,028.76	1,028.76	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
December	45	3,122.01	(1,007.10)	1,057.46	1,057.46	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
2015 January	45	3,606.58	(1,007.10)	1,299.74	1,299.74	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
February	45	3,511.18	(962.34)	1,274.42	1,274.42	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
March	30	2,451.00	(671.40)	889.80	889.80	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
April	37	3,802.02	(828.06)	1,486.58	1,486.58	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
May	39	4,391.66	(872.87)	1,759.42	1,759.42	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
June	40	3,934.07	(895.20)	1,249.44	1,249.44	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
July	50	5,518.08	(1,119.00)	2,199.54	2,199.54	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
August	46	3,735.40	(1,029.48)	1,352.56	1,352.56	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
September	50	4,693.88	(1,119.00)	1,710.52	1,710.52	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
October	42	4,951.00	(939.96)	1,710.52	1,710.52	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
November	38	3,059.48	(760.92)	1,149.28	1,149.28	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
December	46	3,985.28	(1,123.84)	1,428.72	1,428.72	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
2016 January	58	3,873.80	(1,177.92)	1,347.94	1,347.94	(447.33)	-	(100.00)	(348.15)	-	(317.81)	(1,249.07)	-	-	-	-	-	-	-	-									
February	51	3,709.70	(1,251.5																										



**Room: 1971**  
**Owner: VAN DER BOKKE**  
**Type: Grand Suite B**

Net Due to/(from) Owner: \$ (5,953.35)

Revenue Calculation										Contracted Hotel Fees										Receivable Calculation									
Year	Month	# of Nights	Gross Revenue	Deduct	Use Daily	Revenue	Owner Revenue	SFU	Hotel Expense	Deep	Cleaning	SFU	Hotel Revenue	FEE	Total	Statement Adjustments	Additional Payment by Owner	To/From Owner	Balance Previous Month	Previous Amount Paid to Owner	Remaining Due To/From Owner								
2011	April	12	1,386.76	(292.88)		546.94	546.94	(734.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	(37.53)	434.44	225.37		(267.67)	(513.04)	(156.67)							
	May	25	2,869.00	(524.46)		1,169.27	1,169.27	(1254.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-	480.79	480.79		(395.58)	(183.86)	(183.86)							
	June	14	1,287.84	(235.56)		516.94	516.94	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(355.46)	(1,045.94)	(1,045.94)							
	July	1	-	(22.38)		-	-	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(355.46)	(1,045.94)	(1,045.94)							
	August	5	69.52	(22.38)		-	-	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-	883.00	281.98		(1,045.94)	(763.96)	(763.96)							
	September	7	67.14	(69.52)		-	-	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-	690.54			(763.96)	(1,387.36)	(1,387.36)							
	October	3	44.76	-		-	-	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(763.96)	(1,387.36)	(1,387.36)							
	November	3	67.14	-		-	-	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(763.96)	(1,387.36)	(1,387.36)							
	December	1	-	-		-	-	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-	690.54	22.38		(1,230.70)	(1,230.70)	(1,230.70)							
2012	January	0	-	-		-	-	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	February	1	-	-		-	-	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	March	0	-	-		-	-	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	April	5	-	-		-	-	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	May	4	-	(89.52)		-	-	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	June	20	2,118.00	(447.60)		835.20	835.20	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	July	23	2,082.22	(514.74)		793.74	793.74	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	August	21	2,183.60	(469.98)		856.84	856.84	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	September	22	2,866.00	(514.74)		1,045.63	1,045.63	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	October	22	1,792.00	(492.36)		649.82	649.82	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	November	19	1,198.80	(425.22)		363.79	363.79	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	December	25	2,183.46	(559.50)		811.98	811.98	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
2013	January	25	1,552.38	(539.50)		486.74	486.74	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	February	23	2,220.45	(514.74)		852.86	852.86	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	March	21	1,817.53	(469.98)		673.78	673.78	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	April	17	1,950.00	(537.12)		789.27	789.27	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	May	24	2,250.10	(537.12)		860.99	860.99	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	June	28	2,872.73	(526.64)		1,123.55	1,123.55	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	July	24	1,737.23	(537.12)		600.06	600.06	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	August	24	2,590.99	(537.12)		1,026.92	1,026.92	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	September	22	2,678.85	(492.36)		1,093.25	1,093.25	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	October	23	2,300.00	(514.74)		892.63	892.63	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	November	26	2,105.00	(581.88)		761.56	761.56	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	December	17	1,868.35	(380.46)		552.85	552.85	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
2014	January	19	821.52	(425.22)		198.15	198.15	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	February	14	1,060.34	(313.32)		373.51	373.51	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	March	22	2,002.96	(492.36)		755.30	755.30	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	April	15	1,322.47	(393.70)		493.39	493.39	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	May	13	1,500.00	(290.94)		604.53	604.53	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	June	21	1,566.00	(469.98)		548.01	548.01	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	July	23	2,013.25	(514.74)		749.26	749.26	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	August	27	2,177.77	(604.26)		766.76	766.76	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	September	26	2,669.34	(581.88)		1,043.73	1,043.73	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	October	15	1,473.64	(353.70)		568.97	568.97	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	November	23	1,541.02	(514.74)		513.14	513.14	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	December	20	1,394.92	(467.60)		473.66	473.66	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
2015	January	26	2,148.88	(381.80)		783.50	783.50	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	February	21	1,399.38	(425.22)		487.08	487.08	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	March	10	887.00	(223.80)		336.60	336.60	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	April	17	2,097.92	(380.46)		856.73	856.73	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	May	19	2,430.72	(445.22)		999.24	999.24	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	June	22	2,072.86	(492.36)		799.25	799.25	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	July	25	3,021.86	(539.50)		1,231.18	1,231.18	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	August	22	2,271.30	(492.36)		889.47	889.47	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	September	24	2,865.64	(537.12)		1,164.26	1,164.26	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	October	24	2,607.00	(537.12)		1,034.94	1,034.94	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	November	17	1,469.90	(313.32)		578.29	578.29	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	December	28	2,126.88	(588.96)		768.96	768.96	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
2016	January	24	2,207.02	(564.42)		821.90	821.90	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							
	February	27	2,074.40	(662.38)		680.91	680.91	(754.04)	-	(50.00)	(183.64)	(20.32)	(180.48)	(180.48)	(686.48)	-				(1,230.70)	(1,230.70)	(1,230.70)							



