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14 **UNITED STATES BANKRUPTCY COURT**

15 **FOR THE DISTRICT OF NEVADA**

16 In re:

Case No.: 22-11824-ABL

17 FRONT SIGHT MANAGEMENT LLC,

Chapter 11

18 Debtor.

19 FRONT SIGHT MANAGEMENT, LLC, A
20 NEVADA LIMITED LIABILITY COMPANY

Adv. Case No. 22-01116-ABL

21 Plaintiff,

22 v.

23 LAS VEGAS DEVELOPMENT FUND LLC, A
24 NEVADA LIMITED LIABILITY COMPANY,
25 et al.,

26 Defendants.

Date: July 25, 2022

Time: 9:30 a.m.

27 **REQUEST FOR JUDICIAL NOTICE IN SUPPORT OF**
28 **OPPOSITION TO MOTION TO REMAND**

Pursuant to the Federal Rule of Evidence 201, Dr. Ignatius Piazza, Jennifer Piazza, VNV Dynasty Trust I, and VNV Dynasty Trust II (collectively, the “Piazzas”), by and through their counsel, the law firm of Garman Turner Gordon LLP, respectfully request that this Court take judicial notice of the following pleadings, true and correct copies of which are attached hereto:

...

...

Ex. No.	Name	Case Number	Date
1.	<i>Complaint</i> filed by the Debtor, in the case styled <i>Front Sight Management, LLC v. Las Vegas Development Fund LLC et al.</i>	Case No. A-18-781084- B, in the Eighth Judicial District Court in Clark County, Nevada (the “ <u>State Court Action</u> ”)	September 14, 2018
2.	<i>Second Amended Complaint</i> filed by the Debtor	State Court Action	January 4, 2019
3.	<i>Findings of Fact, Conclusions of Law, and Order Denying Defendant Las Vegas Development Fund LLC’s Motion to Dissolve Temporary Restraining Order and to Appoint a Receiver</i>	State Court Action	January 23, 2020
4.	<i>Defendants’ Answer to Plaintiff’s Second Amended Complaint; and First Amended Counterclaim</i> filed by Las Vegas Development Fund LLC	State Court Action	June 4, 2020

DATED this 11th day of July, 2022.

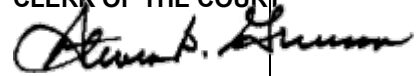
GARMAN TURNER GORDON LLP

By: /s/ Teresa M. Pilatowicz
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EXHIBIT 1

EXHIBIT 1

Electronically Filed
9/14/2018 8:10 AM
Steven D. Grierson
CLERK OF THE COURT



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7 **EIGHTH JUDICIAL DISTRICT COURT**

8 **CLARK COUNTY, NEVADA**

9 FRONT SIGHT MANAGEMENT LLC, a
Nevada Limited Liability Company,

10
11 Plaintiff,

12 vs.

13 LAS VEGAS DEVELOPMENT FUND LLC, a
Nevada Limited Liability Company; EB5
14 IMPACT CAPITAL REGIONAL CENTER
LLC, a Nevada Limited Liability Company;
15 EB5 IMPACT ADVISORS LLC, a Nevada
Limited Liability Company; ROBERT W.
16 DZIUBLA, individually and as President and
CEO of LAS VEGAS DEVELOPMENT
17 FUND LLC and EB5 IMPACT ADVISORS
LLC; JON FLEMING, individually and as an
18 agent of LAS VEGAS DEVELOPMENT
FUND LLC and EB5 IMPACT ADVISORS
19 LLC; DOES 1-10, inclusive; and ROE
CORPORATIONS 1-10, inclusive,

20 Defendants.
21

A-18-781084-B

CASE NO.:
DEPT NO.: Department 16

22 **COMPLAINT**

23 Plaintiff FRONT SIGHT MANAGEMENT LLC by and through its attorneys, John P.
Aldrich, Esq. and Catherine Hernandez, Esq., of the Aldrich Law Firm, Ltd., hereby complains
24

1 and alleges against Defendants LAS VEGAS DEVELOPMENT FUND LLC, a Nevada Limited
2 Liability Company; EB5 IMPACT CAPITAL REGIONAL CENTER LLC, a Nevada Limited
3 Liability Company; EB5 IMPACT ADVISORS LLC, a Nevada Limited Liability Company;
4 ROBERT W. DZIUBLA, individually and as President and CEO of LAS VEGAS
5 DEVELOPMENT FUND LLC and EB5 IMPACT ADVISORS LLC; JON FLEMING,
6 individually and as an agent of LAS VEGAS DEVELOPMENT FUND LLC and EB5 IMPACT
7 ADVISORS LLC; DOES 1-10, inclusive; and ROE CORPORATIONS 1-10, inclusive, as
8 follows:

9 **PARTIES**

10 1. Plaintiff FRONT SIGHT MANAGEMENT LLC (“Front Sight” or “Plaintiff”) is
11 a limited liability company, duly formed, organized and existing under the laws of the state of
12 Nevada and conducting business in Clark County, Nevada.

13 2. Defendant LAS VEGAS DEVELOPMENT FUND LLC (“LVDF”), is and at all
14 relevant times mentioned herein, was, a Nevada limited liability company, transacting business
15 in the State of Nevada.

16 3. Defendant EB5 IMPACT CAPITAL REGIONAL CENTER LLC (“EB5IC”) is
17 and at all relevant times mentioned herein, was, a Nevada limited liability company, transacting
18 business in the State of Nevada.

19 4. Defendant EB5 IMPACT ADVISORS LLC (“EB5IA”), is and at all relevant
20 times mentioned herein, was, a Nevada limited liability company, transacting business in the
21 State of Nevada.

1 5. Upon information and belief, Defendant ROBERT W. DZIUBLA (“Dziubla”),
2 individually and as President and CEO of LAS VEGAS DEVELOPMENT FUND LLC and EB5
3 IMPACT CAPITAL REGIONAL CENTER LLC, is and at all relevant times mentioned herein,
4 was, a resident of California, transacting substantial business in the State of Nevada and
5 maintaining numerous and frequent contacts with Nevada.

6 6. Upon information and belief, Defendant JON FLEMING (“Fleming”),
7 individually and as an agent of LAS VEGAS DEVELOPMENT FUND LLC and EB5 IMPACT
8 ADVISORS LLC, is and at all relevant times mentioned herein, was, a resident of California,
9 transacting substantial business in the State of Nevada and maintaining numerous and frequent
10 contacts with Nevada.

11 7. The true names and capacities of Defendant DOES I through V are unknown to
12 Plaintiff, and Plaintiff therefore sues said Defendants by said fictitious names. Plaintiff is
13 informed and believes, and thereupon alleges that each of the Defendants designated as DOE is
14 responsible in some manner for the events and happenings referred to and caused the damages to
15 plaintiff as alleged and Plaintiff will ask leave of this court to amend this complaint to insert the
16 true names and capacities of DOES I through V when they are ascertained by Plaintiff together
17 with appropriate charges and allegations to join such Defendants in this action.

18 8. The trues names and capacities of Defendants ROE Corporations I through V are
19 unknown to Plaintiff, and Plaintiff therefore sues said Defendants by said fictitious names.
20 Plaintiff is informed and believe, and thereupon alleges that each of the Defendants designated as
21 ROE Corporations I through V is responsible in some manner for the events and happenings
22 referred to and caused the damages to Plaintiff as alleged, and Plaintiff will ask leave of this
23 court to amend this Complaint to insert the true names and capacities of ROE Corporations I
24

1 through V when they are ascertained by Plaintiff together with appropriate charges and
2 allegations to join such Defendants in this action.

3 **GENERAL ALLEGATIONS**

4 **Inducement of Front Sight to Fund Defendants' EB-5 Raise for the Development and**
5 **Construction of the Front Sight Resort Project in Detrimental Reliance on a Raise of \$75 Million**

6 9. As reflected in email correspondence between Defendant Dziubla and Front Sight
7 officers dated August 27, 2012, as early as August of 2012, Defendant Dziubla, on behalf of
8 what eventually became LFDF, EB5IC, and EB5IA, made representations to Front Sight that
9 Defendant Dziubla and his associates had the ability, experience and networking breadth with
10 Chinese investors to enable Defendant Dziubla “to put together a financing package for some, or
11 perhaps all, of the \$150 million you [Front Sight] were seeking to raise.” This material
12 representation proved to be false.

13 10. In a proposal letter dated September 13, 2012, Defendant Dziubla, then as
14 President and CEO of Kenworth Capital, represented to Front Sight that, provided Front Sight
15 agreed to pay “upfront fees” of \$300,000 to cover Defendant Dziubla’s “direct out-of-pocket cost
16 to do an EB-5 raise,” Defendant Dziubla would “be able to structure the \$65 million of EB-5
17 financing as non-recourse debt secured only by a mortgage on the property. Thus, no personal
18 guaranties or other collateral were required from Dr. Piazza or Front Sight. This non-recourse
19 element of the EB-5 financing is truly extraordinary.” These material representations –
20 particularly regarding the amount – were false.

21 11. The structure chart attached to that proposal letter contemplated “130 foreign
22 investors,” “\$500,000 from each investor,” and a “\$65 million loan” for the development and
23 construction of the Front Sight Resort Project.
24

1 12. In said letter, Defendant Dziubla represented that Defendant Dziubla’s “partners,
2 Empyrean West (Dave Keller and Jay Carter), are the owners and managers of a USCIS-
3 approved regional center, Liberty West Regional Center, through which we will invest the \$65
4 million of EB-5 funding.”

5 13. In that same proposal letter, Defendant Dziubla further represented to Front Sight:

6 “I personally have been conversant with and involved in EB-5 financing
7 since the program was first established in 1990, as one of my oldest friends and a
8 fellow partner of mine at Baker & McKenzie, the world’s largest law firm, ran the
9 Firm’s global immigration practice out of the Hong Kong office. During my
10 career, I have spent much of my life living and working in China / Asia and have
11 worked with many Chinese clients and institutions investing abroad. This
12 experience has provided me with an expansive network of relationships
13 throughout China for sourcing EB-5 investors; and this personal network is
14 coupled with our collective relationships with the leading visa advisory firms
15 operating in China.

16 “In addition to the Chinese EB-5 funding, Empyrean West has been
17 authorized by the Vietnamese government to act as the exclusive EB-5 firm in
18 Vietnam and has been exempted from the \$5,000 limit on international money
19 transfers.

20 “On a separate note, we also think the Front Sight project will be
21 especially attractive to Chinese / Asian investors because it has “sizzle” since
22 firearms are forbidden to our Chinese investors. Thus any who do invest will be
23 able to tell all of their friends and family that they have invested into Front Sight
24 and been granted a preferred membership that gives them the right to receive
25 Front Sight training in handguns, shotguns, rifles, and machine guns anytime they
26 want.”

27 14. These material representations were made to induce Front Sight into trusting its
28 project to Defendants. In that same letter, Defendant Dziubla also represented to Front Sight that
29 “EB-5 funding initiatives typically take 5 – 8 months before first funds are placed into escrow
30 with the balance of the funds being deposited during the next 6 – 8 months. This sort of extended
31 timing seems to be compatible with Front Sight’s development timeline given our discussions.”
32 These material representations were false.

1 15. After multiple exchanges of email correspondence and several meetings,
2 Defendant Dziubla represented to Front Sight that Defendant Dziubla and his partners were
3 working on a proposal for “the creation of a new regional center for the Front Sight project and
4 the raise of up to \$75m (interest reserve included) of EB-5 immigrant investor financing.” This
5 \$75 million raise never materialized.

6 16. On February 8, 2013, as President & CEO of EB5 Impact Advisors LLC
7 (“EB5IA”), Defendant Dziubla submitted a revised proposal (the “Engagement Letter”) to Front
8 Sight for the engagement of EB5IA to perform services in connection with the raising of \$75
9 million of debt financing for Front Sight to expand its operations through the EB-5 immigrant
10 investor program supervised by the USCIS, said services to include, amongst other, engaging the
11 services of other professionals to achieve the establishment of the EB5 Impact Capital Regional
12 Center covering Nye County, Nevada, and with approved job codes encompassing the Front
13 Sight resort project; to prepare the business plan and economic impact analysis for both the
14 Regional Center and the Front Sight Resort Project as the exemplar transaction for the Regional
15 Center; preparing the offering documentation and making presentations to prospective investors
16 to obtain commitments for the contemplated financing.

17 17. Based on Mr. Dziubla and Mr. Fleming’s representations, Dr. Ignatius Piazza,
18 Front Sight’s principal, and Plaintiff Front Sight believed that an EB5 Regional Center was the
19 best way to raise the required capital to complete the Front Sight project within the time frames
20 represented by Defendants. The use of EB-5 funds would be from government-vetted foreign
21 investors who believed in Front Sight’s purpose to positively change in the image of gun
22 ownership, with the added benefit that the Front Sight investors could also enjoy the freedoms of
23 participating in the Front Sight project with their families while securing a United States visa.
24

1 This “win-win” situation would be good for Front Sight, good for the country, and good for the
2 investors and their families. Such a project would also create much-needed jobs in the rural area
3 surrounding Pahrump, Nevada, another important goal of Plaintiff Front Sight.

4 18. After negotiating a few changes, Front Sight placed its trust in Defendant Dziubla
5 and his team and executed the Engagement Letter in February of 2013.

6 EB5 Impact Capital Failure to Deliver on \$75 Million Raise and Promised Timeline

7 19. After many months of intense work, much of which was completed by Front Sight
8 or Front Sight’s agents, with all costs and expenses covered by Front Sight, the application for
9 approval of the Regional Center was filed on April 15, 2014.

10 20. During the extended period of waiting for the approval of the Regional Center and
11 the Exemplar Project, more promises and representations were made by Dziubla with respect to
12 the rapidity of the EB-5 raise, including the following misrepresentation:

13 “We anticipate that once we start the roadshows for the Front Sight
14 project, which will have already been pre-approved by USCIS as part of the I-924
15 process – a very big advantage -- we should have the first tranche of \$25m into
escrow and ready for disbursement to the project (at the 75% level, i.e. \$18.75m,
as discussed) within 4 – 5 months.”

16 21. After many more months of intense follow-up by all concerned parties, including
17 Front Sight, the Regional Center and Exemplar Project were approved by the USCIS on July 27,
18 2015.

19 22. Shortly thereafter, marketing efforts allegedly began by Defendant Dziubla, and
20 others engaged by Defendant Dziubla, with Front Sight continuing to pay for all related costs and
21 expenses.

22 23. The results of those alleged efforts have fallen dramatically short, both of the \$75
23 million raise that Front Sight had been induced to expect, and of the reduced maximum \$50
24

1 million raise that subsequently Defendant Dziubla asked Front Sight to accept, long after Front
2 Sight had been induced into incurring, and had in fact incurred, approximately \$300,000 in costs
3 and expenses in connection with such raise.

4 24. A pattern was established of asking Front Sight to advance funds for travel and
5 marketing expenses by Defendant Dziubla and other members of Defendant Dziubla's team,
6 including Jon Fleming, and then not delivering even a modest amount of EB-5 investor funds as
7 promised. Moreover, Defendants repeatedly failed and refused to provide any documentation or
8 receipts to Plaintiff Front Sight that demonstrated how Front Sight's money – which had been
9 provided to Defendants and earmarked for marketing – had been used, if it was used for
10 marketing at all. (For example, on August 11, 2015, Dziubla wrote to Front Sight's
11 representative: “We look forward to having the \$53.5k deposited into our Wells Fargo account
12 tomorrow. Front Sight is the ONLY EB5 project we are handling and of course receives our full
13 and diligent attention. Our goal is most assuredly to have the minimum raise of \$25m (50
14 investors) subscribed by Thanksgiving.”) Despite repeated requests for an accounting of how
15 Defendants were spending Front Sight's money, Defendants repeatedly refused to provide any
16 accounting.

17 25. In apparent contradiction of Defendant Dziubla's representation that “Front Sight
18 is the ONLY EB5 project we are handling and of course receives our full and diligent attention,”
19 on Defendants' website eb5impactcapital.com, Defendants have posted an open invitation to
20 other developers seeking EB-5 funding for their respective projects to contact Defendants
21 regarding their EB-5 fundraising services.

1 26. In October of 2015, Defendant Dziubla alluded to a “minimum raise of \$25
2 million” in multiple email correspondence related to Front Sight’s negotiation of a construction
3 loan agreement.

4 27. In response to Front Sight’s repeated expressions of concern with the slow pace of
5 securing investors for their EB-5 program, on December 16, 2015 Defendant Dziubla wrote the
6 following, which proved to be false: “With regard to the timeline, we may still be able to achieve
7 the minimum raise of \$25m by January 31 and thereupon begin disbursing the construction loan
8 proceeds to you, but a more realistic date might be February 8. Why that date you ask? Because
9 the Christmas holidays and January 1st new year holiday are rather insignificant in China and,
10 importantly, February 8 is the start of the Chinese New Year. Chinese people like to conclude
11 their major business decisions before the start of that 2 – 3 week holiday period, so we expect to
12 see interest in the FS project growing rapidly over the next couple of weeks with interested
13 investors getting their source and path of funds verification completed in January so that they can
14 make the investment by February 8.”

15 28. On January 4, 2016, in reply to Front Sight’s query as to whether the “minimum
16 raise of \$25 million” would be achieved by February 8, as Defendant Dziubla had
17 misrepresented, Defendant Dziubla wrote:

18 “The minimum raise for the Front Sight project is \$25m. At \$500k per
19 investor, that requires 50 investors only. Once we have the \$25m in escrow and
20 the loan documents have been signed (presumably within the next few days), then
21 we will disburse 75% of that to you, i.e. \$18.75m and retain the other 25% in
22 escrow to cover any I-526 applications that are rejected by USCIS, which is quite
23 unlikely given that we already have USCIS exemplar approval for the project.
24 Hence, we will not need to have 63 investors in escrow, just 50. Please refer to
my email of October 20 to you detailing the funds disbursement process.

 “With regard to timing, based on discussions with our agents over the past
few days, including today, it looks like we may have 5 – 10 investors into escrow
by February 8, with an additional 20 – 30 in the pipeline. The Chinese New year

1 commences on February 8, so the market will essentially shut down for about two
2 weeks, and then the investors will gradually return to work. The agents are saying
3 that investors who have not already decided on the project by February 8 will
4 contemplate it over the Chinese New Year and discuss it with their family, as it
5 entails the fundamental life change of leaving their homeland and moving to the
6 USA. We are pushing our agents hard to have 50 investors into escrow by
7 February 29. Once we have the 50 investors into escrow with the Minimum Raise
8 achieved, we will disburse the initial \$18.75m to you and then continue with the
9 fundraising, which is likely to accelerate since it has a snowball type of effect. As
10 the funds continue to come into escrow, we will continually disburse them to you.
11 (See the Oct. 20 email.) Given that the current EB-5 legislation expires on
12 September 30, 2016, at which time the minimum investment amount will most
13 likely increase to \$800k, we highly anticipate that we will have raised the full
14 \$75m by then.”

15 29. On January 31, 2016, in response to Front Sight’s question as to how many
16 “actual investors” with \$500,000 in investment funds into escrow it had to date – and just 9 days
17 before Defendant Dziubla had promised to have \$25M available – Defendant Dziubla responded:
18 “Two.” This statement was true.

19 30. From the inception of Defendant Dziubla’s alleged marketing efforts, Defendant
20 Dziubla consistently refused Front Sight’s requests to have direct contact with parties reportedly
21 and purportedly performing services to find EB-5 investors, including King Liu and Jay Li,
22 principals of the Sinowel firm.