Room: 2385  
Owner: VANDERBOKKE  
Type: Grand 2-B

Net Due to / (from) Owner: \$ (10,368.96)

Revenue Calculation										Contracted Hotel Fees										Receivable Calculation									
Year Month	# of Nights	Gross Revenue	Deduct Daily Use	Revenue Split	Owner Revenue	SFU Expense	Hotel Expense	Deep Cleaning	SFU Reserve	Hotel Reserve	FTE	Total Contracted	Statement Adjustments	Additional Payment by Owner	Due To/ (Due From) Owner	Balance from Previous Month	Previous Amount Paid to Owner	Remaining Due To/ (Due From) Owner											
2011 April	14	1,350.00	(292.88)	523.06	523.06	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	37.53	-	(0.00)	-	-	(0.00)											
May	21	2,118.00	(439.32)	899.34	899.34	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	278.75	(0.00)	-	(317.00)											
June	6	620.00	(132.82)	243.59	243.59	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(545.13)											
July	0	-	-	-	-	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(545.13)											
August	10	1,790.00	(447.66)	723.06	723.06	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	983.37	572.52	(862.13)	(862.13)											
September	3	156.66	(34.28)	22.38	22.38	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	589.89	67.14	(289.61)	(289.61)											
October	3	44.76	-	-	-	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	(500.37)	(222.47)	(222.47)	(222.47)											
November	2	-	-	-	-	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	679.41	269.52	(722.84)	(722.84)											
December	2	-	-	-	-	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	567.51	22.38	(453.32)	(453.32)											
2012 January	0	-	-	-	-	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(976.07)											
February	1	-	-	-	-	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
March	4	44.76	-	-	-	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
April	14	22.38	-	-	-	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
May	8	-	-	-	-	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
June	15	1,060.76	(335.70)	723.06	723.06	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
July	17	1,377.00	(360.46)	498.17	498.17	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
August	12	928.50	(268.56)	329.97	329.97	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
September	12	1,270.00	(268.56)	500.72	500.72	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
October	21	1,751.70	(469.98)	640.86	640.86	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
November	13	1,069.24	(280.94)	389.15	389.15	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
December	14	946.25	(313.32)	316.47	316.47	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
2013 January	16	1,274.50	(358.08)	458.21	458.21	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
February	18	968.00	(402.84)	282.58	282.58	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
March	17	1,139.50	(380.46)	379.52	379.52	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
April	11	1,652.00	(313.32)	669.34	669.34	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
May	14	1,422.00	(246.18)	587.91	587.91	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
June	12	1,262.00	(268.56)	496.72	496.72	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
July	24	2,830.80	(537.12)	1,446.84	1,446.84	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
August	17	1,274.47	(380.46)	447.01	447.01	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
September	15	1,562.90	(335.70)	613.60	613.60	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
October	13	933.39	(290.94)	321.23	321.23	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
November	15	1,060.46	(335.70)	362.38	362.38	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
December	18	970.54	(402.84)	283.85	283.85	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
2014 January	17	1,199.88	(380.46)	409.71	409.71	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
February	9	587.12	(201.42)	192.85	192.85	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
March	19	1,317.70	(425.22)	446.24	446.24	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
April	12	985.49	(268.56)	360.47	360.47	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
May	13	1,597.95	(290.94)	653.51	653.51	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
June	24	1,819.63	(537.12)	641.26	641.26	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
July	20	2,348.32	(447.66)	950.36	950.36	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
August	21	1,923.95	(469.98)	726.99	726.99	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
September	21	1,951.14	(469.98)	740.58	740.58	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
October	19	1,586.58	(425.22)	580.68	580.68	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
November	23	1,541.98	(514.74)	513.62	513.62	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
December	25	1,727.09	(559.50)	583.80	583.80	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
2015 January	19	1,457.70	(425.22)	516.24	516.24	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
February	24	2,111.80	(537.12)	787.34	787.34	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
March	20	1,554.00	(447.66)	553.20	553.20	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
April	20	1,704.10	(447.66)	628.25	628.25	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
May	20	1,967.96	(447.66)	760.18	760.18	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
June	18	1,321.21	(402.84)	459.19	459.19	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
July	25	2,495.22	(539.50)	968.36	968.36	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
August	26	1,464.10	(397.12)	463.49	463.49	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
September	26	1,857.94	(531.88)	623.03	623.03	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
October	18	1,754.00	(402.84)	675.56	675.56	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
November	21	1,589.58	(447.66)	570.98	570.98	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
December	22	1,666.78	(613.50)	526.64	526.64	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
2016 January	30	1,666.78	(613.50)	526.64	526.64	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											
February	24	1,684.30	(588.96)	547.67	547.67	(133.29)	-	(50.00)	(164.51)	(15.46)	(137.33)	(560.59)	-	-	-	-	-	(1,506.53)											

EXHIBIT “2”

EXHIBIT “2”

EXHIBIT “2”



# OWNER ACCOUNT STATEMENT

Account Number: 50542  
 Unit Number: 1769  
 Invoice Date: July 20, 2016  
 Period: 03/01/2016 - 03/31/2016  
 Balance (to)/ from Owner: \$3,707.59