23 31. From time to time Defendant Dziubla announced various purported alliances and
24 associations with brokers and sales representatives in various regions with reported growing
“pipelines,” but in the end, more than three years after the USCIS approval, and after Front Sight
had paid at least \$512,500 in fees and expenses, Front Sight has only received \$6,375,000 in
Construction Loan disbursements. Defendants continued to refuse to account for what efforts
they allegedly put forth to meet their obligations or how they were spending Front Sight’s
expense advances.

1 32. Notwithstanding the aforementioned lack of transparency on the part of
2 Defendants, and in a good-faith effort to promote the ongoing marketing of the EB-5 program, as
3 of November 15, 2016, Front Sight agreed to a modified version of Defendant Dziubla’s request
4 of advancing Defendant Dziubla \$8,000 per month for marketing expenses, in detrimental
5 reliance on Defendant Dziubla’s representation that the local/regional agents for the investors
6 “were taking it all.” Defendants continued to refuse to provide an accounting and repeatedly
7 refused to permit Plaintiff’s representatives to speak with the local/regional agents Defendants
8 purportedly were conversing with.

9 33. Furthermore, when Defendant Dziubla was soliciting Front Sight to pay for the
10 Regional Center, Front Sight requested to be an owner of EB5IC since Front Sight was paying
11 for it, but Defendant Dziubla responded that USCIS would not allow it and would look
12 unfavorably on a developer owning a regional center. This statement was false.

13 34. When Front Sight asked for full disclosure on the financial arrangements with the
14 various agents and brokers Defendant Dziubla claimed to have in place, Defendant Dziubla
15 represented to Front Sight that said agents require strict confidentiality on all financial
16 arrangements with the regional center and thus Defendant Dziubla could not disclose to Front
17 Sight the financial splits. Front Sight has recently learned from an experienced and reputable
18 industry consultant that these representations are not true.

19 35. In reality, developers often own the regional centers handling their projects, and
20 financial arrangements, and the brokers and agents are normally transparent and regularly
21 disclosed to the developers.

22 36. Defendant Dziubla either knew or should have known that Front Sight, as
23 developers, could have owned the Regional Center that Front Sight paid for, but for Defendant
24

1 Dziubla's misrepresentation that this would not be acceptable to the USCIS. Defendant Dziubla
2 made these misrepresentations due to his own greed and desire to attempt to usurp Front Sight's
3 opportunity.

4 37. Defendant Dziubla also either knew or should have known that Front Sight, as
5 developers, was and is entitled to full disclosure of the financial arrangements that Defendant
6 Dziubla has made or is making with agents and brokers who produce investors for the EB-5
7 investor program for Front Sight's Project.

8 38. On July 31, 2018, in an attempt to trigger default interest rates on the construction
9 loan, for its own gain and the personal gain of Mr. Dziubla, and in an attempt to intimidate Front
10 Sight and to cover up Defendants' own wrongful conduct, Defendant LVDF delivered a
11 document to Front Sight entitled "Notice of Multiple Defaults / Notice of Inspection / Monthly
12 Proof of Project Costs," ("the Notice") which document was signed by Defendant Dziubla. Said
13 notice alleges breach by Front Sight of that certain Construction Loan Agreement dated October
14 6, 2016 (the "Original Loan Agreement"), that certain First Amendment to Loan Agreement
15 dated July 1, 2017 (the "First Amendment"), and that certain Second Amendment to Loan
16 Agreement dated February 28, 2018 (the "Second Amendment"; collectively, the Original Loan
17 Agreement, the First Amendment and the Second Amendment may be referred to as the
18 "Construction Loan Agreement").

19 39. Defendants have not alleged any monetary defaults on the part of Front Sight, and
20 indeed none exist. Defendants have, however, alleged administrative defaults, all of which Front
21 Sight has refuted. Defendants have alleged these administrative defaults in an attempt to
22 alleviate Defendants' responsibility for its repeated failure to obtain the funding they have
23 repeatedly misrepresented they would – in clear breach of Defendants' duties under the
24

1 agreements – and as an attempt to usurp Plaintiff Front Sight’s opportunity and Defendants’
2 misguided and greed-driven attempt to take possession of Front Sight’s property.

3 40. Defendants’ position as set forth in the alleged Notice of Default is frivolous and
4 ignores the fact that Defendants have grossly breached their agreements with Plaintiff. Not
5 surprisingly, Defendants’ absurd position also ignores well-established Nevada law that the party
6 who commits the first breach of a contract cannot maintain an action against the other for a
7 subsequent failure to perform, and cannot seek damages against the other party for harm it has
8 caused – and Defendants have caused an immense amount of harm to Plaintiff.

9 41. In a 19-page response to the Notice, Front Sight addressed each and every alleged
10 administrative default, clearly refuting each and every issue asserted by Defendants.

11 42. On August 24, 2018, Defendant LVDF delivered a second document to Front
12 Sight entitled “Notice of Multiple Defaults / Notice of Inspection / Monthly Proof of Project
13 Costs,” (“the Second Notice”) which document was again signed by Defendant Dziubla. Said
14 notice responded to portions of Front Sight’s 19-page response, and again alleged administrative
15 breach by Front Sight of the Construction Loan Agreement.

16 43. Defendants still have not alleged any monetary defaults on the part of Front Sight,
17 and indeed none exist.

18 44. In a 4-page response to the Notice dated August 25, 2018, Front Sight again
19 addressed each and every alleged default, clearly refuting each and every issue asserted by
20 Defendants.

21 45. On August 28, 2018, Defendant LVDF delivered a third document to Front Sight
22 entitled “Notice of Multiple Defaults / Notice of Inspection / Monthly Proof of Project Costs,”
23 (“the Third Notice”) which document was again signed by Defendant Dziubla. Said notice
24

1 responded to portions of Front Sight's 4-page response of August 25, 2018, and again alleged
2 administrative breach by Front Sight of the Construction Loan Agreement.

3 46. Defendants still have not alleged any monetary defaults on the part of Front Sight,
4 and indeed none exist.

5 47. In addition to the contractual relationship between Front Sight and Defendants,
6 Defendants have a fiduciary responsibility to Front Sight, due to the special relationship of trust
7 between Front Sight and Defendants.

8 48. Upon information and belief, given the utter lack of results despite receiving well
9 over \$500,000 in advances from Front Sight to pay for Defendants' alleged marketing efforts and
10 Defendants' repeated failure and refusal to account for the money Front Sight has advanced, it
11 appears Defendants have misappropriated Front Sight's funds to uses other than those for which
12 they were intended.

13 49. Additionally, pursuant to page 3, paragraph (a) of the Engagement Letter, Plaintiff
14 was to have its payment of \$36,000 to EB5IA offset against the first interest payments made to
15 Defendants. However, Plaintiff has made all of its interest payments in full, yet Defendants have
16 refused to return the \$36,000 or provide an offset, despite demand from Plaintiff that Defendants
17 do so. Consequently, and because of Defendants' continued refusal to provide an accounting of
18 Plaintiff's funds, Plaintiff believes those funds may have been misappropriated to uses outside
19 their authorized use.

20 50. Plaintiff has recently learned that Defendants Dziubla and Fleming have dissolved
21 Defendant EB5IA without notifying Plaintiff, and upon information and belief, without notifying
22 the USCIS. This increases Plaintiff's concerns about how its funds have been used.

23
24

1 51. In spite of Defendants' egregious and fraudulent misrepresentations, failure to
2 deliver the promised \$75 million in construction funding, or the failure to provide the reduced
3 amount of \$50 million (a reduction which Defendants requested), or the promise of \$25 million
4 by Thanksgiving 2015 (or later, January 31, 2016) (as promised in multiple e-mails in August-
5 October 2015), Front Sight has persisted in building the Front Sight project, completing all 50
6 firearms training ranges, adding wells and bathroom facilities, and grading hundreds of
7 thousands of cubic yards of dirt to ready the project for vertical construction. Along the way, on
8 its efforts alone, Front Sight has secured a \$36 million construction line of credit and is using
9 such line of credit to build the resort and protect the visa applications of the 13 foreign investors
10 Front Sight has accepted, while Defendants, including Robert Dzuibla, attempt to sabotage the
11 project and Front Sight's efforts for their own greed and personal gain.

12 52. Despite Defendants' failure to abide by its obligations and continued bad faith
13 conduct, Front Sight has provided written evidence to refute all of Defendants' alleged Notices
14 of Default. Nevertheless, Defendants frivolously filed a Notice of Breach and Default and of
15 Election to Sell Under Deed of Trust in an attempt to extort unwarranted default interest and
16 attorney fees from Front Sight, and in doing so slandered Front Sight's title and caused damage
17 to Front Sight's reputation and image with its students, members, staff, vendors and the general
18 public.

19 **FIRST CAUSE OF ACTION**
20 **(Fraud/Intentional Misrepresentation)**

21 53. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
22 through 52 of this Complaint as though set forth fully herein at length.
23
24

1 54. As set forth in detail above, Defendants, through their agent Defendant Dziubla,
2 made repeated representations that Defendants either knew were false, or should have known
3 were false, and/or had insufficient information for making these statements to Plaintiff.

4 55. Those misrepresentations are specifically set forth in paragraphs 9 through 51
5 above.

6 56. Defendants' false statements were material.

7 57. Defendants made these untrue statements with the intent of inducing Plaintiff to
8 enter into the contracts with Defendants.

9 58. Plaintiff had a right to rely on the representations of Defendants, and in fact relied
10 upon Defendants' false representations.

11 59. As a direct and proximate result of the fraud perpetrated by Defendants, Plaintiff
12 Front Sight has sustained damages in the tens of millions of dollars, an amount well in excess of
13 fifteen thousand dollars (\$15,000.00) jurisdictional limit, as a direct result of Defendants'
14 breach.

15 60. Defendants' conduct was malicious, oppressive and fraudulent under NRS
16 42.005, entitling Plaintiff to an award of punitive damages.

17 61. As a result of Defendants' actions, Plaintiff has been required to retain the
18 services of an attorney to prosecute this action and a reasonable sum should be allowed as and
19 for attorney fees and costs of suit incurred herein.

20 **SECOND CAUSE OF ACTION**
21 **(Breach of Fiduciary Duty)**

22 62. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
23 through 61 of this Complaint as though set forth fully herein at length.
24

1 63. As set forth above, Defendants owed a fiduciary duty to Plaintiff Front Sight and
2 Plaintiff had a right to place its trust and confidence in the fidelity of Defendants.

3 64. By their conduct, as described above, Defendants have breached their duty to
4 Plaintiff.

5 65. As a direct and proximate result of the Defendants' acts, Plaintiff has been
6 damaged in an amount to be proven at trial.

7 66. Plaintiff has been required to retain the services of an attorney to prosecute this
8 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
9 herein.

10 **THIRD CAUSE OF ACTION**
11 **(Conversion)**

12 67. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
13 through 66 of this Complaint as though set forth fully herein at length.

14 68. Through Defendants' conduct described above, Defendants obtained Plaintiff's
15 property and have wrongfully asserted dominion over Plaintiff's property; to wit: spending
16 Plaintiff's money advances for purposes other than that for which it was intended.

17 69. Defendants' wrongful conduct was in denial of, inconsistent with, and in defiance
18 of Plaintiff's rights and title to its money and/or property.

19 70. Plaintiff has been required to retain the services of an attorney to prosecute this
20 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
21 herein.

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FOURTH CAUSE OF ACTION
(Receivership)

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2
3 71. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
4 through 70 of this Complaint as though set forth fully herein at length.

5 72. NRS 32.010 permits the Court to grant extraordinary relief in certain
6 circumstances, as set forth in the statute. Defendants have learned that Defendant EB5IA has
7 been dissolved, requiring appointment of a Receiver pursuant to statute.

8 73. Plaintiff is entitled to the relief sought herein, and in order for Plaintiff to obtain
9 relief, a Receiver must be appointed to enjoin Defendants from engaging in the conduct
10 described herein.

11 74. As set forth in great detail above, Defendants are violating Plaintiff's rights
12 respecting the subject of this action, including but not limited to refusing to provide an
13 accounting of how Plaintiff's funds have been spent, refusing to return or provide an offset for
14 \$36,000 as required by the Engagement Letter, and surreptitiously dissolving Defendant EB5IA.
15 Consequently, appointment of a Receiver is appropriate.

16 75. As a direct and proximate result of the Defendants' acts, Plaintiff has been
17 damaged in an amount to be proven at trial, including actual and presumed damages. In order to
18 ensure Plaintiff does not suffer additional damage, Defendants' conduct, as described herein,
19 must be enjoined and a Receiver must be appointed.

20 76. Plaintiff has been required to retain the services of an attorney to prosecute this
21 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
22 herein.

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FIFTH CAUSE OF ACTION
(Accounting)

1
2
3 77. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
4 through 76 of this Complaint as though set forth fully herein at length.

5 78. As set forth above, Defendants have demanded hundreds of thousands of dollars
6 from Plaintiff Front Sight, which funds were supposed to be dedicated to specific uses.

7 79. Plaintiff has repeatedly demanded that Defendants account for how the money
8 and/or property was used, but Defendants have repeatedly refused.

9 80. Plaintiff demands that Defendants account for each and every dollar taken and
10 used by Defendants’

11 81. Plaintiff has been required to retain the services of an attorney to prosecute this
12 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
13 herein.

SIXTH CAUSE OF ACTION
(Civil Conspiracy)

14
15 82. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
16 through 81 of this Complaint as though set forth fully herein at length.

17 83. Defendants acted together to accomplish their unlawful objective for the purpose
18 of harming Plaintiff.

19 84. As a direct and proximate result of the Defendants’ acts, Plaintiff has been
20 damaged in an amount to be proven at trial.

21 85. Plaintiff has been required to retain the services of an attorney to prosecute this
22 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
23 herein.

24

SEVENTH CAUSE OF ACTION
(Constructive Trust)

1
2
3 86. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
4 through 85 of this Complaint as though set forth fully herein at length.

5 87. As set forth above, a confidential relationship exists between Plaintiff and
6 Defendants.

7 88. The Court should impose a constructive trust over the money and/or property
8 provided by Plaintiff to Defendants for alleged marketing purposes, because the retention of that
9 money or property by Defendants against Plaintiff's interest would be inequitable, and a
10 constructive trust is essential to the effectuation of justice.

11 89. Plaintiff has been required to retain the services of an attorney to prosecute this
12 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
13 herein.

EIGHTH CAUSE OF ACTION
(RICO – NRS 207.470)

14
15 90. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
16 through 89 of this Complaint as though set forth fully herein at length.

17 91. Defendants, by their conduct, have committed a predicate racketeering act as
18 defined by NRS 207.400.

19 92. As a direct and proximate result of Defendants' actions, Plaintiff has been injured
20 in its business and property.

21 93. Plaintiff has acted lawfully and in good faith, and did not take part in Defendants'
22 unlawful racketeering activity.

1 94. Pursuant to NRS 207.400, Plaintiff is entitled to damages from Defendants for
2 three times actual damages sustained.

3 95. Plaintiff has been required to retain the services of an attorney to prosecute this
4 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
5 herein.

6 **NINTH CAUSE OF ACTION**
7 **(Breach of Contract)**

8 96. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
9 through 95 of this Complaint as though set forth fully herein at length.

10 97. Plaintiff Front Sight and Defendants entered into written contracts, namely the
11 engagement letter in February 2013 and, beginning in October 2016, Construction Loan
12 Agreement.

13 98. Plaintiff Front Sight has performed its obligations under the terms of the contract.

14 99. Defendants have breached the contracts as set forth above.

15 100. Plaintiff Front Sight has sustained damages in the tens of millions of dollars, an
16 amount well in excess of fifteen thousand dollars (\$15,000.00) jurisdictional limit, as a direct
17 result of Defendants' breach.

18 101. Further, because the party to a contract who commits the first breach of a contract
19 cannot maintain an action against the other for a subsequent failure to perform, Defendants are
20 not entitled to attempt to enforce the agreements against Plaintiff or to allege bogus defaults.

21 102. As a result of Defendants' actions, Plaintiff has been required to retain the
22 services of an attorney to prosecute this action and a reasonable sum should be allowed as and
23 for attorney fees and costs of suit incurred herein.

24 ///

1 111. The purpose of the agreements between Plaintiff and Defendants was to allow
2 Plaintiff to obtain financing and finish the project. To do so, Plaintiff entered into a contract
3 with a builder.

4 112. Defendants were aware of the purpose of their contracts with Plaintiff, and
5 Defendants were aware of Plaintiff's relationship with the contractor to build the project.

6 113. As set forth above, Defendants have committed intentional acts intended to
7 disrupt the contractual relationship and thwart the success of the project.

8 114. Defendants conduct has resulted in disruption of the contract.

9 115. As a direct and proximate result of the Defendants' acts, Plaintiff has been
10 damaged in an amount to be proven at trial.

11 116. Plaintiff has been required to retain the services of an attorney to prosecute this
12 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
13 herein.

14 **TWELFTH CAUSE OF ACTION**
15 **(Intentional Interference with Prospective Economic Advantage)**

16 117. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
17 through 116 of this Complaint as though set forth fully herein at length.

18 118. A prospective contractual relationship exists or existed between Plaintiff and a
19 third party; i.e, the contractor for the project.

20 119. Defendants knew of this prospective relationship.

21 120. Defendants intended to harm Plaintiff by preventing this relationship.

22 121. Defendants had no privilege or justification for their conduct.

23 122. As a direct and proximate result of the Defendants' acts, Plaintiff has been
24 damaged in an amount to be proven at trial, including actual and presumed damages.

1 123. Plaintiff has been required to retain the services of an attorney to prosecute this
2 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
3 herein.

4 **THIRTEENTH CAUSE OF ACTION**
5 **(Unjust Enrichment)**

6 124. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
7 through 123 of this Complaint as though fully set forth herein at length.

8 125. Defendants utilized Plaintiff Front Sight's money and/or property against
9 fundamental principles of justice or equity and good conscience, all to the unjust benefit of
10 Defendants.

11 126. Defendants accepted, used and enjoyed the benefits of Plaintiff's services.

12 127. Defendants knew or should have known that Plaintiff expected that the
13 Defendants' use of Plaintiff's money would require commensurate benefit to Plaintiff.

14 128. Plaintiff has repeatedly demanded that Defendants justify the use of Plaintiff's
15 money and/or property. Defendants have failed and refused, and continue to fail and refuse, to
16 account for or return Plaintiff's money and/or property, to Plaintiff's detriment.

17 129. Defendants have been unjustly enriched to Plaintiff's detriment.

18 130. Plaintiff has been required to retain the services of an attorney to prosecute this
19 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
20 herein.

21 **FOURTEENTH CAUSE OF ACTION**
22 **(Negligent Misrepresentation)**

23 131. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
24 through 130 of this Complaint as though set forth fully herein at length.

1 132. As set forth in detail above, Defendants, through their agent Defendant Dziubla,
2 made repeated representations that Defendants should have known were false, and/or had
3 insufficient information for making these statements to Plaintiff.

4 133. Those misrepresentations are specifically set forth in paragraphs 9 through 51
5 above.

6 134. Defendants' negligent misstatements were material.

7 135. Defendants made these misstatements with the intent of inducing Plaintiff to enter
8 into the contracts with Defendants.

9 136. Plaintiff had a right to rely on the representations of Defendants, and in fact relied
10 upon Defendants' negligent misrepresentations.

11 137. As a direct and proximate result of Defendants' negligent misrepresentations,
12 Plaintiff Front Sight has sustained damages in the tens of millions of dollars, an amount well in
13 excess of fifteen thousand dollars (\$15,000.00) jurisdictional limit, as a direct result of
14 Defendants' breach.

15 138. Plaintiff has been required to retain the services of an attorney to prosecute this
16 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
17 herein.

18 **FIFTEENTH CAUSE OF ACTION**
19 **(Negligence)**

20 139. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
21 through 138 of this Complaint as though set forth fully herein at length.

22 140. Defendants owed a duty of care to Plaintiff.

23 141. As set forth above, Defendants have breached their duty of care to Plaintiff.
24

1 142. As a direct and proximate result of the Defendants' acts, Plaintiff has been
2 damaged in an amount to be proven at trial.

3 143. Plaintiff has been required to retain the services of an attorney to prosecute this
4 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
5 herein.

6 **SIXTEENTH CAUSE OF ACTION**
7 **(Injunctive Relief)**

8 144. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
9 through 143 of this Complaint as though set forth fully herein at length.

10 145. NRS 33.010 permits the Court to grant injunctive relief in certain circumstances,
11 as set forth in the statute.

12 146. Plaintiff is entitled to the relief sought herein, and in order for Plaintiff to obtain
13 relief, Defendants must be enjoined from engaging in the conduct described herein.

14 147. Defendants are violating Plaintiff's rights respecting the subject of this action, and
15 injunctive relief is appropriate.

16 148. As a direct and proximate result of the Defendants' acts, Plaintiff has been
17 damaged in an amount to be proven at trial, including actual and presumed damages. In order to
18 ensure Plaintiff does not suffer additional damage, Defendants' conduct, as described herein,
19 must be enjoined.

20 149. Plaintiff has been required to retain the services of an attorney to prosecute this
21 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
22 herein.

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SEVENTEENTH CAUSE OF ACTION
(Declaratory Relief)

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3 150. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
4 through 149 of this Complaint as though set forth fully herein at length.

5 151. Plaintiff Front Sight and Defendants entered into written contracts, namely the
6 engagement letter in February 2013 and, beginning in October 2016, Construction Loan
7 Agreement.

8 152. Plaintiff Front Sight has performed its obligations under the terms of the contract.

9 153. Defendants have breached the contracts as set forth above, including serving
10 bogus Notices of Default.

11 154. Notwithstanding its receipt of all three of Plaintiff Front Sight's responses to the
12 Notices of Default, Defendants have refused to acknowledge its nefarious conduct and claims
13 that it will move forward with seeking its alleged legal remedies under the Construction Loan
14 Agreement.

15 155. Accordingly, Plaintiff seeks declaratory relief against all Defendants confirming
16 that Plaintiff is not in default, and that Defendants cannot proceed with seeking legal remedies
17 under the Construction Loan Agreement.

18 156. Plaintiff has been required to retain the services of an attorney to prosecute this
19 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
20 herein.

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1 **PRAYER FOR JUDGMENT**

2 WHEREFORE, Plaintiff prays for Judgment as follows:

3 (a) For Judgment in favor of Plaintiff and against Defendants, and each of them, in
4 the amount excess of Fifteen Thousand Dollars (\$15,000.00) is now due and payable, subject to
5 proof at trial;

6 (b) For appointment of a receiver;

7 (c) For injunctive relief as set forth herein;

8 (d) For declaratory relief as set forth herein;

9 (e) For attorneys' fees and cost of suit incurred herein; and

10 (f) For such other relief as the Court may deem just and proper;

11 DATED this 14th day of September, 2018.

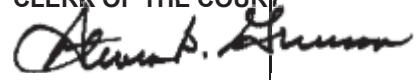
12 **ALDRICH LAW FIRM, LTD.**

13 /s/ John P. Aldrich
14 John P. Aldrich, Esq.
15 Nevada Bar No. 6877
16 Catherine Hernandez, Esq.
17 Nevada Bar No. 8410
18 1601 S. Rainbow Boulevard, Suite 160
19 Las Vegas, NV 89146
20 Tel (702) 853-5490
21 Fax (702) 226-1975
22 *Attorneys for Plaintiff*
23
24

EXHIBIT 2

EXHIBIT 2

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Steven D. Grierson
CLERK OF THE COURT



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6 *Attorneys for Plaintiff*

7 **EIGHTH JUDICIAL DISTRICT COURT**
8 **CLARK COUNTY, NEVADA**

9 FRONT SIGHT MANAGEMENT LLC, a
Nevada Limited Liability Company,

10
11 Plaintiff,

12 vs.

13 LAS VEGAS DEVELOPMENT FUND LLC, a
Nevada Limited Liability Company; EB5
IMPACT CAPITAL REGIONAL CENTER
14 LLC, a Nevada Limited Liability Company;
EB5 IMPACT ADVISORS LLC, a Nevada
15 Limited Liability Company; ROBERT W.
DZIUBLA, individually and as President and
16 CEO of LAS VEGAS DEVELOPMENT
FUND LLC and EB5 IMPACT ADVISORS
17 LLC; JON FLEMING, individually and as an
agent of LAS VEGAS DEVELOPMENT
18 FUND LLC and EB5 IMPACT ADVISORS
LLC; LINDA STANWOOD, individually and
19 as Senior Vice President of LAS VEGAS
DEVELOPMENT FUND LLC and EB5
20 IMPACT ADVISORS LLC; DOES 1-10,
inclusive; and ROE CORPORATIONS 1-10,
21 inclusive,

22 Defendants.
23
24

CASE NO.: A-18-781084-B
DEPT NO.: 16

SECOND AMENDED COMPLAINT

1 Plaintiff FRONT SIGHT MANAGEMENT LLC by and through its attorneys, John P.
2 Aldrich, Esq. and Catherine Hernandez, Esq., of the Aldrich Law Firm, Ltd., hereby complains
3 and alleges against Defendants LAS VEGAS DEVELOPMENT FUND LLC, a Nevada Limited
4 Liability Company; EB5 IMPACT CAPITAL REGIONAL CENTER LLC, a Nevada Limited
5 Liability Company; EB5 IMPACT ADVISORS LLC, a Nevada Limited Liability Company;
6 ROBERT W. DZIUBLA, individually and as President and CEO of LAS VEGAS
7 DEVELOPMENT FUND LLC and EB5 IMPACT ADVISORS LLC; JON FLEMING,
8 individually and as an agent of LAS VEGAS DEVELOPMENT FUND LLC and EB5 IMPACT
9 ADVISORS LLC; LINDA STANWOOD, individually and as Senior Vice President of LAS
10 VEGAS DEVELOPMENT FUND LLC and EB5 IMPACT ADVISORS LLC; DOES 1-10,
11 inclusive; and ROE CORPORATIONS 1-10, inclusive, as follows:

12 **PARTIES**

13 1. Plaintiff FRONT SIGHT MANAGEMENT LLC (“Front Sight” or “Plaintiff”) is
14 a limited liability company, duly formed, organized and existing under the laws of the state of
15 Nevada and conducting business in Clark County, Nevada.

16 2. Defendant LAS VEGAS DEVELOPMENT FUND LLC (“LVDF”), is and at all
17 relevant times mentioned herein, was, a Nevada limited liability company, transacting business
18 in the State of Nevada.

19 3. Defendant EB5 IMPACT CAPITAL REGIONAL CENTER LLC (“EB5IC”) is
20 and at all relevant times mentioned herein, was, a Nevada limited liability company, transacting
21 business in the State of Nevada.

1 4. Defendant EB5 IMPACT ADVISORS LLC (“EB5IA”), is and at all relevant
2 times mentioned herein, was, a Nevada limited liability company, transacting business in the
3 State of Nevada.

4 5. Upon information and belief, Defendant ROBERT W. DZIUBLA (“Dziubla”),
5 individually and as President and CEO of LAS VEGAS DEVELOPMENT FUND LLC and EB5
6 IMPACT CAPITAL REGIONAL CENTER LLC, is and at all relevant times mentioned herein,
7 was, a resident of California, transacting substantial business in the State of Nevada and
8 maintaining numerous and frequent contacts with Nevada.

9 6. Upon information and belief, Defendant JON FLEMING (“Fleming”),
10 individually and as an agent of LAS VEGAS DEVELOPMENT FUND LLC and EB5 IMPACT
11 ADVISORS LLC, is and at all relevant times mentioned herein, was, a resident of California,
12 transacting substantial business in the State of Nevada and maintaining numerous and frequent
13 contacts with Nevada.

14 7. Upon information and belief, Defendant LINDA STANWOOD (“Stanwood”),
15 individually and as Senior Vice President of LAS VEGAS DEVELOPMENT FUND LLC and
16 EB5 IMPACT CAPITAL REGIONAL CENTER LLC, is and at all relevant times mentioned
17 herein, was, a resident of California, transacting substantial business in the State of Nevada and
18 maintaining numerous and frequent contacts with Nevada.

19 8. The true names and capacities of Defendant DOES I through V are unknown to
20 Plaintiff, and Plaintiff therefore sues said Defendants by said fictitious names. Plaintiff is
21 informed and believes, and thereupon alleges that each of the Defendants designated as DOE is
22 responsible in some manner for the events and happenings referred to and caused the damages to
23 plaintiff as alleged and Plaintiff will ask leave of this court to amend this complaint to insert the
24

1 true names and capacities of DOES I through V when they are ascertained by Plaintiff together
2 with appropriate charges and allegations to join such Defendants in this action.

3 9. The trues names and capacities of Defendants ROE Corporations I through V are
4 unknown to Plaintiff, and Plaintiff therefore sues said Defendants by said fictitious names.
5 Plaintiff is informed and believe, and thereupon alleges that each of the Defendants designated as
6 ROE Corporations I through V is responsible in some manner for the events and happenings
7 referred to and caused the damages to Plaintiff as alleged, and Plaintiff will ask leave of this
8 court to amend this Complaint to insert the true names and capacities of ROE Corporations I
9 through V when they are ascertained by Plaintiff together with appropriate charges and
10 allegations to join such Defendants in this action.

11 10. As described above, Defendants Dziubla, Fleming, and Stanwood are or were
12 officers of Defendants EB5IA, EB5IC, and LVDF (the "Entity Defendants"). Defendants
13 Dziubla and Fleming acted in concert throughout the time frame described herein, as officers and
14 representatives of the Entity Defendants, and individually because they benefitted individually
15 from their unlawful conduct. Moreover, in nearly every instance, Defendant Fleming endorsed
16 and sustained Defendant Dziubla's representations. Defendant Fleming is copied on the large
17 majority of e-mails from Defendant Dziubla to Plaintiff's representatives and never once made
18 any effort to correct Defendant Dziubla's false representations. Moreover, Defendant Fleming
19 participated in numerous meetings, telephone conferences, and the like, where similar
20 representations were made by him and Defendant Dziubla. Plaintiff asserts that the
21 representations made by Dziubla were made in concert and in consultation with Defendant
22 Fleming, until at least early 2018. According to an e-mail from Defendant Dziubla to Mike
23 Meacher on May 12, 2018, Dziubla informed Meacher that Defendant Stanwood "has been
24

1 working informally with us for several years and is quite familiar with the EB5 business.”
2 Defendant Dziubla further informed Meacher that Stanwood “has been working with us on a
3 formal and full time basis since January 1[, 2018].” (**Exhibit 1.**) Although Defendants did not
4 disclose that Defendant Stanwood is Defendant Dziubla’s wife, Plaintiff has since learned that
5 Defendant Stanwood is the wife of Defendant Dziubla. Plaintiff believes Defendant Stanwood
6 knowingly benefitted from Defendants’ unlawful conduct, particularly by directly benefitting
7 from Defendants’ misappropriation of funds as set forth below. Further, based on Defendant
8 Dziubla’s representation that Defendant Stanwood had been working with Defendants
9 “informally” for several years, Plaintiff believes and asserts that Defendant Stanwood
10 participated in and endorsed the misconduct of Defendants described herein. Upon information
11 and belief, Plaintiff asserts that Defendant Stanwood actively engaged in the misconduct
12 described herein in concert with Defendants Dziubla and Fleming. Throughout this Second
13 Amended Complaint, the term “Defendants” is used to describe all Defendants. Given the
14 commingling and misappropriation of funds, and that fact that Defendants Dziubla, Fleming, and
15 Stanwood acted in concert in their unlawful conduct, both individually and in their capacities as
16 officers of the Entity Defendants, Plaintiff asserts that Defendants have all acted together to
17 bring about what is described herein.

18 **GENERAL ALLEGATIONS**

19 Inducement of Front Sight to Fund Defendants’ EB-5 Raise for the Development and 20 Construction of the Front Sight Resort Project in Detrimental Reliance on a Raise of \$75 Million

21 11. As reflected in email correspondence between Defendant Dziubla and Front Sight
22 officers dated August 27, 2012, as early as August of 2012, Defendant Dziubla, on behalf of
23 what eventually became LFDF, EB5IC, and EB5IA, made representations to Front Sight that
24 Defendant Dziubla and his associates had the ability, experience and networking breadth with

1 Chinese investors to enable Defendant Dziubla “to put together a financing package for some, or
2 perhaps all, of the \$150 million you [Front Sight] were seeking to raise.” (**Exhibit 2.**)
3 Defendant Fleming is copied on at least part of this correspondence, did not correct any of the
4 misrepresentations, and in fact endorsed and supported the statements through his actions. Upon
5 information and belief, Defendant Stanwood, through her “informal” involvement and her
6 relationship with Defendant Dziubla, also was aware of these representations, did not correct any
7 of the misrepresentations, and endorsed and supported the statements through her actions. This
8 material representation was relied upon by Plaintiff but proved to be false.

9 12. In a proposal letter dated September 13, 2012, Defendant Dziubla, then as
10 President and CEO of Kenworth Capital, represented to Front Sight that, provided Front Sight
11 agreed to pay “upfront fees” of \$300,000 to cover Defendant Dziubla’s “direct out-of-pocket cost
12 to do an EB-5 raise,” Defendant Dziubla would “be able to structure the \$65 million of EB-5
13 financing as non-recourse debt secured only by a mortgage on the property. (**Exhibit 3.**) Thus,
14 no personal guaranties or other collateral were required from Dr. Piazza or Front Sight. This
15 non-recourse element of the EB-5 financing is truly extraordinary.” These material
16 representations – particularly regarding the amount – were relied upon by Plaintiff but were
17 false. Further, upon information and belief, this was a substantially inflated estimate of direct-
18 out-of-pocket costs, and that it is not customary for an amount this large to be paid up front.
19 This estimate was a misrepresentation of the true costs of an EB-5 offering intended to mislead
20 the Plaintiff into paying substantially more upfront than it would pay to a legitimate EB-5
21 funding provider. Defendant Fleming is copied on this correspondence, did not correct any of
22 the misrepresentations, and in fact endorsed and supported the statements through his actions.
23 Upon information and belief, Defendant Stanwood, through her “informal” involvement and her
24

1 relationship with Defendant Dziubla, also was aware of these representations, did not correct any
2 of the misrepresentations, and endorsed and supported the statements through her actions.

3 13. The structure chart attached to that proposal letter contemplated “130 foreign
4 investors,” “\$500,000 from each investor,” and a “\$65 million loan” for the development and
5 construction of the Front Sight Resort Project.

6 14. In said letter, Defendant Dziubla represented that Defendant Dziubla’s “partners,
7 Empyrean West (Dave Keller and Jay Carter), are the owners and managers of a USCIS-
8 approved regional center, Liberty West Regional Center, through which we will invest the \$65
9 million of EB-5 funding.”

10 15. In that same proposal letter, Defendant Dziubla further represented to Front Sight:

11 “I personally have been conversant with and involved in EB-5 financing
12 since the program was first established in 1990, as one of my oldest friends and a
13 fellow partner of mine at Baker & McKenzie, the world’s largest law firm, ran the
14 Firm’s global immigration practice out of the Hong Kong office. During my
15 career, I have spent much of my life living and working in China / Asia and have
16 worked with many Chinese clients and institutions investing abroad. This
17 experience has provided me with an expansive network of relationships
18 throughout China for sourcing EB-5 investors; and this personal network is
19 coupled with our collective relationships with the leading visa advisory firms
20 operating in China.

21 “In addition to the Chinese EB-5 funding, Empyrean West has been
22 authorized by the Vietnamese government to act as the exclusive EB-5 firm in
23 Vietnam and has been exempted from the \$5,000 limit on international money
24 transfers.

“On a separate note, we also think the Front Sight project will be
especially attractive to Chinese / Asian investors because it has “sizzle” since
firearms are forbidden to our Chinese investors. Thus any who do invest will be
able to tell all of their friends and family that they have invested into Front Sight
and been granted a preferred membership that gives them the right to receive
Front Sight training in handguns, shotguns, rifles, and machine guns anytime they
want.”

1 16. These material representations were made to induce Front Sight into trusting its
2 project to Defendants. In that same letter, Defendant Dziubla also represented to Front Sight that
3 “EB-5 funding initiatives typically take 5 – 8 months before first funds are placed into escrow
4 with the balance of the funds being deposited during the next 6 – 8 months. This sort of extended
5 timing seems to be compatible with Front Sight’s development timeline given our discussions.”
6 These material representations were relied upon by Plaintiff but were false.

7 17. Still in this same proposal letter, Defendant Dziubla represented that “... we don’t
8 make any money until we have successfully raised the \$65m....” As described more fully herein,
9 this representation was false. Defendant Fleming is copied on this correspondence, did not
10 correct any of the misrepresentations, and in fact endorsed and supported the statements through
11 his actions, including receiving funds from at least Defendant EB5IA. Upon information and
12 belief, Defendant Stanwood, through her “informal” involvement and her relationship with
13 Defendant Dziubla, also was aware of these representations, did not correct any of the
14 misrepresentations, and endorsed and supported the statements through her actions, including
15 receiving funds through her husband, Defendant Dziubla, from at least Defendant EB5IA.

16 18. Moreover, Emyrean West was not and is not the exclusive EB-5 firm in
17 Vietnam. This was a misrepresentation intended to give the impression that Kenworth, through
18 its “partners” Emyrean West, had special access to EB-5 investors in Vietnam. This material
19 representation was relied upon by Plaintiff and was false.

20 19. After multiple exchanges of email correspondence and several meetings,
21 Defendant Dziubla represented to Front Sight that Defendant Dziubla and his partners were
22 working on a proposal for “the creation of a new regional center for the Front Sight project and
23 the raise of up to \$75m (interest reserve included) of EB-5 immigrant investor financing.”
24

1 (Exhibit 4.) This \$75 million raise never materialized. Defendant Fleming is copied on this
2 correspondence, did not correct any of the misrepresentations, and in fact endorsed and
3 supported the statements through his actions. Upon information and belief, Defendant
4 Stanwood, through her “informal” involvement and her relationship with Defendant Dziubla,
5 also was aware of these representations, did not correct any of the misrepresentations, and
6 endorsed and supported the statements through her actions.