JAMES TAYLOR  
 898 LUXURY DRIVE

**\*\*PAYABLE UPON RECEIPT\*\***

CONCORD, CA 94518

Reservation Detail								
Arrival	Departure	Wing	Room	Nights	Gross Revenue	Daily Use Fee	Revenue Split	(Room Revenue) / Fees
03/01/2016	03/05/2016	SH	1769	4	\$380.00	\$98.16	\$140.92	\$(140.92)
03/05/2016	03/06/2016	SH	1769	1	\$70.00	\$24.54	\$22.73	\$(22.73)
03/08/2016	03/10/2016	SH	1769	2	\$120.00	\$49.08	\$35.46	\$(35.46)
03/10/2016	03/11/2016	SH	1769	1	\$139.98	\$24.54	\$57.72	\$(57.72)
03/11/2016	03/13/2016	SH	1769	2	\$350.00	\$49.08	\$150.46	\$(150.46)
03/13/2016	03/14/2016	SH	1769	1	\$95.00	\$24.54	\$35.23	\$(35.23)
03/16/2016	03/18/2016	SH	1769	2	\$270.00	\$49.08	\$110.46	\$(110.46)
03/18/2016	03/20/2016	SH	1769	2	\$355.00	\$49.08	\$152.96	\$(152.96)
03/20/2016	03/24/2016	SH	1769	4	\$316.00	\$98.16	\$108.92	\$(108.92)
03/24/2016	03/25/2016	SH	1769	1	\$90.00	\$24.54	\$32.73	\$(32.73)
03/25/2016	03/27/2016	SH	1769	2	\$44.76	\$49.08	\$(4.32)	\$0.00
03/28/2016	03/30/2016	SH	1769	2	\$120.00	\$49.08	\$35.46	\$(35.46)
03/30/2016	04/01/2016	SH	1769	2	\$150.00	\$49.08	\$50.46	\$(50.46)
TOTAL				26	\$2,500.74	\$638.04	\$929.19	\$(933.51)

Misc. Credit/Expenses	
Description	Amount
Reconciling Amounts From Court Case Dismissal	\$4,026.44

Please Make Checks Payable to:

GRAND SIERRA RESORT  
 ATTN: ACCOUNTS RECEIVABLE  
 2500 EAST SECOND ST.  
 RENO, NV 89595

**Statement Summary**

(Room Revenue) / Fees:	\$(933.51)
Contracted Hotel Fees *:	\$614.66
Misc. (Credits) / Expenses:	\$4,026.44
Previous Balance:	\$0.00
Payment Received:	\$0.00

Net Due to Owner:	\$0.00
Net Due from Owner:	\$3,707.59

\* This is the Hotel Expenses (Hotel, Shared Facility and Cleaning Fee) and Hotel Reserves (Hotel, Shared Facility, FF&E).  
Please refer to CC&R Article 6 and the Unit Maintenance Agreement Schedule A for definitions of these Expenses and Reserves.

**Please Make Checks Payable to:**

GRAND SIERRA RESORT  
ATTN: ACCOUNTS RECEIVABLE  
2500 EAST SECOND ST.  
RENO, NV 89595



EXHIBIT “3”

EXHIBIT “3”

EXHIBIT “3”

# THE SUMMIT

AT GRAND SIERRA RESORT

## OWNER ACCOUNT STATEMENT

Account Number: 50567  
 Unit Number: 1775  
 Invoice Date: April 28, 2016  
 Period: 02/01/2016 - 02/29/2016  
 Balance (to)/ from Owner: \$(41.69)

RYAN TAYLOR  
 898 LUXURY DRIVE

CONCORD, CA 94518

Reservation Detail								
Arrival	Departure	Wing	Room	Nights	Gross Revenue	Daily Use Fee	Revenue Split	(Room Revenue) / Fees
02/01/2016	02/02/2016	SH	1775	1	\$80.00	\$24.54	\$17.73	\$(17.73)
02/04/2016	02/06/2016	SH	1775	2	\$108.00	\$49.08	\$29.46	\$(29.46)
02/06/2016	02/07/2016	SH	1775	1	\$50.00	\$24.54	\$12.73	\$(12.73)
02/07/2016	02/12/2016	SH	1775	5	\$354.00	\$122.70	\$115.65	\$(115.65)
02/12/2016	02/13/2016	SH	1775	1	\$128.98	\$24.54	\$52.22	\$(52.22)
02/13/2016	02/15/2016	SH	1775	2	\$49.08	\$49.08	\$0.00	\$0.00
02/15/2016	02/16/2016	SH	1775	1	\$49.28	\$24.54	\$12.37	\$(12.37)
02/16/2016	02/18/2016	SH	1775	2	\$60.00	\$49.08	\$5.46	\$(5.46)
02/18/2016	02/21/2016	SH	1775	3	\$317.00	\$73.62	\$121.69	\$(121.69)
02/21/2016	02/23/2016	SH	1775	2	\$120.00	\$49.08	\$35.46	\$(35.46)
02/23/2016	02/25/2016	SH	1775	2	\$60.00	\$49.08	\$5.46	\$(5.46)
02/25/2016	02/27/2016	SH	1775	2	\$169.00	\$49.08	\$59.96	\$(59.96)
02/27/2016	02/28/2016	SH	1775	1	\$63.00	\$24.54	\$19.23	\$(19.23)
02/28/2016	02/29/2016	SH	1775	1	\$63.00	\$24.54	\$19.23	\$(19.23)
TOTAL				26	\$1,651.34	\$638.04	\$506.65	\$(506.65)

Misc. Credit/Expenses	
Description	Amount

Please Make Checks Payable to:

GRAND SIERRA RESORT  
 ATTN: ACCOUNTS RECEIVABLE  
 2500 EAST SECOND ST.  
 RENO, NV 89595

R.App.0218

**Statement Summary**

(Room Revenue) / Fees:	\$(506.65)
Contracted Hotel Fees *:	\$464.98
Misc. (Credits) / Expenses:	\$0.00
Previous Balance:	\$0.00
Payment Received:	\$0.00

Net Due to Owner:	\$(41.69)
Net Due from Owner:	\$0.00

\* This is the Hotel Expenses (Hotel, Shared Facility and Cleaning Fee) and Hotel Reserves (Hotel, Shared Facility, FF&E).  
Please refer to CC&R Article 6 and the Unit Maintenance Agreement Schedule A for definitions of these Expenses and Reserves.

GSR.Payables@grandsierraresort.com

INVOICE NUMBER	DATE	GROSS AMOUNT	DISCOUNT	NET AMOUNT
UNIT SH 1775 FEB 16	4/29/2016	41.69	.00	41.69
VENDOR NAME		CHECK NUMBER	ISSUE DATE	CHECK TOTAL
TAYLOR, RYAN		439586	5/02/2016	41.69

**Please Make Checks Payable to:**

GRAND SIERRA RESORT  
ATTN: ACCOUNTS RECEIVABLE  
2500 EAST SECOND ST.  
RENO, NV 89595

# THE SUMMIT

AT GRAND SIERRA RESORT

## OWNER ACCOUNT STATEMENT

Account Number: 50567  
 Unit Number: 1775  
 Invoice Date: September 19, 2018  
 Period: 08/01/2018 - 08/31/2018  
 Balance (to)/ from Owner: \$7,930.70

RYAN TAYLOR  
 898 LUXURY DRIVE

**\*\*PAYABLE UPON RECEIPT\*\***

CONCORD, CA 94518

Arrival	Departure	Wing	Room	Nights	Gross Revenue	Daily Use Fee	Revenue Split	(Room Revenue) / Fees
08/01/2018	08/03/2018	SH	1775	2	\$118.00	\$62.36	\$27.82	\$(27.82)
08/03/2018	08/05/2018	SH	1775	2	\$214.56	\$62.36	\$76.10	\$(76.10)
08/05/2018	08/09/2018	SH	1775	4	\$350.88	\$124.72	\$113.08	\$(113.08)
08/09/2018	08/12/2018	SH	1775	3	\$270.00	\$93.54	\$88.23	\$(88.23)
08/12/2018	08/13/2018	SH	1775	1	\$40.12	\$31.18	\$4.47	\$(4.47)
08/13/2018	08/15/2018	SH	1775	2	\$160.00	\$62.36	\$48.82	\$(48.82)
08/15/2018	08/22/2018	SH	1775	7	\$490.40	\$218.26	\$136.07	\$(136.07)
08/20/2018	08/21/2018	SH	1775	1	\$(110.00)	\$0.00	\$(55.00)	\$55.00
08/23/2018	08/24/2018	SH	1775	1	\$50.00	\$31.18	\$9.41	\$(9.41)
08/24/2018	08/25/2018	SH	1775	1	\$119.00	\$31.18	\$43.91	\$(43.91)
08/25/2018	08/26/2018	SH	1775	1	\$114.48	\$31.18	\$41.65	\$(41.65)
08/26/2018	08/27/2018	SH	1775	1	\$46.92	\$31.18	\$7.87	\$(7.87)
08/27/2018	08/29/2018	SH	1775	2	\$110.40	\$62.36	\$24.02	\$(24.02)
08/29/2018	08/31/2018	SH	1775	2	\$100.00	\$62.36	\$18.82	\$(18.82)
08/31/2018	09/01/2018	SH	1775	1	\$179.00	\$31.18	\$73.91	\$(73.91)
TOTAL				31	\$2,253.76	\$935.40	\$659.18	\$(659.18)

Description	Amount
2017 True-up	\$27.26
Correct July Comped Room Overages	\$(24.73)

Please Make Checks Payable to:

GRAND SIERRA RESORT  
 ATTN: ACCOUNTS RECEIVABLE  
 2500 EAST SECOND ST.  
 RENO, NV 89595

R.App.0220

**Statement Summary**

(Room Revenue) / Fees:	\$(659.18)
Contracted Hotel Fees *:	\$647.85
Misc. (Credits) / Expenses:	\$2.53
Previous Balance:	\$7,939.50
Payment Received:	\$0.00
<hr/>	
Net Due to Owner:	\$0.00
Net Due from Owner:	\$7,930.70

\* This is the Hotel Expenses (Hotel, Shared Facility and Cleaning Fee) and Hotel Reserves (Hotel, Shared Facility, FF&E).  
Please refer to CC&R Article 6 and the Unit Maintenance Agreement Schedule A for definitions of these Expenses and Reserves.

**Please Make Checks Payable to:**

GRAND SIERRA RESORT  
ATTN: ACCOUNTS RECEIVABLE  
2500 EAST SECOND ST.  
RENO, NV 89595

R.App.0221

EXHIBIT “4”

EXHIBIT “4”

EXHIBIT “4”

# THE SUMMIT

AT GRAND SIERRA RESORT

## OWNER ACCOUNT STATEMENT

Account Number: 50249  
 Unit Number: 2157  
 Invoice Date: February 19, 2018  
 Period: 01/01/2018 - 01/31/2018  
 Balance (to)/ from Owner: \$21,948.10