7 20. On February 8, 2013, as President & CEO of EB5 Impact Advisors LLC
8 (“EB5IA”), Defendant Dziubla submitted a revised proposal (the “Engagement Letter”) to Front
9 Sight for the engagement of EB5IA to perform services in connection with the raising of \$75
10 million of debt financing for Front Sight to expand its operations through the EB-5 immigrant
11 investor program supervised by the USCIS, said services to include, amongst other, engaging the
12 services of other professionals to achieve the establishment of the EB5 Impact Capital Regional
13 Center covering Nye County, Nevada, and with approved job codes encompassing the Front
14 Sight resort project; to prepare the business plan and economic impact analysis for both the
15 Regional Center and the Front Sight Resort Project as the exemplar transaction for the Regional
16 Center; preparing the offering documentation and making presentations to prospective investors
17 to obtain commitments for the contemplated financing. (Exhibit 5.) Defendant Fleming is
18 copied on this correspondence, did not correct any of the misrepresentations, and in fact
19 endorsed and supported the statements through his actions. Upon information and belief,
20 Defendant Stanwood, through her “informal” involvement and her relationship with Defendant
21 Dziubla, also was aware of these representations, did not correct any of the misrepresentations,
22 and endorsed and supported the statements through her actions.

1 21. Based on Mr. Dziubla and Mr. Fleming’s representations, Dr. Ignatius Piazza,
2 Front Sight’s principal, and Plaintiff Front Sight believed that an EB5 Regional Center was the
3 best way to raise the required capital to complete the Front Sight project within the time frames
4 represented by Defendants. The use of EB-5 funds would be from government-vetted foreign
5 investors who believed in Front Sight’s purpose to positively change the image of gun
6 ownership, with the added benefit that the Front Sight investors could also enjoy the freedoms of
7 participating in the Front Sight project with their families while securing a United States visa.
8 This “win-win” situation would be good for Front Sight, good for the country, and good for the
9 investors and their families. Such a project would also create much-needed jobs in the rural area
10 surrounding Pahrump, Nevada, another important goal of Plaintiff Front Sight.

11 22. The engagement letter agreement dated February 14, 2013 between Defendant
12 EB5 Impact Advisors LLC (“EB5IA”) and Plaintiff (**Exhibit 6**) indicates in the Scope of
13 Assignment; Services on page 1 that EB5IA would engage Baker & McKenzie to establish the
14 EB5 Impact Capital Regional Center. Defendant Fleming is copied on this correspondence, did
15 not correct any of the misrepresentations, and in fact endorsed and supported the statements
16 through his actions. Upon information and belief, Defendant Stanwood, through her “informal”
17 involvement and her relationship with Defendant Dziubla, also was aware of these
18 representations, did not correct any of the misrepresentations, and endorsed and supported the
19 statements through her actions. Upon information and belief, the establishment of a regional
20 center is a highly unusual provision in an engagement letter to provide EB-5 financing to a third
21 party, and the cost of establishment of the regional center is always paid for by the owner of the
22 regional center, not the party seeking financing. These provisions indicate that EB5IA, Dziubla,
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1 Fleming, and Stanwood misled the Plaintiff into believing that this was a normal part of an EB-5
2 financing, which it was not.

3 23. The estimated timeline (in **Exhibit 6**) showing that \$75 million in EB-5 financing
4 would be raised between 4 months from the earliest expected approval of the regional center and
5 6 months from the latest expected approval of the regional center wildly misrepresented the
6 normal time necessary to raise \$75 million in EB-5 financing. In 2013, only the very largest and
7 most experienced regional centers could raise that much in EB-5 financing, based upon their
8 track record of prior successful EB-5 financings. Most new regional centers either failed to raise
9 any financing at all or would start with very small offerings (\$5 million to \$10 million) and
10 gradually raise larger EB-5 financings as they became known in the EB-5 financing market.
11 Even for well-known regional center operators, it is not unusual for an EB-5 financing, even one
12 sponsored by an experienced EB-5 sponsor, to take a year or more before it gains acceptance in
13 the EB-5 financing market. These material misrepresentations of Defendants Dziubla, Fleming,
14 and, upon information and belief, Stanwood were intended to induce Plaintiff to enter into and/or
15 continue with the agreement and were false.

16 24. Based on the representations of Defendants Dziubla, Fleming, and upon
17 information and belief, Stanwood, Front Sight placed its trust in Defendant Dziubla and his team
18 and executed the Engagement Letter in February of 2013.

19 25. The engagement letter states that a Professor Sean Flynn will prepare a business
20 plan and Schedule B specifically provides for a \$20,000 payment to Professor Flynn. Plaintiff
21 provided the \$20,000 specifically for the report of Professor Flynn. However, Plaintiff has since
22 learned that the \$20,000 payment was never made to Professor Flynn. Rather, upon information
23 and belief, Defendants Dziubla and Fleming offered Professor Fleming an ownership interest in
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1 at least one of the Entity Defendants and Defendants kept the \$20,000 and/or diverted it to other
2 uses.

3 26. Defendants Dziubla and Fleming represented to Plaintiff that the approval process
4 for the new regional center could be as short as 3-4 months. (**Exhibit 7.**) This statement was
5 false. Defendant Fleming is copied on this correspondence, did not correct any of the
6 misrepresentations, and in fact endorsed and supported the statements through his actions. Upon
7 information and belief, Defendant Stanwood, through her “informal” involvement and her
8 relationship with Defendant Dziubla, also was aware of these representations, did not correct any
9 of the misrepresentations, and endorsed and supported the statements through her actions.

10 27. Unbeknownst to Front Sight, the process for filing a regional center application
11 with the U.S. Citizenship and Immigration Services (“USCIS”) and a request for exemplar
12 approval of an actual EB-5 project in 2013 was approximately 12 to 24 months from the date of
13 filing. This was a very important disadvantage to an EB-5 financing, because no EB-5 investor
14 is allowed to file a visa petition until the regional center is approved – a disadvantage that
15 Defendants Dziubla, Fleming, and EB5IA concealed from Front Sight. Front Sight has since
16 learned that, for that reason, it is standard in the EB-5 industry to either wait until the regional
17 center is approved before even beginning to market an EB-5 project, or enter into an agreement
18 with an existing regional center to avoid the waiting time. As shown in Exhibit 7 and Exhibit 9
19 of this Second Amended Complaint, Defendant EB5IA filed its regional center application on
20 April 14, 2014 and received USCIS approval on July 27, 2015, meaning that the Plaintiff’s
21 project could not be marketed for 15 months after the regional center application was filed, thus
22 demonstrating the substantial disadvantage of this method of raising EB-5 financing. Defendants
23 Dziubla, Fleming, Stanwood, and EB5IA did not disclose this to Front Sight, but rather
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1 concealed these disadvantages. Upon information and belief, Defendant EB5IA could have
2 entered into an agreement with one of several regional centers that were already approved to
3 sponsor projects in the Las Vegas area in 2013 (including Empyrean West, which it represented
4 to be a “partner”), but for unexplained reasons, Defendants Dziubla, Fleming, Stanwood, and
5 EB5IA chose not to enter into an agreement with an existing regional center, and instead decided
6 to file a regional center application that would require it to delay marketing for over a year.

7 EB5 Impact Capital Failure to Deliver on \$75 Million Raise and Promised Timeline

8 28. After many months of intense work, much of which was completed by Front Sight
9 or Front Sight’s agents, with all costs and expenses covered by Front Sight, the application for
10 approval of the Regional Center was filed on April 15, 2014.

11 29. During the extended period of waiting for the approval of the Regional Center and
12 the Exemplar Project, more promises and representations were made by Dziubla with respect to
13 the rapidity of the EB-5 raise, including the following misrepresentation:

14 “We anticipate that once we start the roadshows for the Front Sight
15 project, which will have already been pre-approved by USCIS as part of the I-924
16 process – a very big advantage -- we should have the first tranche of \$25m into
escrow and ready for disbursement to the project (at the 75% level, i.e. \$18.75m,
as discussed) within 4 – 5 months.”

17 **(Exhibit 8.)** Defendant Fleming is copied on this correspondence, did not correct any of the
18 misrepresentations, and in fact endorsed and supported the statements through his actions. Upon
19 information and belief, Defendant Stanwood, through her “informal” involvement and her
20 relationship with Defendant Dziubla, also was aware of these representations, did not correct any
21 of the misrepresentations, and endorsed and supported the statements through her actions. This
22 assurance that it would take only 4 to 5 months to raise \$25,000,000 in EB-5 financing again
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1 substantially overstates the ability of a new regional center to raise EB-5 financing and was
2 knowingly false.

3 30. After many more months of intense follow-up by all concerned parties, including
4 Front Sight, the Regional Center and Exemplar Project were approved by the USCIS on July 27,
5 2015. (**Exhibit 9.**) Shortly thereafter, marketing efforts allegedly began by Defendants Dziubla
6 Fleming, and EB5IA (and allegedly Stanwood “informally”), and others engaged by Defendant
7 Dziubla, with Front Sight continuing to pay for all related costs and expenses.

8 31. The results of those alleged efforts have fallen dramatically short, both of the \$75
9 million raise that Front Sight had been induced to expect, and of the reduced maximum \$50
10 million raise that subsequently Defendant Dziubla asked Front Sight to accept, long after Front
11 Sight had been induced into incurring, and had in fact incurred, approximately \$300,000 in costs
12 and expenses in connection with such raise.

13 32. A pattern was established of asking Front Sight to advance funds for travel and
14 marketing expenses by Defendant Dziubla and other members of Defendant Dziubla’s team,
15 including Jon Fleming, and then not delivering even a modest amount of EB-5 investor funds as
16 promised. Moreover, Defendants Dziubla, Fleming, and EB5IA repeatedly failed and refused to
17 provide any documentation or receipts to Plaintiff Front Sight that demonstrated how Front
18 Sight’s money – which had been provided to Defendants and earmarked for marketing – had
19 been used, if it was used for marketing at all. (For example, on August 11, 2015 (**Exhibit 10**),
20 Dziubla wrote to Front Sight’s representative: “We look forward to having the \$53.5k deposited
21 into our Wells Fargo account tomorrow. Front Sight is the ONLY EB5 project we are handling
22 and of course receives our full and diligent attention. Our goal is most assuredly to have the
23 minimum raise of \$25m (50 investors) subscribed by Thanksgiving.”) Defendant Fleming is
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1 copied on this correspondence, did not correct any of the misrepresentations, and in fact
2 endorsed and supported the statements through his actions. Upon information and belief,
3 Defendant Stanwood, through her “informal” involvement and her relationship with Defendant
4 Dziubla, also was aware of these representations, did not correct any of the misrepresentations,
5 and endorsed and supported the statements through her actions. This is yet another indication
6 that Defendants Dziubla, Fleming, EB5IA, and upon information and belief, Stanwood misled
7 Plaintiff into believing that it was possible to raise that amount of EB-5 financing within 4
8 months. Despite repeated requests for an accounting of how Defendants were spending Front
9 Sight’s money, Defendants repeatedly refused to provide any accounting.

10 33. In apparent contradiction of Defendant Dziubla’s representation that “Front Sight
11 is the ONLY EB5 project we are handling and of course receives our full and diligent attention”
12 (**Exhibit 10**), on Defendants’ website eb5impactcapital.com, Defendants have posted an open
13 invitation to other developers seeking EB-5 funding for their respective projects to contact
14 Defendants regarding their EB-5 fundraising services. (**Exhibit 11.**) Defendant Fleming did not
15 correct any of the misrepresentations, and in fact endorsed and supported the statements through
16 his actions. Upon information and belief, Defendant Stanwood, through her “informal”
17 involvement and her relationship with Defendant Dziubla, also was aware of these
18 representations, did not correct any of the misrepresentations, and endorsed and supported the
19 statements through her actions.

20 34. In October of 2015, Defendant Dziubla alluded to a “minimum raise of \$25
21 million” in multiple email correspondence related to Front Sight’s negotiation of a construction
22 loan agreement. Defendant Fleming was aware of this correspondence, did not correct any of the
23 misrepresentations, and in fact endorsed and supported the statements through his actions. Upon
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1 information and belief, Defendant Stanwood, through her “informal” involvement and her
2 relationship with Defendant Dziubla, also was aware of these representations, did not correct any
3 of the misrepresentations, and endorsed and supported the statements through her actions.

4 35. In an email exchange between Defendant Dziubla and Mike Meacher between
5 December 8 and December 16, 2015 (**Exhibit 12**), Dziubla attempted to explain the reason why
6 EB5IA had not raised \$25,000,000, while continuing to represent that he would reach that goal
7 soon. He states in his email dated December 16, 2015 that the following is the reason for the
8 delay in raising EB-5 funds:

9 “As we mentioned in an earlier email, the uncertainty surrounding what
10 Congress was going to do has really sidelined the investors. We have been in
11 contact with our agents in China over night, and they are ecstatic with this news
12 and assure us that with this logjam now cleared, the investors will be signing up.
13 We were, of course, dismayed by the slow sales progress, but now expect the
14 sales pace to increase substantially.”

15 Contrary to the explanation given by Defendant Dziubla for the slow sales of investments in
16 Plaintiff’s project, Plaintiff has since learned that, in fact, because of the uncertainty regarding
17 whether the EB-5 program would be renewed, the sales of EB-5 investments reached their
18 highest levels ever in 2015, particularly in China where over 85% of all EB-5 investments were
19 sold at that time. If Defendants Dziubla, Fleming, or EB5IA had any knowledge of the EB-5
20 markets, they would have known that 2015 was a year of very high market demand. The
21 statements that the market had slowed in 2015 were deliberately misleading. Defendant Fleming
22 is copied on this correspondence, did not correct any of the misrepresentations, and in fact
23 endorsed and supported the statements through his actions. Upon information and belief,
24 Defendant Stanwood, through her “informal” involvement and her relationship with Defendant
Dziubla, also was aware of these representations, did not correct any of the misrepresentations,
and endorsed and supported the statements through her actions.

1 36. In response to Front Sight’s repeated expressions of concern with the slow pace of
2 securing investors for their EB-5 program, on December 16, 2015 Defendant Dziubla wrote the
3 following, which proved to be false: “With regard to the timeline, we may still be able to achieve
4 the minimum raise of \$25m by January 31 and thereupon begin disbursing the construction loan
5 proceeds to you, but a more realistic date might be February 8. Why that date you ask? Because
6 the Christmas holidays and January 1st new year holiday are rather insignificant in China and,
7 importantly, February 8 is the start of the Chinese New Year. Chinese people like to conclude
8 their major business decisions before the start of that 2 – 3 week holiday period, so we expect to
9 see interest in the FS project growing rapidly over the next couple of weeks with interested
10 investors getting their source and path of funds verification completed in January so that they can
11 make the investment by February 8.” (**Exhibit 12.**) Defendants Dziubla, Fleming, and EB5IA
12 were continuing to misrepresent to Plaintiff that there was a possibility that at least \$25,000,000
13 would be raised by February 8, 2016.

14 37. On January 4, 2016, in reply to Front Sight’s query as to whether the “minimum
15 raise of \$25 million” would be achieved by February 8, as Defendant Dziubla had
16 misrepresented, Defendant Dziubla wrote:

17 “The minimum raise for the Front Sight project is \$25m. At \$500k per
18 investor, that requires 50 investors only. Once we have the \$25m in escrow and
19 the loan documents have been signed (presumably within the next few days), then
20 we will disburse 75% of that to you, i.e. \$18.75m and retain the other 25% in
21 escrow to cover any I-526 applications that are rejected by USCIS, which is quite
22 unlikely given that we already have USCIS exemplar approval for the project.
23 Hence, we will not need to have 63 investors in escrow, just 50. Please refer to
24 my email of October 20 to you detailing the funds disbursement process.

25 “With regard to timing, based on discussions with our agents over the past
26 few days, including today, it looks like we may have 5 – 10 investors into escrow
27 by February 8, with an additional 20 – 30 in the pipeline. The Chinese New year
28 commences on February 8, so the market will essentially shut down for about two
29 weeks, and then the investors will gradually return to work. The agents are saying

1 that investors who have not already decided on the project by February 8 will
2 contemplate it over the Chinese New Year and discuss it with their family, as it
3 entails the fundamental life change of leaving their homeland and moving to the
4 USA. We are pushing our agents hard to have 50 investors into escrow by
5 February 29. Once we have the 50 investors into escrow with the Minimum Raise
6 achieved, we will disburse the initial \$18.75m to you and then continue with the
7 fundraising, which is likely to accelerate since it has a snowball type of effect. As
8 the funds continue to come into escrow, we will continually disburse them to you.
9 (See the Oct. 20 email.) Given that the current EB-5 legislation expires on
10 September 30, 2016, at which time the minimum investment amount will most
11 likely increase to \$800k, we highly anticipate that we will have raised the full
12 \$75m by then.” (**Exhibit 13.**)

13 Defendant Fleming is copied on this correspondence, did not correct any of the
14 misrepresentations, and in fact endorsed and supported the statements through his actions. Upon
15 information and belief, Defendant Stanwood, through her “informal” involvement and her
16 relationship with Defendant Dziubla, also was aware of these representations, did not correct any
17 of the misrepresentations, and endorsed and supported the statements through her actions.

18 38. On January 31, 2016, in response to Front Sight’s question as to how many
19 “actual investors” with \$500,000 in investment funds into escrow it had to date – and just 9 days
20 before Defendant Dziubla had promised to have \$25M available – Defendant Dziubla responded:
21 “Two.” (**Exhibit 14.**) This statement was true.

22 39. From the inception of Defendants Dziubla, Fleming, EB5IA, and Stanwood’s
23 alleged marketing efforts, Defendants Dziubla, Fleming, and EB5IA consistently refused Front
24 Sight’s requests to have direct contact with parties reportedly and purportedly performing
services to find EB-5 investors, including King Liu and Jay Li, principals of the Sinowel firm.
Defendant Fleming is copied on this correspondence, did not correct any of the
misrepresentations, and in fact endorsed and supported the statements through his actions.

40. From time to time Defendants Dziubla, Fleming, and EB5IA announced various
purported alliances and associations with brokers and sales representatives in various regions

1 with reported growing “pipelines,” but in the end, more than three years after the USCIS
2 approval, and after Front Sight had paid at least \$512,500 in fees and expenses, Front Sight has
3 only received \$6,375,000 in Construction Loan disbursements. Defendants Dziubla, Fleming,
4 and EB5IA continued to refuse to account for what efforts they allegedly put forth to meet their
5 obligations or how they were spending Front Sight’s expense advances.

6 41. In an email exchange between Dziubla and Meacher on March 1, 2016 (set forth
7 in **Exhibit 15** and copied to Fleming), 18 months after marketing first began for the EB-5
8 offering, Mike Meacher, Plaintiff’s Chief Operating Officer, states that as of that date, there was
9 only one Indian investor with funds in escrow, two Indian investors who are raising funds to
10 deposit to escrow and one Swiss investor who has decided to invest but has not put any money in
11 escrow. Mr. Meacher’s email lists 28 prior communications from Dziubla to Meacher from
12 August 2015 to February 2016 in which Dziubla had repeatedly indicated that EB5IA was on
13 track to raise the minimum \$25,000,000. All of these assurances were misrepresentations
14 designed to persuade Plaintiff to continue funding amounts that were purportedly intended to be
15 used for marketing the offering.

16 42. Notwithstanding the aforementioned lack of transparency on the part of
17 Defendants, and in a good-faith effort to promote the ongoing marketing of the EB-5 program, as
18 of November 15, 2016, Front Sight agreed to a modified version of Defendant Dziubla’s request
19 of advancing Defendant Dziubla \$8,000 per month for marketing expenses in months where
20 Defendants actually obtained investor funds, in detrimental reliance on Defendant Dziubla’s
21 representation that the local/regional agents for the investors “were taking it all.” (**Exhibit 16.**)
22 Defendants Dziubla, Fleming, and EB5IA continued to refuse to provide an accounting and
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1 repeatedly refused to permit Plaintiff's representatives to speak with the local/regional agents
2 Defendants purportedly were conversing with. (**Exhibit 17.**)

3 43. Furthermore, when Defendant Dziubla was soliciting Front Sight to pay for the
4 Regional Center, Front Sight requested to be an owner of EB5IC since Front Sight was paying
5 for it, but Defendant Dziubla, on behalf of Defendant EB5IC and for his own benefit and the
6 benefit of Fleming and Stanwood, responded that USCIS would not allow it and would look
7 unfavorably on a developer owning a regional center. This statement was false.

8 44. When Front Sight asked for full disclosure on the financial arrangements with the
9 various agents and brokers Defendants Dziubla, Fleming, and EB5IA claimed to have in place,
10 Defendant Dziubla represented to Front Sight that said agents require strict confidentiality on all
11 financial arrangements with the regional center and thus Defendant Dziubla could not disclose to
12 Front Sight the financial splits. (**Exhibits 15 and 18.**) Front Sight has recently learned from an
13 experienced and reputable industry consultant that these representations are not true. Defendant
14 Fleming was aware of these communications, did not correct any of the misrepresentations, and
15 in fact endorsed and supported the statements through his actions. Upon information and belief,
16 Defendant Stanwood, through her "informal" involvement and her relationship with Defendant
17 Dziubla, also was aware of these representations, did not correct any of the misrepresentations,
18 and endorsed and supported the statements through her actions.

19 45. In reality, developers often own the regional centers handling their projects, and
20 financial arrangements, and the brokers and agents are normally transparent and regularly
21 disclosed to the developers.

22 46. Defendants Dziubla, Fleming, Stanwood, and EB5IC either knew or should have
23 known that Front Sight, as developers, could have owned the Regional Center that Front Sight
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1 paid for, but for Defendant Dziubla's misrepresentation that this would not be acceptable to the
2 USCIS. Defendant Dziubla made these misrepresentations due to his own greed and desire to
3 attempt to usurp Front Sight's opportunity. Defendants Fleming, Stanwood, and EB5IC were
4 aware of these communications and failed to correct the misrepresentations.

5 47. Defendants Dziubla, Fleming, Stanwood, EB5IA, and EB5IC also either knew or
6 should have known that Front Sight, as developers, was and is entitled to full disclosure of the
7 financial arrangements that Defendant Dziubla has made or is making with agents and brokers
8 who produce investors for the EB-5 investor program for Front Sight's Project.

9 48. Instead of providing the promised \$75,000,000 in funding, Defendants Dziubla,
10 Fleming, Stanwood, EB5IA, and LVDF have provided just over \$6,000,000 – less than 5% of the
11 originally promised \$150,000,000 and less than 10% of the \$75,000,000 Defendants later
12 promised to raise.

13 49. On July 31, 2018, in an attempt to trigger default interest rates on the construction
14 loan, for its own gain and the personal gain of Defendants Dziubla and Stanwood, and in an
15 attempt to intimidate Front Sight and to cover up Defendants' own wrongful conduct, Defendant
16 LVDF, through Defendant Dziubla, delivered a document to Front Sight entitled "Notice of
17 Multiple Defaults / Notice of Inspection / Monthly Proof of Project Costs," ("the Notice") which
18 document was signed by Defendant Dziubla. (**Exhibit 19.**) Said notice alleges breach by Front
19 Sight of that certain Construction Loan Agreement dated October 6, 2016 (the "Original Loan
20 Agreement"), that certain First Amendment to Loan Agreement dated July 1, 2017 (the "First
21 Amendment"), and that certain Second Amendment to Loan Agreement dated February 28, 2018
22 (the "Second Amendment"; collectively, the Original Loan Agreement, the First Amendment
23 and the Second Amendment may be referred to as the "Construction Loan Agreement").
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1 50. Defendants did not allege any monetary defaults on the part of Front Sight, and
2 indeed none exist. Defendants, however, alleged administrative defaults, all of which Front
3 Sight has refuted. Defendants have alleged these administrative defaults in an attempt to
4 alleviate Defendants' responsibility for its repeated failure to obtain the funding they have
5 repeatedly misrepresented they would – in clear breach of Defendants' duties under the
6 agreements – and as an attempt to usurp Plaintiff Front Sight's opportunity and Defendants'
7 misguided and greed-driven attempt to take possession of Front Sight's property.

8 51. Defendants' position as set forth in the alleged Notice of Default is frivolous and
9 ignores the fact that Defendants have grossly breached their agreements with Plaintiff. Not
10 surprisingly, Defendants' absurd position also ignores well-established Nevada law that the party
11 who commits the first breach of a contract cannot maintain an action against the other for a
12 subsequent failure to perform, and cannot seek damages against the other party for harm the
13 breaching party has caused – and Defendants have caused an immense amount of harm to
14 Plaintiff.

15 52. In a 19-page response to the Notice, Front Sight addressed each and every alleged
16 administrative default, clearly refuting each and every issue asserted by Defendants. (**Exhibit**
17 **20.**)

18 53. On August 24, 2018, Defendant LVDF delivered a second document to Front
19 Sight entitled "Notice of Multiple Defaults / Notice of Inspection / Monthly Proof of Project
20 Costs," ("the Second Notice") which document was again signed by Defendant Dziubla.
21 (**Exhibit 21.**) Said notice responded to portions of Front Sight's 19-page response, and again
22 alleged administrative breach by Front Sight of the Construction Loan Agreement.
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1 54. Defendants still did not allege any monetary defaults on the part of Front Sight,
2 and indeed none existed.

3 55. In a 4-page response to the Notice dated August 25, 2018, Front Sight again
4 addressed each and every alleged default, clearly refuting each and every issue asserted by
5 Defendants. (**Exhibit 22.**)

6 56. On August 28, 2018, Defendant LVDF delivered a third document to Front Sight
7 entitled “Notice of Multiple Defaults / Notice of Inspection / Monthly Proof of Project Costs,”
8 (“the Third Notice”) which document was again signed by Defendant Dziubla. (**Exhibit 23.**)
9 Said notice responded to portions of Front Sight’s 4-page response of August 25, 2018, and
10 again alleged administrative breach by Front Sight of the Construction Loan Agreement.

11 57. On August 31, 2018, Defendants agreed to a standstill agreement regarding the
12 alleged notices of default. (**Exhibit 24.**) On September 5, 2018, purportedly in furtherance of
13 the standstill agreement, Defendants sent a Pre-Negotiation Letter. (**Exhibit 25.**) The proposed
14 terms of the Pre-Negotiation Letter had not been discussed with Plaintiff at all. Nevertheless, on
15 September 7, 2018, Plaintiff agreed to the majority of Defendants’ terms and proposed a few
16 changes. (**Exhibit 26.**) Defendants did not respond to the few changes proposed by Plaintiff to
17 the Pre-Negotiation letter.

18 58. On September 11, 2018, in violation of the agreed-upon standstill agreement,
19 Defendant LVDF, at the direction of Defendant Dziubla, frivolously filed a Notice of Breach and
20 Default and of Election to Sell Under Deed of Trust in an attempt, among other things, to extort
21 unwarranted default interest and attorneys’ fees from Front Sight and nefariously to obtain Front
22 Sight’s land and operations, and in so doing slandered Front Sight’s title and caused damage to
23 Front Sight’s reputation and image with its students, members, staff, vendors and the general
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1 public. (**Exhibit 27.**) The frivolous notice of default has also caused Front Sight harm in the
2 form of lost funding for the subject project.

3 59. On September 13, 2018, Defendant Dziubla wrote to Mike Meacher and, besides
4 making more ridiculous allegations of alleged administrative breaches (among other spurious
5 and frivolous allegations), confirmed that Defendants continue to hold \$375,000 of funds that
6 should have long ago been disbursed to Plaintiff to continue work on the project. (**Exhibit 28.**)
7 Upon information and belief, and based on Defendants' conduct and refusal to provide a proper
8 accounting for Defendant EB5IA (even in the face of a court order requiring same), Plaintiff
9 believes those funds are not currently in the possession of the proper entity Defendant.

10 60. In addition to the contractual relationship between Front Sight and Defendants,
11 Defendants have a fiduciary responsibility to Front Sight, due to the special relationship of trust
12 between Front Sight and Defendants. The facts set forth herein demonstrate this special
13 relationship of trust exists between Plaintiff and Defendants. Through the misrepresentations set
14 forth herein, Defendants Dziubla, Fleming, and Stanwood gained the confidence of Plaintiff and
15 purported to act in Plaintiff's best interest. Defendants Dziubla, Fleming, and Stanwood, and
16 later (after formation) EB5IA, Eb5IC, and LVDF, placed themselves in a superior position to
17 Plaintiff and exerted unique influence over Plaintiff through the misrepresentations described
18 herein. This relationship is akin to a partnership and/or joint venture. Defendants Dziubla,
19 Fleming, and Stanwood are or were at relevant times officers in the Entity Defendants and
20 controlled the Entity Defendants. Despite Defendants' claims otherwise, Defendant LVDF and
21 Plaintiff do not have a standard lender-borrower relationship. Rather, Defendants Dziubla,
22 Fleming, and Stanwood represented they were experienced and capable of raising EB-5 funds for
23 Plaintiff's project. Defendants Dziubla, Fleming, and Stanwood created the Entity Defendants to
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1 further their nefarious scheme, and used the Entity Defendants to achieve their unlawful designs.
2 Defendants LVDF and EB5IA commingled funds at Dziubla's direction.

3 61. Nevada law recognizes a duty owed in "confidential relationships" where "one
4 party gains the confidence of the other and purports to act or advise with the other's interests in
5 mind." *Perry v. Jordan*, 111 Nev. 943, 900 P.2d 335, 338 (1995) (emphasis added). The duty
6 owed is akin to a fiduciary duty. "When a confidential relationship exists, the person in whom
7 the special trust is placed owes a duty to the other party similar to the duty of a fiduciary,
8 requiring the person to act in good faith and with due regard to the interests of the other party."
9 *Id.* 61. Upon information and belief, given the utter lack of results despite receiving well over
10 \$500,000 in advances from Front Sight to pay for Defendants' alleged marketing efforts and
11 Defendants' repeated failure and refusal to account for the money Front Sight has advanced, it
12 appears Defendants have misappropriated Front Sight's funds to uses other than those for which
13 they were intended. Indeed, since this litigation began, at a hearing on October 31, 2018, the
14 Court ordered Defendant EB5IA to, ". . . on or before November 30, 2018, provide Plaintiff with
15 an accounting of all funds it has received from Front Sight, including interest payments and
16 marketing fees. Said accounting must include all money received from Plaintiff by EB5Impact
17 Advisors LLC, how all funds were spent, identification of who received any portion of the funds,
18 and any and all documentation to support payments made or funds spent." (*See* Order on
19 Plaintiff's Petition for Appointment of Receiver and for an Accounting, filed on November 26,
20 2018 (Notice of Entry on November 27, 2018)).

21 62. Defendant EB5IA provided some documents pursuant to the Court's order, but
22 not nearly what was required. Despite the fact that the accounting from Defendant EB5IA is
23 grossly deficient, the documents Defendant EB5IA provided clearly show that, from 2013 to
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1 2018, Defendants have misappropriated and converted the funds Front Sight provided to
2 Defendants Dziubla and Fleming, as representatives of Defendant EB5IA, for the specific
3 purpose of marketing Front Sight's project around the world. Those documents show
4 Defendants made numerous payments totaling hundreds of thousands of dollars, to themselves,
5 entities owned by Defendants Dziubla and Fleming, rent payments unrelated to Front Sight's
6 project (but for the benefit of Fleming and/or Dziubla), tens of thousands of dollars' worth of
7 payments to unknown payees, and evidence that Defendants Dziubla, Fleming, and upon
8 information and belief, Stanwood, used Front Sight's money and the funds paid to Defendant
9 EB5IA (and possibly Defendant LVDF and EB5IC) as their own personal piggy bank.

10 63. Defendant EB5IA's grossly deficient accounting did not include a single invoice
11 or receipt, and made no attempt to justify how the expenditures related to marketing Front
12 Sight's project.

13 64. Additionally, pursuant to page 3, paragraph (a) of the Engagement Letter, Plaintiff
14 was to have its payment of \$36,000 to EB5IA offset against the first interest payments made to
15 Defendants. However, despite the fact that Plaintiff has made all of its interest payments in full,
16 Defendants have failed and refused to return the \$36,000 or provide a proper offset, despite
17 demand from Plaintiff that Defendants do so. Consequently, and because of Defendants'
18 continued refusal to provide an accounting of Plaintiff's funds, Plaintiff believes those funds may
19 have been misappropriated to uses outside their authorized use.

20 65. Plaintiff has recently learned that Defendants Dziubla, Stanwood, and Fleming
21 have dissolved Defendant EB5IA without notifying Plaintiff, and upon information and belief,
22 without notifying the USCIS. (**Exhibit 29.**) Defendants Dziubla, Stanwood, and Fleming also
23 have not returned any unused marketing funds to Plaintiff, and appear to have drained the bank
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1 account. This increases Plaintiff's concerns about how its funds have been used. This action is
2 also in direct contravention of Defendants' agreements with Plaintiff, not to mention a stunning
3 admission that Defendant EB5IA and Defendants Dziubla and Stanwood are no longer even
4 attempting to fulfill their fiduciary obligations to Plaintiff.

5 66. Moreover, the few documents Defendant EB5IA provided following the Court's
6 order that it provide an accounting show that a few months before Defendants dissolved
7 Defendant EB5IA, in the spring of 2018, Defendant EB5IA, by either Dziubla's, Stanwood's, or
8 Fleming's instruction and/or action, transferred nearly all the remaining funds in EB5IA's bank
9 account to the account of an entity controlled by Defendant Dziubla.

10 67. In spite of Defendants' egregious and fraudulent misrepresentations, failure to
11 deliver the promised \$75 million in construction funding, or the failure to provide the reduced
12 amount of \$50 million (a reduction which Defendants requested), or the promise of \$25 million
13 by Thanksgiving 2015 (or later, January 31, 2016) (as promised in multiple e-mails in August-
14 October 2015), Front Sight has persisted in building the Front Sight project, completing all 50
15 firearms training ranges, adding wells and bathroom facilities, and grading hundreds of
16 thousands of cubic yards of dirt to ready the project for vertical construction. Along the way, on
17 its efforts alone, Front Sight has secured a \$36 million construction line of credit and is using
18 such line of credit to build the resort and protect the visa applications of the 13 foreign investors
19 Front Sight has accepted, while Defendants, including Defendant Dziubla, attempt to sabotage
20 the project and Front Sight's efforts for their own greed and personal gain.

21 68. Despite Defendants' failure to abide by its obligations and continued bad faith
22 conduct, Front Sight has provided written evidence to refute all of Defendants' alleged Notices
23 of Default. Nevertheless, Defendants frivolously filed a Notice of Breach and Default and of
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1 Election to Sell Under Deed of Trust in an attempt to extort unwarranted default interest and
2 attorney fees from Front Sight, and in doing so slandered Front Sight's title and caused damage
3 to Front Sight's reputation and image with its students, members, staff, vendors and the general
4 public.

5 69. Defendants Dziubla, Fleming, and Stanwood currently control, or have controlled
6 in the past, the entity Defendants. Defendants have commingled funds between EB5IA and
7 LVDF. Front Sight paid \$27,000.00 for marketing fees to Mr. Dziubla through an account
8 labeled "EB5 Impact Advisors LLC." On November 14, 2016, Plaintiff made an interest
9 payment of \$12,205.38 to an account owned by LVDF. Nine days later, on November 23, 2016,
10 Plaintiff made a payment for marketing fees to an account owned by EB5IA. Plaintiff made an
11 interest payment of \$12,276.12 on December 9, 2016 to an account owned by LVDF. On that
12 same day, Front Sight sent an \$8,000 payment to EB5IA for marketing services.

13 70. A November 22, 2017 wire transfer receipt shows that Front Sight paid marketing
14 fees to an account owned by EB5IA and a marketing fee payment to an account owned by
15 LVDF. A December 29, 2017 statement shows three payments: the first to EB5IA for marketing
16 fees, the second to LVDF for interest, and a third payment to LVDF **for marketing fees**. Thus,
17 by November 2017, LVDF and other Defendants were commingling funds.

18 71. A March 1, 2018 wire transfer receipt shows a *credit* to Front Sight's account of
19 \$125,000 from LVDF, as well as a *payment* by Front Sight into the same account for marketing
20 fees. The March 2, 2018 wire transfer receipt shows an interest payment to LVDF, while the
21 marketing fees were again paid to EB5IA. A May 2, 2018 wire transfer receipt shows both an
22 interest payment and marketing fee paid to LVDF's account.

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1 72. Defendant LVDF was accepting both interest payments and marketing payments
2 from Plaintiff and commingling funds.

3 73. Additionally, Defendants LVDF, EB5IC, and EB5IA, are or were commonly owned
4 by Defendants Dziubla, Fleming, and possibly Defendant Stanwood. Defendants Dziubla,
5 Fleming, and Stanwood influences and controls the daily affairs of Defendants LVDF, EB5IC,
6 and EB5IA and shares a unity of interest such that they are inseparable.

7 **FIRST CAUSE OF ACTION**
8 **(Fraud/Intentional Misrepresentation/Concealment Against All Defendants)**

9 74. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
10 through 73 of this Complaint as though set forth fully herein at length.

11 75. As set forth in detail above, Defendants, through their agent Defendant Dziubla,
12 made repeated representations that Defendants either knew were false, or should have known
13 were false, and/or had insufficient information for making these statements to Plaintiff.

14 76. Those misrepresentations are specifically set forth in paragraphs 11 through 73
15 above. As described above, Defendants Dziubla, Fleming, and Stanwood are or were officers of
16 Defendants EB5IA, EB5IC, and LVDF (the "Entity Defendants"). Defendants Dziubla and
17 Fleming acted in concert throughout the time frame described herein, as officers and
18 representatives of the Entity Defendants, and individually because they benefitted individually
19 from their unlawful conduct. Moreover, in nearly every instance, Defendant Fleming endorsed
20 and sustained Defendant Dziubla's representations. Defendant Fleming is copied on the large
21 majority of e-mails from Defendant Dziubla to Plaintiff's representatives and never once made
22 any effort to correct Defendant Dziubla's false representations. Moreover, Defendant Fleming
23 participated in numerous meetings, telephone conferences, and the like, where similar
24 representations were made by him and Defendant Dziubla. Plaintiff asserts that the

1 representations made by Dziubla were made in concert and in consultation with Defendant
2 Fleming, until at least early 2018.