DARLEEN LINDGREN  
 8001 CHESSHIRE LANE NORTH

**\*\*PAYABLE UPON RECEIPT\*\***

MAPLE GROVE, MN 55311

Reservation Detail								
Arrival	Departure	Wing	Room	Nights	Gross Revenue	Daily Use Fee	Revenue Split	(Room Revenue)/ Fees
01/01/2018	01/02/2018	SH	2157	1	\$70.00	\$31.35	\$19.33	\$(19.33)
01/02/2018	01/04/2018	SH	2157	2	\$100.00	\$62.70	\$18.65	\$(18.65)
01/04/2018	01/06/2018	SH	2157	2	\$188.00	\$62.70	\$62.65	\$(62.65)
01/06/2018	01/08/2018	SH	2157	2	\$149.00	\$62.70	\$43.15	\$(43.15)
01/08/2018	01/20/2018	SH	2157	12	\$888.40	\$376.20	\$256.10	\$(256.10)
01/17/2018	01/18/2018	SH	2157	1	\$(280.00)	\$0.00	\$(140.00)	\$140.00
01/20/2018	01/21/2018	SH	2157	1	\$90.00	\$31.35	\$29.33	\$(29.33)
01/21/2018	01/27/2018	SH	2157	6	\$432.00	\$188.10	\$121.95	\$(121.95)
01/27/2018	01/28/2018	SH	2157	1	\$90.00	\$31.35	\$29.33	\$(29.33)
01/28/2018	01/30/2018	SH	2157	2	\$103.50	\$62.70	\$20.40	\$(20.40)
01/30/2018	02/01/2018	SH	2157	2	\$152.00	\$62.70	\$44.65	\$(44.65)
TOTAL				32	\$1,982.90	\$971.85	\$505.53	\$(505.53)

Misc. Credit/Expenses	
Description	Amount

Statement Summary	
(Room Revenue) / Fees:	\$(505.53)
Contracted Hotel Fees *:	\$835.73
Misc. (Credits) / Expenses:	\$0.00
Previous Balance:	\$21,617.90
Payment Received:	\$0.00
Net Due to Owner:	\$0.00
Net Due from Owner:	\$21,948.10

\* This is the Hotel Expenses (Hotel, Shared Facility and Cleaning Fee) and Hotel Reserves (Hotel, Shared Facility, FF&E).  
 Please refer to CC&R Article 6 and the Unit Maintenance Agreement Schedule A for definitions of these Expenses and Reserves.



# OWNER ACCOUNT STATEMENT

Account Number: 50027  
 Unit Number: 2181  
 Invoice Date: June 19, 2018  
 Period: 05/01/2018 - 05/31/2018  
 Balance (to)/ from Owner: \$22,520.22

DUANE WINDHORST  
 719 RIVER BLUFF RD. SE

**\*\*PAYABLE UPON RECEIPT\*\***

MAZEPPA, MN 55956-3011

Reservation Detail								
Arrival	Departure	Wing	Room	Nights	Gross Revenue	Daily Use Fee	Revenue Split	(Room Revenue) / Fees
05/01/2018	05/02/2018	SH	2181	1	\$70.00	\$31.18	\$19.41	\$(19.41)
05/03/2018	05/05/2018	SH	2181	2	\$116.00	\$62.36	\$26.82	\$(26.82)
05/05/2018	05/06/2018	SH	2181	1	\$70.00	\$31.18	\$19.41	\$(19.41)
05/10/2018	05/13/2018	SH	2181	3	\$467.00	\$93.54	\$186.73	\$(186.73)
05/13/2018	05/14/2018	SH	2181	1	\$65.00	\$31.18	\$16.91	\$(16.91)
05/15/2018	05/16/2018	SH	2181	1	\$70.00	\$31.18	\$19.41	\$(19.41)
05/16/2018	05/17/2018	SH	2181	1	\$70.00	\$31.18	\$19.41	\$(19.41)
05/17/2018	05/18/2018	SH	2181	1	\$65.00	\$31.18	\$16.91	\$(16.91)
05/18/2018	05/20/2018	SH	2181	2	\$140.00	\$62.36	\$38.82	\$(38.82)
05/20/2018	05/21/2018	SH	2181	1	\$67.32	\$31.18	\$18.07	\$(18.07)
05/21/2018	05/27/2018	SH	2181	5	\$160.78	\$124.72	\$18.03	\$(18.03)
05/24/2018	05/28/2018	SH	2181	4	\$438.00	\$124.72	\$156.64	\$(156.64)
05/28/2018	05/29/2018	SH	2181	1	\$36.72	\$31.18	\$2.77	\$(2.77)
05/29/2018	05/30/2018	SH	2181	1	\$37.00	\$31.18	\$2.91	\$(2.91)
05/30/2018	06/01/2018	SH	2181	2	\$100.00	\$62.36	\$18.82	\$(18.82)
TOTAL				27	\$1,972.82	\$810.68	\$581.07	\$(581.07)

Misc. Credit/Expenses	
Description	Amount
2017 True-up	\$27.26

Please Make Checks Payable to:

GRAND SIERRA RESORT  
 ATTN: ACCOUNTS RECEIVABLE  
 2500 EAST SECOND ST.  
 RENO, NV 89595

R.App.0224



**Statement Summary**

(Room Revenue) / Fees:	\$(581.07)
Contracted Hotel Fees *:	\$647.85
Misc. (Credits) / Expenses:	\$27.26
Previous Balance:	\$22,426.18
Payment Received:	\$0.00

Net Due to Owner:	\$0.00
Net Due from Owner:	\$22,520.22

\* This is the Hotel Expenses (Hotel, Shared Facility and Cleaning Fee) and Hotel Reserves (Hotel, Shared Facility, FF&E).  
Please refer to CC&R Article 6 and the Unit Maintenance Agreement Schedule A for definitions of these Expenses and Reserves.