3 77. According to an e-mail from Defendant Dziubla to Mike Meacher on May 12,
4 2018, Dziubla informed Meacher that Defendant Stanwood “has been working informally with
5 us for several years and is quite familiar with the EB5 business.” Defendant Dziubla further
6 informed Meacher that Stanwood “has been working with us on a formal and full time basis
7 since January 1[, 2018].” Although Defendants did not disclose that Defendant Stanwood is
8 Defendant Dziubla’s wife, Plaintiff has since learned that Defendant Stanwood is the wife of
9 Defendant Dziubla. Plaintiff believes Defendant Stanwood knowingly benefitted from
10 Defendants’ unlawful conduct, particularly by directly benefitting from Defendants’
11 misappropriation of funds as set forth below. Further, based on Defendant Dziubla’s
12 representation that Defendant Stanwood had been working with Defendants “informally” for
13 several years, Plaintiff believes and asserts that Defendant Stanwood participated in and
14 endorsed the misconduct of Defendants described herein. Upon information and belief, Plaintiff
15 asserts that Defendant Stanwood actively engaged in the misconduct described herein in concert
16 with Defendants Dziubla and Fleming. Throughout this Second Amended Complaint, the term
17 “Defendants” is used to describe all Defendants. Given the commingling and misappropriation
18 of funds, and that fact that Defendants Dziubla, Fleming, and Stanwood acted in concert in their
19 unlawful conduct, both individually and in their capacities as officers of the Entity Defendants,
20 Plaintiff asserts that Defendants have all acted together to bring about what is described herein,
21 all as part of a unified scheme to defraud Plaintiff.

22 78. Defendants’ numerous false statements and concealments were material.
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1 79. Defendants made these untrue statements and/or concealed facts with the intent of
2 inducing Plaintiff to enter into the contracts with Defendants and to continue paying money to
3 Defendants for marketing fees, set up costs for the regional center, and to allow Defendants to
4 divert Plaintiff's funds for Defendants' own non-project-related purposes.

5 80. Plaintiff had a right to rely on the representations of Defendants, and in fact relied
6 upon Defendants' false representations. Plaintiff also had a right to expect that Defendants
7 would not conceal material facts from Plaintiff.

8 81. As described more fully above, between February 2013 to the present, Defendants
9 Dziubla, Fleming, Stanwood, EB5IA, EB5IC, and LVDF made repeated misrepresentations to
10 Plaintiff and/or concealed material facts from Plaintiff, about various issues, including but not
11 limited to:

12 (a) Defendants Dziubla and Fleming's, and once formed, EB5IC and
13 EB5IA's, ability to raise the funds necessary to adequately finance Plaintiff's project, as
14 well as Defendants Dziubla and Fleming's experience with raising EB-5 funds;

15 (b) How Plaintiff's funds would be and/or were being spent; i.e., Defendants
16 Dziubla, Fleming, EB5IA, and LVDF misrepresented how Plaintiff's marketing money
17 would be spent and ultimately converted funds as described more fully above;

18 (c) Defendants Dziubla, Fleming, EB5IA, and LVDF repeatedly failed and
19 refused to provide an accounting of how Plaintiff's money was spent. Those funds were
20 specifically earmarked for marketing (EB5IA), interest payments (to LVDF), and to set
21 up the regional center (EB5IC). Defendants EB5IA and LVDF, through Defendant
22 Dziubla, have commingled funds intended for marketing payments and interest payments
23 between Defendants EB5IA and LVDF;

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1 (d) Defendants Dziubla, Fleming, and EB5IA, and upon information and
2 belief, Defendants Stanwood, EB5IC and LVDF, made misleading representations to
3 Plaintiff and/or concealed the fact that those Defendants were misappropriating and
4 converting Plaintiff's funds to their own uses and/or benefitting from said
5 misappropriations;

6 (e) Defendants Dziubla, Fleming, and later EB5IC (once formed),
7 misrepresented whether Plaintiff was entitled to own the regional center EB5IC;

8 (f) Defendants Dziubla, Fleming, upon information and belief, Stanwood, and
9 later EB5IC (once formed) misrepresented both the true cost (i.e., it was highly inflated)
10 and the necessity (i.e., it was not necessary) of creating a regional center to raise money
11 for Plaintiff's project. As set forth above, this was done to allow Defendants Dziubla,
12 Fleming, and Stanwood to surreptitiously obtain and convert Plaintiff's money;

13 (g) Defendants Dziubla, Fleming, and upon information and belief, Stanwood,
14 misrepresented the time frame within which they could raise the EB-5 funds (i.e., it took
15 much longer than represented) so that those Defendants could obtain surreptitiously
16 obtain and convert Plaintiff's money;

17 (h) Defendants Dziubla, Fleming, and upon information and belief, Stanwood,
18 misrepresented the reasons it was taking them longer than previously represented to raise
19 the EB-5 funds so that those Defendants could obtain surreptitiously obtain and convert
20 Plaintiff's money.

21 82. As a direct and proximate result of the fraud perpetrated by Defendants, Plaintiff
22 Front Sight has sustained damages in the tens of millions of dollars, an amount well in excess of
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1 fifteen thousand dollars (\$15,000.00) jurisdictional limit, as a direct result of Defendants'
2 breach.

3 83. Defendants' conduct was malicious, oppressive and fraudulent under NRS
4 42.005, entitling Plaintiff to an award of punitive damages.

5 84. As a result of Defendants' actions, Plaintiff has been required to retain the
6 services of an attorney to prosecute this action and a reasonable sum should be allowed as and
7 for attorney fees and costs of suit incurred herein.

8 **SECOND CAUSE OF ACTION**
9 **(Breach of Fiduciary Duty Against All Defendants)**

10 85. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
11 through 84 of this Complaint as though set forth fully herein at length.

12 86. As set forth above (*see e.g.*, paragraphs 60 and 61 above), Defendants owed a
13 fiduciary duty and/or a confidential duty to Plaintiff Front Sight and Plaintiff had a right to place
14 its trust and confidence in the fidelity of Defendants.

15 87. By their conduct, as described above, Defendants have breached their duty to
16 Plaintiff.

17 88. As a direct and proximate result of the Defendants' acts, Plaintiff has been
18 damaged in an amount to be proven at trial.

19 89. Plaintiff has been required to retain the services of an attorney to prosecute this
20 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
21 herein.

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1 97. As a direct and proximate result of the Defendants' acts, Plaintiff has been
2 damaged in an amount to be proven at trial.

3 98. Defendants' conduct was malicious, oppressive and fraudulent under NRS
4 42.005, entitling Plaintiff to an award of punitive damages.

5 99. Plaintiff has been required to retain the services of an attorney to prosecute this
6 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
7 herein.

8 **FIFTH CAUSE OF ACTION**
9 **(Breach of Contract Against Defendants EB5IA and LVDF)**

10 100. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
11 through 99 of this Complaint as though set forth fully herein at length.

12 101. Plaintiff Front Sight and Defendant EB5IA entered into a written contract, namely
13 the engagement letter in February 2013. In October 2016, Plaintiff and Defendant LVDF entered
14 into the Construction Loan Agreement, along with a First Amendment in July 2017 and a Second
15 Amendment in February 2018.

16 102. Plaintiff Front Sight has performed its obligations under the terms of the
17 contracts.

18 103. Defendants EB5IA and LVDF have breached the contracts as set forth above.

19 104. Plaintiff Front Sight has sustained damages in the tens of millions of dollars, an
20 amount well in excess of fifteen thousand dollars (\$15,000.00) jurisdictional limit, as a direct
21 result of Defendants' breach.

22 105. Further, because the party to a contract who commits the first breach of a contract
23 cannot maintain an action against the other for a subsequent failure to perform, Defendants are
24 not entitled to attempt to enforce the agreements against Plaintiff or to allege bogus defaults.

1 106. As a result of Defendants' actions, Plaintiff has been required to retain the
2 services of an attorney to prosecute this action and a reasonable sum should be allowed as and
3 for attorney fees and costs of suit incurred herein.

4 **SIXTH CAUSE OF ACTION**
5 **(Contractual Breach of Implied Covenant of Good Faith and Fair Dealing Against the**
6 **Entity Defendants)**

7 107. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
8 through 106 of this Complaint as though set forth fully herein at length.

9 108. In every contract there is imposed a duty of good faith and fair dealing between
10 the parties.

11 109. Plaintiff Front Sight and Defendant EB5IA entered into written contracts, namely
12 the engagement letter in February 2013. In October 2016, Plaintiff and Defendant LVDF entered
13 into the Construction Loan Agreement, along with a First Amendment in July 2017 and a Second
14 Amendment in February 2018.

15 110. These Defendants owed a duty of good faith in performing their duties to Plaintiff
16 Front Sight.

17 111. As set forth above, Defendants breached that duty by failing and/or refusing to
18 meet their obligations under the agreement and performing in a manner that was unfaithful to the
19 purpose of the contracts. Defendants' actions constitute contractual breaches of the covenant of
20 good faith and fair dealing.

21 112. Plaintiff's justified expectations were thus denied.

22 113. As a result of Defendants' actions, Plaintiff has been required to retain the
23 services of an attorney to prosecute this action and a reasonable sum should be allowed as and
24 for attorney fees and costs of suit incurred herein.

1 **SEVENTH CAUSE OF ACTION**
2 **(Tortious Breach of Implied Covenant of Good Faith and Fair Dealing Against the Entity**
3 **Defendants)**

4 114. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
5 through 113 of this Complaint as though set forth fully herein at length.

6 115. In every contract there is imposed a duty of good faith and fair dealing between
7 the parties.

8 116. Plaintiff Front Sight and Defendant EB5IA entered into written contracts, namely
9 the engagement letter in February 2013. In October 2016, Plaintiff and Defendant LVDF entered
10 into the Construction Loan Agreement, along with a First Amendment in July 2017 and a Second
11 Amendment in February 2018.

12 117. These Defendants owed a duty of good faith in performing their duties to Plaintiff
13 Front Sight.

14 118. As set forth above (*see e.g.*, paragraphs 60 and 61 above), Defendants owed a
15 fiduciary duty and/or a confidential duty to Plaintiff Front Sight such that Defendants were in a
16 superior entrusted relationship and Plaintiff had a right to place its trust and confidence in the
17 fidelity of Defendants. This duty existed above and beyond the contractual duties Defendants
18 owed to Plaintiff.

19 119. As set forth above, Defendants breached that duty by failing and/or refusing to
20 meet their obligations under the agreement and performing in a manner that was unfaithful to the
21 purpose of the contracts. Defendants' actions constitute contractual breaches of the covenant of
22 good faith and fair dealing.

23 120. Plaintiff's justified expectations were thus denied.
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1 121. As a result of Defendants' actions, Plaintiff has been required to retain the
2 services of an attorney to prosecute this action and a reasonable sum should be allowed as and
3 for attorney fees and costs of suit incurred herein.

4 **EIGHTH CAUSE OF ACTION**
5 **(Intentional Interference with Prospective Economic Advantage Against the Entity**
6 **Defendants and Defendant Dziubla)**

7 122. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
8 through 121 of this Complaint as though set forth fully herein at length.

9 123. A prospective contractual relationship exists or existed between Plaintiff and a
10 third party; i.e, another potential lender for the project who would have provided Senior Debt
11 under the Construction Loan Agreement.

12 124. Defendants knew of this prospective relationship, and in fact were insisting on the
13 relationship even though Defendants had already advised its investors that Plaintiff had obtained
14 a Senior Debt.

15 125. Defendants intended to harm Plaintiff by preventing this relationship and in fact
16 did so by filing the frivolous notice of default on September 11, 2018.

17 126. Defendants had no privilege or justification for their conduct.

18 127. As a direct and proximate result of the Defendants' acts, Plaintiff has been
19 damaged in an amount to be proven at trial, including actual and presumed damages.

20 128. Plaintiff has been required to retain the services of an attorney to prosecute this
21 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
22 herein.

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1 **NINTH CAUSE OF ACTION**
2 **(Unjust Enrichment Against All Defendants)**

3 129. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
4 through 128 of this Complaint as though fully set forth herein at length.

5 130. Defendants utilized Plaintiff Front Sight’s money and/or property against
6 fundamental principles of justice or equity and good conscience, all to the unjust benefit of
7 Defendants.

8 131. Defendants accepted, used and enjoyed the benefits of Plaintiff’s money and/or
9 property.

10 132. Defendants knew or should have known that Plaintiff expected that the
11 Defendants’ use of Plaintiff’s money would require commensurate benefit to Plaintiff.

12 133. Plaintiff has repeatedly demanded that Defendants justify the use of Plaintiff’s
13 money and/or property. Defendants have failed and refused, and continue to fail and refuse, to
14 account for or return Plaintiff’s money and/or property, to Plaintiff’s detriment.

15 134. Defendants have been unjustly enriched to Plaintiff’s detriment.

16 135. Plaintiff has been required to retain the services of an attorney to prosecute this
17 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
18 herein.

19 **TENTH CAUSE OF ACTION**
20 **(Negligent Misrepresentation Against All Defendants)**

21 136. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
22 through 135 of this Complaint as though set forth fully herein at length.

23 137. Defendants had a duty to exercise reasonable care or competence in
24 communicating information to Plaintiff.

1 138. As set forth in detail above, the Entity Defendants, through their agents
2 Defendants Dziubla, Fleming, and Stanwood, acting individually, made repeated representations
3 that Defendants should have known were false, and/or had insufficient information for making
4 these statements to Plaintiff.

5 139. Those misrepresentations are specifically set forth in paragraphs 11 through 73
6 above.

7 140. Defendants' negligent misstatements were material.

8 141. Defendants Dziubla, Fleming, and upon information and belief Stanwood failed to
9 exercise reasonable care in making these misstatements, with the intent of inducing Plaintiff to
10 enter into the contracts with Defendants. After the agreements were entered into, all Defendants
11 continued to fail to exercise reasonable care in making misrepresentations, with the intent of
12 inducing Plaintiff to remain a party to the contract.

13 142. Defendants failed to exercise reasonable care in making these misstatements, with
14 the intent of inducing Plaintiff to provide money and/or property to Defendants, allegedly in
15 furtherance of Defendants' obligation to raise capital for Plaintiff's project. After the agreements
16 were entered into, all Defendants continued to fail to exercise reasonable care in making
17 misrepresentations, with the intent of inducing Plaintiff to continue to provide money and/or
18 property to Defendants.

19 143. Plaintiff had a right to rely on the representations of Defendants, and in fact relied
20 upon Defendants' negligent misrepresentations.

21 144. As a direct and proximate result of Defendants' negligent misrepresentations,
22 Plaintiff Front Sight has sustained damages in the tens of millions of dollars, an amount well in
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1 excess of fifteen thousand dollars (\$15,000.00) jurisdictional limit, as a direct result of
2 Defendants' breach.

3 145. Plaintiff has been required to retain the services of an attorney to prosecute this
4 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
5 herein.

6 **ELEVENTH CAUSE OF ACTION**
7 **(Negligence Against All Defendants)**

8 146. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
9 through 145 of this Complaint as though set forth fully herein at length.

10 147. Defendants owed a duty to exercise reasonable care in its dealings with Plaintiff.
11 As set forth above, Defendants have a confidential and/or fiduciary relationship with Plaintiff,
12 independent of the contracts described herein.

13 148. As set forth above, Defendants have breached their duty of care to Plaintiff.

14 149. As a direct and proximate result of the Defendants' acts, Plaintiff has been
15 damaged in an amount to be proven at trial.

16 150. Plaintiff has been required to retain the services of an attorney to prosecute this
17 action and a reasonable sum should be allowed as and for attorney fees and costs of suit incurred
18 herein.

19 **TWELFTH CAUSE OF ACTION**
20 **(Alter Ego Against Defendants Dziubla, LVDF, EB5IA, and EB5IC)**

21 151. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1
22 through 150 of this Complaint as though set forth fully herein at length.

23 152. Defendants LVDF, EB5IC, and EB5IA are commonly owned by Defendants
24 Dziubla and Fleming.

1 153. Upon information and belief, Defendant Dziubla is an owner and officer of
2 EB5IA and EB5IC. The managing member of LVDF is EB5IC. The managing member of
3 EB5IC is Defendant Dziubla.

4 154. Upon information and belief, Defendant Dziubla has management responsibilities
5 regarding LVDF, EB5IA, and EB5IC.

6 155. Upon information and belief, Defendant Dziubla, while doing business as LVDF,
7 EB5IA, and EB5IC commingled the assets of LVDF, EB5IA, and EB5IC.

8 156. In fact, interest payments and marketing fees paid by Plaintiff were accepted by
9 Defendant LVDF even though the marketing payments were supposed to go to EB5IA, resulting
10 in the commingling of funds. Further, as set forth above, Defendants have misappropriated
11 Plaintiff's funds to their own use.

12 157. As a result, there is no adherence to corporate formalities and/or separateness
13 between LVDF, EB5IA, and EB5IC.

14 158. LVDF, EB5IA, and EB5IC, individually, are influenced and governed by
15 Defendant Dziubla, and are so intertwined with one another as to be factually and legally
16 indistinguishable. As such, the adherence to a corporate fiction of separate entities would, under
17 the circumstances, sanction fraud and promote injustice.

18 159. As a result of LVDF, EB5IA, and EB5IC being the alter ego of Defendant
19 Dziubla, Dziubla is personally liable for the liabilities of LVDF, EB5IA, and EB5IC, regarding
20 the above set forth allegations.

21 160. As a result of Defendants actions, Plaintiff has been required to retain the services
22 of an attorney in order to pursue this claim against said Defendants, and each of them, and is
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1 therefore entitled to be compensated for any and all costs incurred in the prosecution of this
2 action, including without limitation, any and all reasonable costs and attorney's fees.

3 **PRAYER FOR JUDGMENT**

4 WHEREFORE, Plaintiff prays for Judgment as follows:

5 (a) For Judgment in favor of Plaintiff and against Defendants, and each of them, in
6 the amount excess of Fifteen Thousand Dollars (\$15,000.00), subject to proof at trial;

7 (b) For appointment of a receiver over the Entity Defendants;

8 (c) For an accounting from all Defendants of any and all money paid from Plaintiff to
9 any Defendant;

10 (d) For imposition of a constructive trust over the money and/or property provided by
11 Plaintiff to Defendants for alleged marketing purposes and/or for the creation and/or operation of
12 any Entity Defendant, because the retention of that money or property by Defendants against
13 Plaintiff's interest would be inequitable, and a constructive trust is essential to the effectuation of
14 justice.

15 (e) For injunctive relief pursuant to NRS 33.010 or as otherwise permitted by law or
16 equity to enjoin Defendants from engaging in the conduct described herein, to be proven by
17 motion and/or at a hearing for such purposes, or at trial;

18 (f) For declaratory relief, including, but not limited to, that Plaintiff Front Sight has
19 performed its obligations under the terms of the contract, that Defendants have breached the
20 contracts as set forth above, including serving bogus Notices of Default, that Plaintiff is not in
21 default, and that Defendants cannot proceed with seeking legal remedies under the Construction
22 Loan Agreement ;

23 (g) For punitive damages pursuant to NRS 42.005;

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- 1 (h) For disgorgement of the funds misappropriated by Defendants;
2 (i) For attorneys' fees and cost of suit incurred herein; and
3 (j) For such other relief as the Court may deem just and proper;

4 DATED this 4th day of January, 2019.

5 **ALDRICH LAW FIRM, LTD.**

6 /s/ John P. Aldrich
7 John P. Aldrich, Esq.
8 Nevada Bar No. 6877
9 Catherine Hernandez, Esq.
10 Nevada Bar No. 8410
11 7866 West Sahara Avenue
12 Las Vegas, NV 89117
13 Tel (702) 853-5490
14 Fax (702) 226-1975
15 *Attorneys for Plaintiff*
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 4th day of January, 2019, I caused the foregoing **SECOND AMENDED COMPLAINT** to be electronically filed and served with the Clerk of the Court using Wiznet which will send notification of such filing to the email addresses denoted on the Electronic Mail Notice List, or by U.S. mail, postage prepaid, if not included on the Electronic Mail Notice List, to the following parties:

Anthony T. Case, Esq.
Kathryn Holbert, Esq.
FARMER CASE & FEDOR
2190 E. Pebble Rd., Suite #205
Las Vegas, NV 89123

C. Keith Greer, Esq.
17150 Via del Campo, Suite 100
San Diego, CA 92127

Attorneys for Defendants

/s/ T. Bixenmann
An employee of ALDRICH LAW FIRM, LTD.