**Please Make Checks Payable to:**

GRAND SIERRA RESORT  
ATTN: ACCOUNTS RECEIVABLE  
2500 EAST SECOND ST.  
RENO, NV 89595



**OWNER ACCOUNT STATEMENT**

Account Number: 50440  
 Unit Number: 2371  
 Invoice Date: June 19, 2018  
 Period: 05/01/2018 - 05/31/2018  
 Balance (to)/ from Owner: \$12,703.96

WILLIAM MINER  
 15075 MURPHY AVENUE

**\*\*PAYABLE UPON RECEIPT\*\***

SAN MARTIN, CA 95046

Arrival	Departure	Wing	Room	Nights	Gross Revenue	Daily Use Fee	Revenue Split	(Room Revenue) / Fees
05/01/2018	05/02/2018	SH	2371	1	\$70.00	\$37.42	\$16.29	\$(16.29)
05/02/2018	05/03/2018	SH	2371	1	\$37.42	\$37.42	\$0.00	\$0.00
05/03/2018	05/04/2018	SH	2371	1	\$79.00	\$37.42	\$20.79	\$(20.79)
05/04/2018	05/06/2018	SH	2371	2	\$180.00	\$74.84	\$52.58	\$(52.58)
05/06/2018	05/07/2018	SH	2371	1	\$49.00	\$37.42	\$5.79	\$(5.79)
06/07/2018	05/08/2018	SH	2371	1	\$87.00	\$37.42	\$14.79	\$(14.79)
05/08/2018	05/09/2018	SH	2371	1	\$70.00	\$37.42	\$16.29	\$(16.29)
05/09/2018	05/14/2018	SH	2371	5	\$370.00	\$187.10	\$91.45	\$(91.45)
05/14/2018	05/16/2018	SH	2371	2	\$74.84	\$74.84	\$0.00	\$0.00
05/16/2018	05/18/2018	SH	2371	2	\$150.00	\$74.84	\$37.58	\$(37.58)
05/18/2018	05/20/2018	SH	2371	2	\$100.00	\$74.84	\$12.58	\$(12.58)
05/20/2018	05/22/2018	SH	2371	2	\$74.84	\$74.84	\$0.00	\$0.00
05/22/2018	05/23/2018	SH	2371	1	\$37.42	\$37.42	\$0.00	\$0.00
05/23/2018	05/24/2018	SH	2371	1	\$69.00	\$37.42	\$15.79	\$(15.79)
05/24/2018	05/25/2018	SH	2371	1	\$65.00	\$37.42	\$13.79	\$(13.79)
05/25/2018	05/26/2018	SH	2371	1	\$70.00	\$37.42	\$16.29	\$(16.29)
05/26/2018	05/27/2018	SH	2371	1	\$259.00	\$37.42	\$110.79	\$(110.79)
05/27/2018	05/28/2018	SH	2371	1	\$239.00	\$37.42	\$100.79	\$(100.79)
05/28/2018	05/30/2018	SH	2371	2	\$100.00	\$74.84	\$12.58	\$(12.58)
05/30/2018	06/01/2018	SH	2371	2	\$150.00	\$74.84	\$37.58	\$(37.58)
TOTAL				31	\$2,311.52	\$1,160.02	\$575.75	\$(575.75)

Description	Amount
2017 True-up	\$35.81

Please Make Checks Payable to:

GRAND SIERRA RESORT  
 ATTN: ACCOUNTS RECEIVABLE  
 2500 EAST SECOND ST.  
 RENO, NV 89595

Statement Summary	
(Room Revenue) / Fees:	\$(575.75)
Contracted Hotel Fees *:	\$835.73
Misc. (Credits) / Expenses:	\$35.81
Previous Balance:	\$12,408.17
Payment Received:	\$0.00
Net Due to Owner:	\$0.00
Net Due from Owner:	\$12,703.96

\* This is the Hotel Expenses (Hotel, Shared Facility and Cleaning Fee) and Hotel Reserves (Hotel, Shared Facility, FF&E)  
Please refer to CC&R Article 8 and the Unit Maintenance Agreement Schedule A for definitions of these Expenses and Reserves.

Please Make Checks Payable to:

GRAND SIERRA RESORT  
ATTN: ACCOUNTS RECEIVABLE  
2500 EAST SECOND ST.  
RENO, NV 89595



# OWNER ACCOUNT STATEMENT

Account Number: 50023  
 Unit Number: 1728  
 Invoice Date: May 21, 2018  
 Period: 04/01/2018 - 04/30/2018  
 Balance (to)/ from Owner: \$12,323.05

MARY KOSSICK  
 P.O. BOX 31753

**\*\*PAYABLE UPON RECEIPT\*\***

SAN FRANCISCO, CA 94131

Reservation Detail								
Arrival	Departure	Wing	Room	Nights	Gross Revenue	Daily Use Fee	Revenue Split	(Room Revenue) / Fees
04/01/2018	04/02/2018	SH	1728	1	\$70.00	\$37.42	\$16.29	\$(16.29)
04/02/2018	04/04/2018	SH	1728	2	\$100.00	\$74.84	\$12.58	\$(12.58)
04/04/2018	04/06/2018	SH	1728	2	\$225.00	\$74.84	\$75.08	\$(75.08)
04/06/2018	04/08/2018	SH	1728	2	\$140.00	\$74.84	\$32.58	\$(32.58)
04/08/2018	04/14/2018	SH	1728	6	\$486.00	\$224.52	\$130.74	\$(130.74)
04/14/2018	04/15/2018	SH	1728	1	\$68.00	\$37.42	\$15.29	\$(15.29)
04/15/2018	04/16/2018	SH	1728	1	\$59.20	\$37.42	\$10.89	\$(10.89)
04/16/2018	04/17/2018	SH	1728	1	\$75.00	\$37.42	\$18.79	\$(18.79)
04/17/2018	04/27/2018	SH	1728	10	\$630.00	\$374.20	\$127.90	\$(127.90)
04/27/2018	04/29/2018	SH	1728	2	\$180.00	\$74.84	\$52.58	\$(52.58)
04/29/2018	05/01/2018	SH	1728	2	\$150.00	\$74.84	\$37.58	\$(37.58)
TOTAL				30	\$2,183.20	\$1,122.60	\$530.30	\$(530.30)

Misc. Credit/Expenses	
Description	Amount
2017 True-up	\$36.21

Please Make Checks Payable to:

GRAND SIERRA RESORT  
 ATTN: ACCOUNTS RECEIVABLE  
 2500 EAST SECOND ST.  
 RENO, NV 89595

R.App.0228

### Statement Summary

(Room Revenue) / Fees:	\$(530.30)
Contracted Hotel Fees *:	\$844.28
Misc. (Credits) / Expenses:	\$36.21
Previous Balance:	\$11,972.86
Payment Received:	\$0.00
<hr/>	
Net Due to Owner:	\$0.00
Net Due from Owner:	\$12,323.05

\* This is the Hotel Expenses (Hotel, Shared Facility and Cleaning Fee) and Hotel Reserves (Hotel, Shared Facility, FF&E).  
Please refer to CC&R Article 6 and the Unit Maintenance Agreement Schedule A for definitions of these Expenses and Reserves.