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EXHIBIT 1

EXHIBIT 1

Traci Bixenmann

From: Robert Dziubla <rdziubla@eb5impactcapital.com>
Sent: Saturday, May 12, 2018 8:07 PM
To: Mike Meacher
Cc: linda.stanwood@eb5impactcapital.com
Subject: Chinese investors next Saturday

Hi Mike,

Happy Saturday evening, and I hope you're enjoying the weekend.

We have two Chinese investors who would like to visit Front Sight next week Saturday. I don't know the exact time nor their names yet, but will advise when able. Please let me know if that works for you – the usual superb FS tour by your kind and articulate self along with, perhaps, a round of shooting machine guns (I'll confirm), would be great.

In the meantime, I am pleased to say that Linda Stanwood (included on this email) has joined our company as Senior Vice President. I have copied her on this email. Linda has been working informally with us for several years and is quite familiar with the EBS business. She has been working with us on a formal and full time basis since January 1, after Jon's decision to go pursue other business opportunities.

Thanks,

Bob

EXHIBIT 2

EXHIBIT 2

Traci Bixenmann

From: Robert Dziubla <rdziubla@kenworthcapital.com>
Sent: Monday, August 27, 2012 2:28 PM
To: 'Mike Meacher'
Subject: RE: Front Sight

Mike

I hope you're doing well and surviving the summer heat of the Pahrump desert. I left you a voicemail over the weekend but wasn't sure if you picked it up.

When we first looked at the Front Sight financing request, in light of the various factors (including the most critical for most investors / lenders, which is the fact that Front Sight involves a lot of high danger activity, i.e. shooting) we concluded that it would be very difficult to arrange any type of standard commercial financing (which comported with the ultimate result from both of your main banks) and therefore proposed a private equity type of investment, which Mr. Piazza rejected.

For quite some time now, I have been working on developing an investment platform that takes advantage of my long experience in China and working with Chinese and other Asian investors for, as you know, the Chinese have large surplus capital stemming from their large trade balance with the US. Those efforts have come to fruition, and I think that we may well be able to put together a financing package for some, or perhaps all, of the \$150m you were seeking to raise. The salient terms of the financing would likely be as follows: a 5 year term loan bearing a 6% interest rate, with a two year extension possible, and origination fees of 2 – 3% payable out of each drawdown under the loan. Depending on several factors, we might even be able to arrange for the first two years of interest to accrue. Also, the loan would be non-recourse, which would, we expect, be of tremendous importance and value to Mr. Piazza.

Please give me a ring if you've any interest.

Best regards,

From: Mike Meacher [mailto:meacher@frontsight.com]
Sent: Tuesday, April 24, 2012 10:33 AM
To: 'Robert Dziubla'
Subject: Front Sight

Bob,

Thanks to you and Jon for your review of Front Sight and your observations below.

I have forwarded this information to Ignatius Piazza, the owner of Front Sight, and he is currently not interested in moving forward with this type of capital raising structure.

If that situation changes, I will advise you and we can attempt to structure a deal.

Best Regards,

Mike
meacher@frontsight.com

800-403-0422

From: Robert Dziubla [<mailto:rdziubla@kenworthcapital.com>]
Sent: Saturday, April 07, 2012 5:50 PM
To: Mike Meacher
Cc: Jon Fleming
Subject: Front Sight - engagement proposal

Mike

Thanks again for lunch and for your time on Thursday showing Jon and me around the site and sharing the vision for Front Sight's expansion.

Based on the discussions, we have the following observations and suggestions:

1. We agree with you that there are multiple revenue streams that Front Sight is not yet exploiting – the 180,000 room nights and resultant \$18m of revenue is the most obvious, not to mention that Front Sight has only begun to scratch the surface of the available market of gun enthusiasts in the US – and we believe that a well-crafted expansion could turn Front Sight into a business with an impressive national and international footprint and a market value of \$1+ billion or perhaps even multiples of that.
2. We believe that the expansion project that Front Sight contemplates can be financed in the capital markets, though not necessarily in the commercial debt markets, as we discussed over lunch. We think it unlikely that a commercial bank will extend a conventional mortgage or commercial loan for your project the way it is currently envisioned and structured. The refusal of both Wells Fargo and BofA, despite Front Sight's valued-customer status, is testimony to that.
3. Nonetheless, we believe that with a professional and thorough presentation and underwriting, a well-honed and focused message, and the kind of creative and experienced approach that we bring to financing raises, we have a very good chance of raising the desired amounts. Doing so will require us to work closely together to craft a development and expansion plan that is based in hard reality and can be measured with proven performance at stages as the plan is implemented. As discussed, it will likely take us 60 – 90 days to craft the presentation (regardless of whether it's called an offering memorandum, investment summary, or something similar) and the fund raising will commence immediately thereafter, with that effort for the Phase 1 raise perhaps taking up to 6 – 12 months depending on market conditions and receptivity though it could also be as little as 3 months or less.
4. Our perception is that Front Sight is looking at three business models that need financing:
 - a. The firearms training component.
 - b. Real estate development to support the training.
 - c. Franchise development.

Our experience is that each of these will appeal to different types of investors and each will need to be well considered, structured, integrated, and presented. We have the expertise to help you do that.

5. We understand that Dr. Piazza wishes to maintain control of his business and does not want to have investors who can tell him "how he needs to paint the buildings." His status as a very successful entrepreneur who has succeeded despite numerous naysayers and obstacles certainly warrants that sentiment. We have the experience and expertise to structure the financing so that Dr. Piazza will be able to maintain control of his business.
6. Front Sight will need to understand that private equity investors typically require a return of their investment within 5 – 7 years, if not sooner, with a 20%-plus IRR. The deals that we have been doing the past 6 months are typically penciling out at 30 – 40% IRRs with a 5-year payback. The structuring of the deal will need to incorporate an exit strategy (refinancing, public market exit, strategic partner buy-in, other liquidity event) that provides the above.

7. We have great depth of experience and expertise in the real estate and real estate financing market, and I personally have been involved in over \$10 billion of hospitality and leisure transactions during my 35-year career as an investor, owner, operator, investment banker, and lawyer. We have been underwriting over a dozen hospitality transactions during the past 8 months, with two of them located in the desert just like Front Sight, so we have a keen appreciation and understanding of the peculiarities of that market and how to structure the transaction appropriately.

We would enjoy the chance to work with Front Sight on this development and have attached a proposed engagement letter that, as previously discussed, is on a success fee basis so that we don't get paid unless we raise the financing. We are confident enough of our ability to raise the money that we are willing to invest our time, energy, credibility and resources without compensation, but in turn expect to be appropriately paid when we do succeed.

Please let us know if you have any questions or comments.

Best regards,

Bob

Robert W. Dziubla
President & CEO
Kenworth Capital, Inc.
rdziubla@kenworthcapital.com
Phone: 858.699.4367
Fax: 858.332.1795
PO Box 3003
916 Southwood Blvd., Suite 1G
Incline Village, Nevada 89450

EXHIBIT 3

EXHIBIT 3

KENWORTH

KENWORTH CAPITAL, INC.
916 SOUTHWOOD BOULEVARD, SUITE 1G
P.O. BOX 3003
INCLINE VILLAGE, NEVADA 89450

Telephone: (858) 699-4367
Facsimile: (858) 332-1795

September 13, 2012

By Email

Mr. Michael Meacher
Chief Operating Officer
Front Sight Enterprises, LLC
7975 Cameron Drive, Suite 900
Windsor, California 95492

Re: EB-5 Funding for Front Sight Infrastructure / Resort Development

Dear Mike:

We enjoyed meeting with you and Dennis on Tuesday and look forward to working with you. This letter will summarize our discussion.

Background / Project Scope

We understand from our most recent discussions and the Executive Summary that you sent us in March that Front Sight is seeking to raise approximately \$165m in three tranches for expansion and development. The first tranche will be about \$65mn and will be applied to permitting, engineering and construction of infrastructure throughout the Pahrump site necessary for the over-all multi-year development plus about 100 RV pads, clubhouse, swimming pool(s), restaurant facilities, and 100 timeshare condo units. Your plan is to sell the timeshare units to Front Sight's 70,000 members in one-week units at approximately \$25,000 each, thus generating an estimated \$125m in revenue. It is unclear to us whether you intend to sell or to rent the RV pads, but at this point it is not a critical element for our analysis since the timeshare sales alone will be more than adequate to have comfort the EB-5 loan of \$65m will be repaid.

The follow-on \$100m to be raised in Phases 2 and 3 of the development will be applied to building additional hospitality and recreational facilities at Pahrump plus acquisition and development of additional Front Sight training facilities in other parts of the country.

EB-5 Financing for Front Sight

In a nutshell, the EB-5 legislation requires that a foreign investor make an at-risk investment of at least \$500k that generates 10 full-time jobs for two years in order to receive a Green Card. In just Q1 of 2012, \$1.2 billion of EB-5 financing poured into the United States, and 70% of that amount came from China, i.e. \$840m. On an annualized basis, therefore, we can expect about \$3.36 billion of EB-5 money to be invested into the US from Chinese investors.

We believe that Front Sight's development plan is well-suited for EB-5 financing for the following reasons:

1. Targeted Employment Area. The entire State of Nevada has been designated as a Targeted Employment Area (TEA), which means that all EB-5 investment into Nevada qualifies for the minimum \$500,000 investment level. As we discussed, virtually all EB-5 financing is now done at the \$500k level. Front Sight's facility in Pahrump, Nevada, naturally falls within the TEA and, therefore, qualifies for the \$500k

Mr. Mike Meacher
 September 13, 2012
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investment level.

2. Job Creation / Approved Regional Center. Each \$500k investment must support 10 full-time jobs for a period of two years. If Front Sight were to attempt a traditional direct EB-5 investment model, then the \$65m raise would require 130 investors and the resultant generation of 1,300 direct jobs (\$65m / \$500k = 130 investors; 130 investors x 10 jobs each = 1,300 jobs). The deployment of the \$65m raise, however, will not generate anywhere close to 1,300 direct jobs for two years. Therefore, the only feasible approach is to do the \$65m raise through a USCIS-approved “Regional Center” that, according to applicable laws and regulations, can then count all of the direct, indirect and induced jobs generated by the \$65m investment. Our Chief Economist, Professor Sean Flynn of Scripps College and the co-author of the #1 economics textbook in the world, will provide a USCIS-compliant economic impact statement confirming that the \$65m will generate the requisite number of 1,300 direct, indirect and induced jobs. Our partners, Emyrean West (Dave Keller and Jay Carter), are the owners and managers of a USCIS-approved regional center, Liberty West Regional Center, through which we will invest the \$65m of EB-5 funding.
3. Chinese / Asian EB-5 Funding. As noted above, 70% of all EB-5 investment is coming from China. We expect that trend to continue, and perhaps even accelerate, given China’s continuing economic growth and its political instability, which is impelling ever more wealthy Chinese to seek an alternative domicile for themselves, their family and their assets.

I personally have been conversant with and involved in EB-5 financing since the program was first established in 1990, as one of my oldest friends and a fellow partner of mine at Baker & McKenzie, the world’s largest law firm, ran the Firm’s global immigration practice out of the Hong Kong office. During my career, I have spent much of my life living and working in China / Asia and have worked with many Chinese clients and institutions investing abroad. This experience has provided me with an expansive network of relationships throughout China for sourcing EB-5 investors; and this personal network is coupled with our collective relationships with the leading visa advisory firms operating in China.

In addition to the Chinese EB-5 funding, Emyrean West has been authorized by the Vietnamese government to act as the exclusive EB-5 firm in Vietnam and has been exempted from the \$5,000 limit on international money transfers.

On a separate note, we also think the Front Sight project will be especially attractive to Chinese / Asian investors because it has “sizzle” since firearms are forbidden to our Chinese investors. Thus any who do invest will be able to tell all of their friends and family that they have invested into Front Sight and been granted a preferred membership that gives them the right to receive Front Sight training in handguns, shotguns, rifles, and machine guns anytime they want.

4. Compatible Timing. EB-5 funding initiatives typically take 5 – 8 months before first funds are placed into escrow with the balance of the funds being deposited during the next 6 – 8 months. This sort of extended timing seems to be compatible with Front Sight’s development timeline given our discussions.
5. Front Sight Credibility. Front Sight is the premier firearms training institution in the United States with a long and profitable history of more than fifteen years. This excellent record coupled with an experienced and powerful management team provides both us and our EB-5 investors with the confidence that the project will be developed as planned so that the requisite jobs are created (thus ensuring that the investors will not be forced by USCIS to return home after two years) and so that the investment can be repaid.

Mr. Mike Meacher
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6. EB-5 Financing Is Available, Inexpensive and Non-Recourse. As you have already experienced, traditional commercial mortgage financing cannot be obtained from your main banks because of the tumultuous current market conditions and the nature of Front Sight's business, i.e. firearms training, which the banks perceive as high risk and non-bankable. Alternatively, private equity financing would require a minimum IRR of 15 – 20% plus substantial equity ownership of up to perhaps 50% or more, with an exit no later than 5 years plus a realistic exit strategy – all of which is unacceptable to Dr. Piazza.

By comparison, EB-5 financing is robust, growing and available for well positioned projects with credible sponsors. EB-5 financing is also inexpensive, long-term money with a prevailing interest rate of 6% and a term of five years with a 2-year extension possible.

Perhaps most importantly, because Front Sight has been in business for over 15 years and is generating substantial positive cash flow, we will be able to structure the \$65m of EB-5 financing as non-recourse debt secured only by a mortgage on the property. Thus, no personal guaranties or other collateral will be required from Dr. Piazza or Front Sight. This non-recourse element of the EB-5 financing is truly extraordinary.

7. Structure Chart. Please see the attached structure chart showing how we envision this transaction.

Cost

As we discussed over lunch, our direct out-of-pocket cost to do an EB-5 raise is typically \$300k (paid upfront), as we need to engage a number of providers immediately as well as conduct an international roadshow. Our expenses include the following:

- ✓ Economist
- ✓ SEC Attorney
- ✓ EB-5 / Immigration Attorney
- ✓ Business Plan (USCIS Format)
- ✓ Exemplar I-526 USCIS Fee
- ✓ Website
- ✓ International Marketing
- ✓ Marketing/Brochures
- ✓ Software
- ✓ Staffing
- ✓ Translations
- ✓ Travel
- ✓ Overhead
- ✓ Escrow Fee (JP Morgan Chase – Hong Kong)

One of your questions to us was: “How do we know this money won't go down a black hole?” The simple answer is that this money simply covers our direct expenses; there is no profit component, and we don't make any money until we have successfully raised the \$65m, at which point we will have earned an appropriate origination fee. We most assuredly are not going to invest our time and energy – and risk our reputations and credibility – on any project unless we strongly believe that it will succeed.

With regard to the success-based origination fee, we note that your own Executive Summary anticipates that this fee (i.e., points and fees) will be 6%. That is commensurate with the other EB-5 raises we are doing, and we

Mr. Mike Meacher
September 13, 2012
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KENWORTH

typically agree that the 6% may be paid pro rata out of each drawdown.

Commitment to Front Sight EB-5 Raise

One of the other questions you asked was: “How do we know that you guys will not dilute your energies by taking on too many projects and thereby dilute Front Sight’s results?” There are three answers to that. First, because we don’t make any money until the project is successfully funded, we have every reason in the world to make sure that we have the focus, energy and capacity to handle Front Sight’s raise of \$65m. Second, we have the luxury in this intensely capital-deprived marketplace of picking and choosing the EB-5 projects we want to accept, and we accept only those projects that we think will be readily funded since we don’t get paid otherwise. Finally, and perhaps most importantly, all of us are strong believers in the Second Amendment right to bear arms and the concomitant need for all of us who bear arms to be well trained. Front Sight is doing a superlative job in preserving our Constitutional rights and training our citizens, and we very much want you to be even more successful.

Please let us know if you have any questions. If not, please advise next steps.

Best regards,



Robert W. Dziubla
President & Chief Executive Officer

Attachment – structure chart

cc: Mr. Dennis Bradley – Front Sight
Mr. Jon Fleming
Mr. David Keller
Mr. Jay Carter
Professor Sean Flynn

Mr. Mike Meacher
September 13, 2012
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KENWORTH

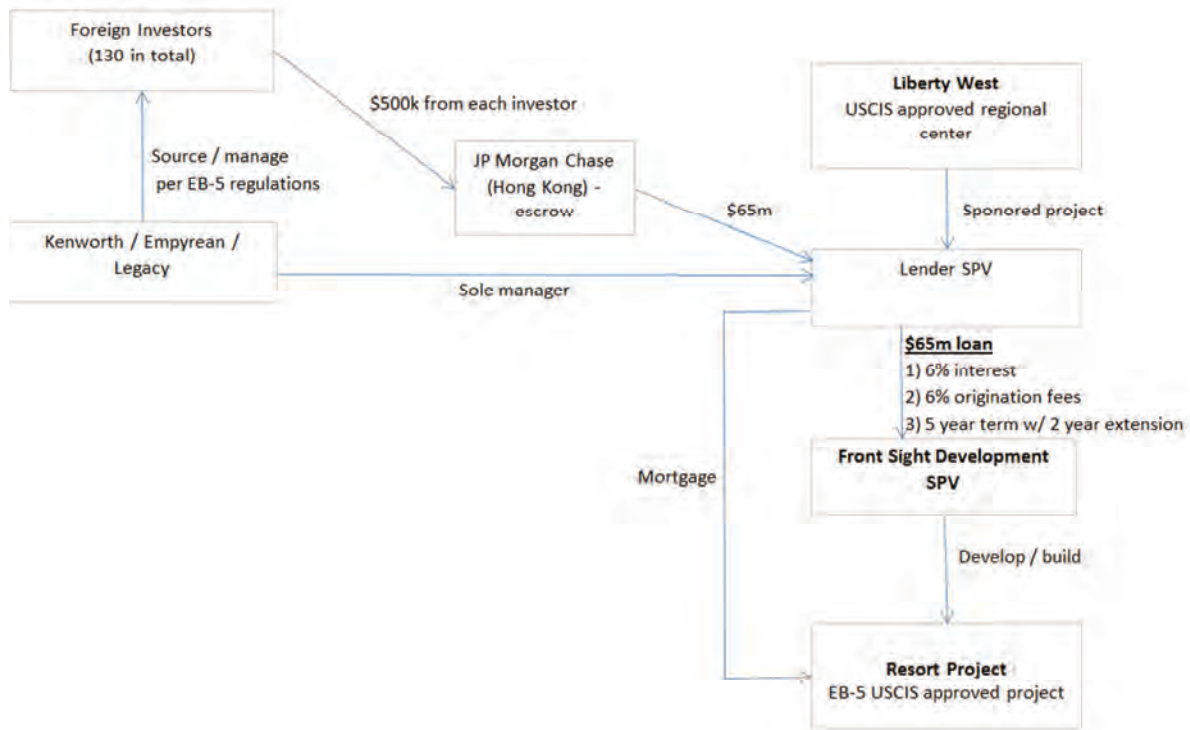


EXHIBIT 4

EXHIBIT 4

Traci Bixenmann

From: Robert Dziubla <rdziubla@kenworthcapital.com>
Sent: Thursday, December 27, 2012 8:49 AM
To: Mike Meacher
Cc: Jon Fleming; FLYNN, SEAN
Subject: Timeline

Mike

We trust that you, Naish and your families had a great Christmas, and please accept our best wishes for a healthy and productive New Year. Per our meeting last Thursday in Oakland, we are working on an indicative timeline for the creation of a new regional center for the Front Sight project and the raise of up to \$75m (interest reserve included) of EB-5 immigrant investor financing. We hope to have this to you and Naish in the next few days.