**Please Make Checks Payable to:**

GRAND SIERRA RESORT  
ATTN: ACCOUNTS RECEIVABLE  
2500 EAST SECOND ST.  
RENO, NV 89595

# THE SUMMIT

AT GRAND SIERRA RESORT

## OWNER ACCOUNT STATEMENT

Account Number: 50628  
 Unit Number: 2385  
 Invoice Date: September 19, 2017  
 Period: 08/01/2017 - 08/31/2017  
 Balance (to)/ from Owner: \$12,831.53

LEE VANDERBOKKE  
 1181 DUTCH HOLLOW TRAIL

**\*\*PAYABLE UPON RECEIPT\*\***

RENO, NV 89523

Reservation Detail								
Arrival	Departure	Wing	Room	Nights	Gross Revenue	Daily Use Fee	Revenue Split	(Room Revenue) / Fees
08/01/2017	08/04/2017	SH	2385	3	\$300.00	\$78.36	\$110.82	\$(110.82)
08/04/2017	08/06/2017	SH	2385	2	\$237.00	\$52.24	\$92.38	\$(92.38)
08/06/2017	08/09/2017	SH	2385	3	\$253.00	\$78.36	\$87.32	\$(87.32)
08/09/2017	08/10/2017	SH	2385	1	\$70.00	\$26.12	\$21.94	\$(21.94)
08/10/2017	08/13/2017	SH	2385	3	\$629.94	\$78.36	\$275.79	\$(275.79)
08/13/2017	08/15/2017	SH	2385	2	\$60.00	\$52.24	\$3.88	\$(3.88)
08/15/2017	08/19/2017	SH	2385	4	\$324.80	\$104.48	\$110.16	\$(110.16)
08/18/2017	08/19/2017	SH	2385	1	\$(9.00)	\$0.00	\$(4.50)	\$4.50
08/19/2017	08/21/2017	SH	2385	2	\$120.00	\$52.24	\$33.88	\$(33.88)
08/21/2017	08/22/2017	SH	2385	1	\$69.00	\$26.12	\$21.44	\$(21.44)
08/22/2017	08/24/2017	SH	2385	2	\$178.00	\$52.24	\$62.88	\$(62.88)
08/24/2017	08/27/2017	SH	2385	3	\$357.00	\$78.36	\$139.32	\$(139.32)
08/27/2017	08/29/2017	SH	2385	2	\$60.00	\$52.24	\$3.88	\$(3.88)
08/29/2017	09/01/2017	SH	2385	3	\$177.00	\$78.36	\$49.32	\$(49.32)
TOTAL				32	\$2,826.74	\$809.72	\$1,008.51	\$(1,008.51)

Misc. Credit/Expenses	
Description	Amount
2016 True-up	\$480.05

Please Make Checks Payable to:

GRAND SIERRA RESORT  
 ATTN: ACCOUNTS RECEIVABLE  
 2500 EAST SECOND ST.  
 RENO, NV 89595

**Statement Summary**

(Room Revenue) / Fees:	\$(1,008.51)
Contracted Hotel Fees *:	\$600.03
Misc. (Credits) / Expenses:	\$480.05
Previous Balance:	\$12,759.96
Payment Received:	\$0.00

Net Due to Owner:	\$0.00
Net Due from Owner:	\$12,831.53

\* This is the Hotel Expenses (Hotel, Shared Facility and Cleaning Fee) and Hotel Reserves (Hotel, Shared Facility, FF&E).  
Please refer to CC&R Article 6 and the Unit Maintenance Agreement Schedule A for definitions of these Expenses and Reserves.

**Please Make Checks Payable to:**

GRAND SIERRA RESORT  
ATTN: ACCOUNTS RECEIVABLE  
2500 EAST SECOND ST.  
RENO, NV 89595

EXHIBIT “5”

EXHIBIT “5”

EXHIBIT “5”



**GRAND SIERRA RESORT UNIT-OWNERS' ASSOCIATION  
WRITTEN BALLOT**

The Board of Directors recommends approval of the Eighth Amendment to Condominium Hotel Declaration of Covenants Conditions, Restrictions and Reservation of Easements for Hotel-Condominiums at Grand Sierra Resort ("Eighth Amendment"). The proposed Amendments are tracked with redlining and are enclosed with this ballot.

✓

☐

**YES. The undersigned approves the Amendments provided with this ballot and approves the Board of Directors taking all appropriate action to record the Eighth Amendment.**

**-OR-**

✓

☒

**NO. The undersigned does not approve the Eighth Amendment provided with this ballot.**

**Results of Vote**

Pursuant to NRS 82.326, NRS 116.21175 and the Association's Governing Documents, unless not less than seventy-five percent (75%) of the Members vote YES, or a petition is duly filed with a court of competent jurisdiction pursuant to NRS 116.21175, the Amendments will not pass.

**Due Date**

ALL ballots must be received by the Board of Directors on or before December 22, 2016 in order to be counted at the tabulation of Member votes. If less than seventy-five percent (75%) of the ballots are returned by this date, the date for returning ballots shall be automatically extended every thirty days until at least seventy-five percent (75%) of the ballots have been returned or otherwise at the sole discretion of the Board.

Methods to return signed ballots are as follows:

Scan and email the ballot to Jeanne Tarantino [jtaranino@associasn.com](mailto:jtaranino@associasn.com).

Mail this ballot to Grand Sierra Resort Unit-Owners Association, c/o Associa Sierra North, 10509 Professional Circle, Suite 200, Reno, NV 89521. An envelope is enclosed for your convenience.

Pursuant to NRS 116.311(9)(d)(4), if you wish to deliver information to all unit's owners regarding the subject of the vote, please provide to Jeanne Tarantino on or before the fifth day after receipt of this Ballot. Any information must be on one page, not contain any defamatory or inappropriate contact and must address the subject of the vote.

**IMPORTANT: THIS BALLOT MUST BE SIGNED BY A MEMBER OF THE ASSOCIATION.** If there are two or more, any one need sign. When signing as executor, attorney, administrator, trustee, guardian or in some other representative capacity, please specify your title.

Signature: \_\_\_\_\_

*Henry P. Nunn III*

Printed Name: \_\_\_\_\_

*Henry P. Nunn III*

Date: \_\_\_\_\_

*1/3/17*

Unit Number: \_\_\_\_\_

*2365*

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

*1645 Lillian St, Brentwood, Ca 94513*

EXHIBIT “6”

EXHIBIT “6”

EXHIBIT “6”



June 5, 2017

Incorporated Silkscape  
PO Box 368  
Auburn, CA 95604

Re: Special Assessment for Unit #2063

Dear Incorporated Silkscape,

We are writing you this letter to inform you that MEI-GSR Holdings LLC (the "Hotel Management Company") has recently conducted a financial reconciliation with respect to the capital expenditures advanced by the Hotel Management Company for renovations of the Units and the Condominium Hotel Property for the period between April 1, 2011 and December 31, 2016. Please note that terms not defined herein shall be as defined in the Eight Amendment to Condominium Hotel Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Hotel-Condominiums at Grand Sierra Resort (the "CC&Rs").

Pursuant to such reconciliation, the Hotel Management Company has determined that reserve amounts are now insufficient in light of their respective allocation to the renovation projects related to the Units and the Condominium Hotel Property.

Based on the audited balance sheet of the Hotel Management Company as of December 31, 2016, the Hotel Management Company should have collected a total amount of \$14,557,507 for SFU, Hotel and FF&E reserves from all Unit holders for the period between April 1, 2011 and December 31, 2016.<sup>1</sup>

Total capital expenditures with respect to all of the Units and the Condominium Hotel Property have totaled \$6,409,375 for the same period.

Therefore, only \$8,148,132 remains on the Hotel Management Company's balance sheet to cover the reserve amount of \$12,800,000 that was proposed pursuant to an independent reserve study dated as of January 1, 2017.

Pursuant to Sections 6.9 and 6.10 of the CC&Rs, a special assessment in the amount of \$13.70 per square foot is necessary in order to make up the \$4,651,868 deficit in reserves.

Please note that based on your Unit type, your special assessment amount will be \$7,560. This amount should be paid to the Hotel Management Company by no later than July 5, 2017.

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<sup>1</sup> Please note that as of December 31, 2016, certain third party Unit holders have not paid their respective reserve amounts in the total amount of \$679,556.

Notwithstanding the above, the Hotel Management Company reserves the right to deduct any such amounts from revenues earned by your Unit as provided for in Section 9(c) of your unit rental agreement with the Hotel Management Company, if applicable.

Attached hereto for your benefit as Attachment I, is a spreadsheet that shows (i) reserve amounts as of December 31, 2016, (ii) reserve amounts required by the third party reserve study, and (iii) a breakdown of the special assessment by Unit type. A copy of the reserve study may be provided to you upon written request.

If you have any questions, please contact the Hotel Management Company at the following telephone number (775) 789-2314 and leave a message. We will then get back to you as soon as possible.

Sincerely,

Grand Sierra Resort and Casino

**ATTACHMENT I**  
**SPECIAL ASSESSMENT ANALYSIS**

[Attached]

**Grand Sierra Resort and Casino  
Attachment I  
Special Assessment Analysis**

**Balance Sheet as of 12/31/16 - Audited**

SFU Reserve - Non GSR Units	\$ 1,703,600
SFU Reserve - GSR Units	4,529,263
FFE Reserve - Non GSR Units	1,433,651
FFE Reserve - GSR Units	3,749,665
Hotel Reserve Non GSR Units	946,372
Hotel Reserve GSR Units	2,194,957
<b>Total Condo Reserve on Balance Sheet</b>	<b>14,557,507</b>

**Total Expenditures**

**6,409,375**

**Remaining Reserve Balance**

**8,148,132**

**Reserve Amount Required as of 1/1/17**

SFU Reserve	8,500,000
FFE Reserve	2,300,000
Hotel Reserve	2,000,000
<b>Total Reserve Required</b>	<b>12,800,000</b>

**Total Special Assessment**

**\$ 4,651,868**

Unit Type	Square Footage			Special Assessment Cost Per Unit
	Square Feet	# of Units	Total	
Grand 2 A	427	250	106,750	\$ 5,848
Grand 2 B	420	223	93,660	\$ 5,752
Grand 2 C	436	2	872	\$ 5,972
Grand 2 D	434	14	6,076	\$ 5,944
Grand Suite A	558	64	35,712	\$ 7,643
Grand Suite B	552	75	41,400	\$ 7,560
Loft 1	922	8	7,376	\$ 12,628
Loft 2	856	4	3,424	\$ 11,724
Loft 3	1,006	4	4,024	\$ 13,778
Imperial	1,340	16	21,440	\$ 18,353
Presidential	1,552	2	3,104	\$ 21,257
Deluxe Parlor	1,600	2	3,200	\$ 21,914
DMD	2,101	6	12,606	\$ 28,776
<b>Total for all Units</b>		<b>670</b>	<b>339,644</b>	
<b>Total Special Assessment</b>			<b>\$ 4,651,868</b>	
<b>Cost Per Square Foot</b>				<b>\$ 13.70</b>