Best regards,

Bob

Robert W. Dziubla
President & CEO
Kenworth Capital, Inc.
rdziubla@kenworthcapital.com
Phone: 858.699.4367
Fax: 858.332.1795
PO Box 3003
916 Southwood Blvd., Suite 1G
Incline Village, Nevada 89450

EXHIBIT 5

EXHIBIT 5

Traci Bixenmann

From: Robert Dziubla <rdziubla@kenworthcapital.com>
Sent: Friday, February 8, 2013 3:03 PM
To: Mike Meacher
Cc: Jon Fleming; FLYNN, SEAN
Subject: EB5 financing of \$75m
Attachments: Engagement letter 8_Feb_2013.pdf

Mike

Per our discussion last Friday, please find attached a proposal for our moving forward on the \$75m raise of EB5 debt financing. If you have questions or comments, feel free to give me a ring.

We look forward to working with you on this!

Best regards,

Bob

EB5 Impact Advisors LLC

EB5 IMPACT ADVISORS LLC
916 SOUTHWOOD BOULEVARD, SUITE 1G
P.O. BOX 3003
INCLINE VILLAGE, NEVADA 89450

Telephone: (858) 699-4367
Facsimile: (858) 699-4367

February 8, 2013

By Email

Mr. Mike Meacher
Chief Operating Officer
Front Sight Management Inc.
7975 Cameron Drive, #900
Windsor, CA 95492

Re: EB-5 debt financing of \$75m for Front Sight

Dear Mike:

This letter agreement will confirm the discussions that we have had with you and Ignatius Piazza, the owner of Front Sight, over the past few months about our raising \$75 million of debt financing for Front Sight to expand its operations through the EB-5 immigrant investor program supervised by the US Customs & Immigration Service (USCIS) (the "Financing"). The expansion includes building 100 timeshare units; 200 RV pads and supporting facilities such as a clubhouse and swimming pool; a combined conference, retail and restaurant center; and related infrastructure as part of the over-all expansion of Front Sight's current training facility located in Pahrump, Nevada (the "Project").

A summary of indicative terms for the Financing is attached as Schedule A. The projected budget and timeline for this transaction are attached as Schedule B; the parties acknowledge and agree that the budget and timelines are the best current estimates for both and that they may change in response to actions by USCIS and market conditions..

The Company hereby engages EB5 Impact Advisors LLC ("EB5IA"), as the Company's exclusive Financial Advisor with respect to the Financing, and EB5IA accepts such engagement.

Scope of Assignment; Services

As Financial Advisor to the Company, EB5IA will perform the following services (the "Services"):

- (a) EB5IA will promptly engage Baker & McKenzie as its legal counsel to establish the "EB5 Impact Capital Regional Center" ("RC") approved by USCIS to cover at a minimum Nye County, Nevada, and to have approved job codes that will encompass the Project. EB5IA shall also engage a business plan writer and an economist (Professor Sean Flynn) to prepare the business plan and economic impact analysis for both the RC and the Project as the exemplar transaction for the RC;
- (b) Advise the Company on the appropriate markets in which to obtain the contemplated Financing, especially China;
- (c) EB5IA will assist the Company in making appropriate presentations to relevant parties concerning the contemplated Financing, and will prepare an offering memorandum for the Financing (the "Memorandum"). The Company shall approve the Memorandum prior to its use and will advise

Mr. Mike Meacher
Chief Operating Officer – Front Sight
February 8, 2013
Page 2

EB5 IMPACT ADVISORS

EB5IA in writing that it has so approved the Memorandum and that the Company represents to EB5IA that the Memorandum does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; provided however, that the Company need not make any representation with respect to (i) matters specified in the Memorandum that are based on a source other than the Company or (ii) any projections as to the Company's financial results, other than that the projections were prepared in good faith and with a good faith belief in the reasonableness of the assumptions on which the projections were based;

(d) EB5IA will endeavor to obtain commitment(s) for the contemplated Financing that will accomplish the Company's objectives;

(e) If so requested, EB5IA will work with the Company, its counsel and other relevant parties in the structuring, negotiation, documentation and closing of the contemplated Financing; and

(f) EB5IA will render such additional advisory and related services as may from time to time be specifically requested by the Company, and agreed to by EB5IA. If the parties deem it advisable to do so, the scope and fees for any such additional services shall be set forth in an addendum to this Agreement (an "Addendum").

Nothing contained in this Agreement is to be construed as a commitment by EB5IA, its affiliates or its agents to lend to or invest in the contemplated Financing. This is not a guarantee that any such Financing can be procured by EB5IA for the Company on terms acceptable to the Company, or a representation or guarantee that EB5IA will be able to perform successfully the Services detailed in this Agreement.

Certain Obligations of EB5IA

EB5IA is prohibited from making any illegal payment from the fees paid under this engagement letter pursuant to applicable laws, including but not limited to the Foreign Corrupt Practices Act of the United States.

Certain Obligations of the Company

(a) The Company hereby engages EB5IA on an exclusive basis as its Financial Advisor for the Financing.

(b) The Company shall provide full cooperation to EB5IA as may be necessary for the efficient performance by EB5IA of its Services, including but not limited to the following. The Company will:

(1) Keep EB5IA fully and accurately informed as to the status and progress of all important matters related to the Project and the Financing;

(2) Respond promptly to EB5IA's suggestions for changes to the indicative terms of the Financing so as to make it more attractive to the EB-5 immigrant investors; and

(3) Make one or more senior management personnel available to participate in presentations as may be reasonably required;

(c) The Company acknowledges that EB5IA is making no independent investigation of the accuracy or completeness of the information to be included in the Memorandum with regard to the Project and that EB5IA makes no representation or warranty with respect thereto. Furthermore, the Company agrees to advise EB5IA immediately of the occurrence of any event or any other change known to the Company which results in the Memorandum containing an untrue statement of a material fact or

Mr. Mike Meacher
Chief Operating Officer – Front Sight
February 8, 2013
Page 3

EB5 IMPACT ADVISORS

omitting to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading.

Compensation

(a) Fee. The Company shall pay EB5IA a total fee of \$36,000 as per the attached budget, which fee will be offset against the first interest payments made on the Financing. Each payment due EB5IA shall be paid by wire transfer of next-day funds into such bank account(s) as are nominated by EB5IA.

(b) If the Company accepts a term sheet or letter of intent for the Financing and then refuses to complete the Financing transaction, the Company shall pay EB5IA a break-up fee equal to 2% of the Financing amount.

Right of First Refusal for Refinancing

EB5IA shall have the right of first refusal for a period of five (5) years after the completion of the Financing to provide EB-5 immigrant investor financial advisory and placement services for any projects the Company may undertake.

Expenses

The Company will pay for or reimburse EB5IA, as billed periodically, for its expenses, which are detailed to the extent possible as this time on the attached budget, regardless of whether or not the contemplated Financing is completed. If any of such expenses have not previously been reimbursed at the time this Agreement terminates, the Company shall promptly reimburse EB5IA for any such expenses incurred or accrued prior to termination.

Indemnification

In connection with EB5IA's engagement hereunder, the Company agrees to indemnify and hold harmless EB5IA, and its affiliates, the respective directors, partners, officers, agents, representatives and employees of EB5IA and its affiliates and each other person, if any, controlling EB5IA and its affiliates (each an "Indemnified Party") to the full extent lawful, from and against any losses, claims, damages or liabilities (or actions, including shareholder actions, in respect thereof) and will reimburse any Indemnified Party for all costs and expenses (including counsel fees and disbursements) as they are incurred by such Indemnified Party in connection with investigating, preparing or defending any such action or claim, whether or not in connection with pending or threatened litigation in which EB5IA or any other Indemnified Party is a party, caused by or arising out of any transaction contemplated by this Agreement or EB5IA's performing any service contemplated hereunder with regard to the Project. The Company will not, however, be liable to the extent that any claims, liabilities, losses, damages, costs or expenses of any Indemnified Party are judicially determined by a court of final jurisdiction to have resulted solely from the gross negligence or willful misconduct of such Indemnified Party. The Company also agrees that neither EB5IA nor any Indemnified Party shall have any liability to the Company for, or in connection with, such engagement except for any such liability for losses, claims, damages, liabilities, costs or expenses incurred by the Company which are judicially determined by a

Mr. Mike Meacher
Chief Operating Officer – Front Sight
February 8, 2013
Page 4

EB5 IMPACT ADVISORS

court of final jurisdiction to have resulted solely from the gross negligence or willful misconduct of any Indemnified Party. In no event shall either party be liable to the other party for any special, consequential or punitive damages arising under or related to this Agreement.

The foregoing agreements shall be in addition to any rights that EB5IA or any Indemnified Party may have at common law or otherwise.

No compromise or settlement by the Indemnifying Party of any action or proceeding related to the transactions contemplated hereby shall be effective unless it also contains an unconditional release of each Indemnified Party. Notwithstanding anything to the contrary herein, the indemnification obligations under this section shall survive the termination of this Agreement for a period not to exceed the statute of limitations under applicable law.

Termination

The engagement of EB5IA pursuant to this Agreement shall terminate on the earliest of (i) the financing closing date, or (ii) twenty-four (24) calendar months from the date of this Agreement. This Agreement may be extended if agreed to in writing by both parties.

General Matters

(a) This Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and supersedes and cancels any prior communications, understanding and agreements between the parties. This Agreement cannot be modified or changed, nor can any of its provisions be waived, except in writing signed by both parties.

(b) The Company acknowledges that EB5IA may carry out its Services hereunder through or in conjunction with one or more consultants or affiliates. The contracting parties, however, shall be and remain the Company and EB5IA.

(c) Any term or condition of this Agreement which is prohibited or unenforceable in any applicable jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof; and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by any applicable law, the Company hereby waives any provisions of such applicable law which render any provisions hereof prohibited or unenforceable in any respect.

Governing Law

This Agreement shall be governed by and construed in accordance with the substantive laws of Nevada, excluding choice of law provisions.

Mr. Mike Meacher
Chief Operating Officer – Front Sight
February 8, 2013
Page 5

EB5 IMPACT ADVISORS

If the foregoing is in accordance with your understanding, please confirm your acceptance by signing and returning the enclosed copy of this letter, which upon execution will constitute an agreement between us.

We look forward to working with you on the Services detailed in this Agreement.

Very truly yours,

Robert W. Dziubla
President & CEO

Cc: Mr. Jon Fleming
Professor Sean Flynn

AGREED AND ACCEPTED:

Front Sight Management, Inc.

By: _____
Ignatius A. Piazza II
President & Owner

Mr. Mike Meacher
Chief Operating Officer – Front Sight
February 8, 2013
Page 6

EB5 IMPACT ADVISORS

SCHEDULE A

**SUMMARY OF INDICATIVE TERMS FOR
EB-5 FINANCING OF FRONT SIGHT TRAINING FACILITY IN PAHRUMP
NEVADA**

Borrower: Front Sight Management Inc.

Development Budget/
Capital Stack: 1) \$75m – EB-5 debt financing
2) \$35m – Borrower’s equity investment into the Project

Loan amount: \$75m subject to acceptable economic analysis supporting requisite job creation, i.e. 1,500 direct, indirect and induced jobs

Term: 5 years with a 2-year extension

Interest rate: 6% per year

Accrual: Interest on the loan will accrue monthly and shall be payable on the first day of each month. The loan includes an interest reserve of \$10m.

Expenses: Borrower shall be responsible for payment of lender’s reasonable expenses, which are estimated to be \$277,230 as per the expense budget and timeline attached hereto.

Mr. Mike Meacher
 Chief Operating Officer – Front Sight
 February 8, 2013
 Page 7

EB5 IMPACT ADVISORS

SCHEDULE B

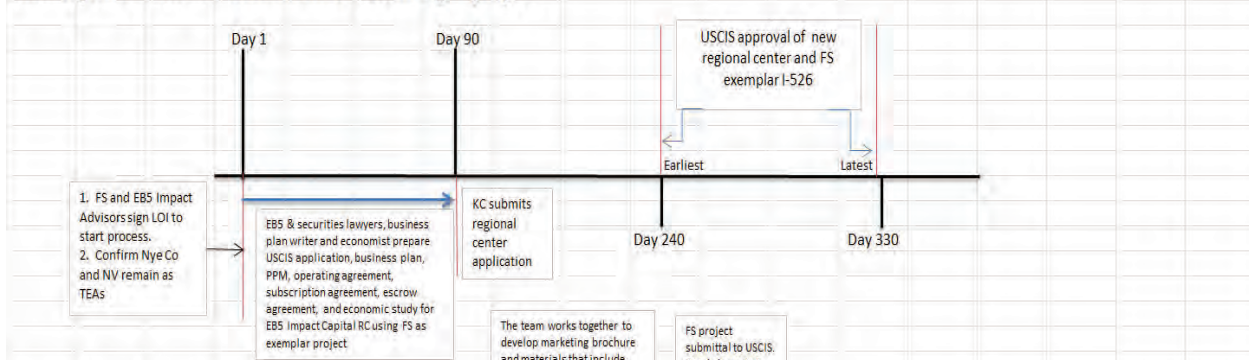
Budget and Timeline (attached)

Regional Center & Front Sight Project Cost				
Category	Budget			Payor / Est. pymt date
		EB5IC	Front Sight	
Economist	\$ 20,000		\$ 20,000	FS - 50% on Day 1 and balance on Day 45
SEC Attorney	\$ 45,000	\$ 22,500	\$ 22,500	Split 50 / 50; 50% due on Day 1 and balance over 90 days per milestones
EB-5 Attorney	\$ 25,000	\$ 12,500	\$ 12,500	Ditto
Business Plan (USCIS Format)	\$ 15,000	\$ 7,500	\$ 7,500	Split 50 / 50; 50% on Day 45 & balance at Day 90
Market Study (independent - HVS)	\$ 20,000		\$ 20,000	50% on Day 1, and 50% on Day 45. USCIS is now requiring that the business plan be supported by a 3rd party valuation
Exemplar I-526	(Included in line 10)			
USCIS Fee	\$ 6,230	\$ 6,230		EB5IC - due on Day 90 for RC application
USCIS Fee	\$ 6,230		\$ 6,230	FS - due on Day 241 for Front Sight project application
Website	(included in line 16)			
International Marketing in China	\$ 96,000		\$ 96,000	FS - approximately Day 150 to Day 361
Marketing/Brochures	(included in line 16)			
Staffing	\$ 2,000	\$ 2,000		EB5IC - ongoing
Translations	\$ 8,000		\$ 8,000	FS - Day 241 and later
Travel	\$ 15,000		\$ 15,000	FS - Day 241 and later
EB5 Impact Advisors Fee	\$ 36,000		\$ 36,000	50% on RC submittal; 50% on FS project submittal; offset against success payment
Escrow Fee	\$ 3,500		\$ 3,500	FS - Day 241 and later
Real estate mortgage loan docs	\$ 30,000		\$ 30,000	Given how far out this will be, the \$30k is a best guess at this point
Total Expenses	\$ 327,960	\$ 50,730	\$ 277,230	
Month 1			\$ 37,500	1/2 econ fee, 1/2 SEC atty split, 1/2 EB5 atty split, 1/2 market study
Month 2			\$ 32,500	1/2 econ fee, 1/4 SEC atty split, 1/4 EB5 atty split, 1/2 market study, 1/2 biz plan
Month 3			\$ 12,500	1/4 SEC atty, 1/4 EB5 atty, 1/2 biz plan
Month 4			\$ 18,000	1/2 EB5IC fee
Month 5			\$ -	
Month 6			\$ 32,000	1/4 intl marketing fee (line 17), and translations
Month 7			\$ -	
Month 8			\$ 48,230	USCIS fee, 1/4 intl marketing fee, 1/2 EB5IC fee
Month 9			\$ 65,000	Escrow fee, 1/2 travel costs, 100% mortgage loan docs, 1/4 intl marketing costs
Month 10			\$ 31,500	1/4 intl marketing fee, 1/2 travel costs
TOTAL			\$ 277,230	

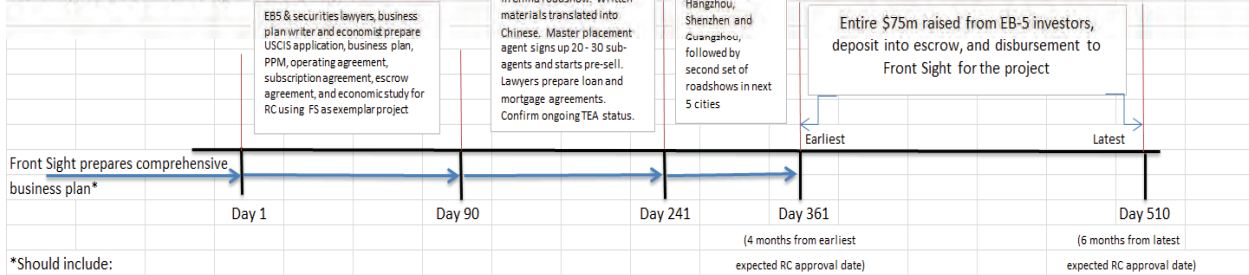
Mr. Mike Meacher
 Chief Operating Officer – Front Sight
 February 8, 2013
 Page 8

EB5 IMPACT ADVISORS

New regional center establishment for Front Sight project



Raising of \$75m through EB-5 program



*Should include:

1. A description of the FS business, its products, services and objectives
2. A market analysis, including names of competitors and relative strengths and weaknesses.
3. A comparison with competitors' products and pricing structures
4. A list of the required permits and licenses obtained
5. A list of any contracts signed for the proposed development
6. A discussion of the marketing strategy of FS, including pricing, advertising & servicing
7. A discussion of FS's organizational structure and its personnel's experience
8. An explanation of FS's staffing requirements and a timetable for hiring, as well as job descriptions for all positions
9. Pro forma projections for sales, costs, and income projections
10. Letters of support from city, county and state officials / agencies

EXHIBIT 6

EXHIBIT 6

EB5 Impact Advisors LLC

EB5 IMPACT ADVISORS LLC
916 SOUTHWOOD BOULEVARD, SUITE 1G
P.O. BOX 3003
INCLINE VILLAGE, NEVADA 89450

Telephone: (858) 699-4367
Facsimile: (858) 699-4367

February 14, 2013

By Email

Mr. Mike Meacher
Chief Operating Officer
Front Sight Management Inc.
7975 Cameron Drive, #900
Windsor, CA 95492

Re: EB-5 debt financing of \$75m for Front Sight

Dear Mike:

This letter agreement will confirm the discussions that we have had with you and Ignatius Piazza, the owner of Front Sight, over the past few months about our raising \$75 million of debt financing for Front Sight to expand its operations through the EB-5 immigrant investor program supervised by the US Customs & Immigration Service (USCIS) (the "Financing"). The expansion includes building 100 timeshare units; 200 RV pads and supporting facilities such as a clubhouse and swimming pool; a combined conference, retail and restaurant center; and related infrastructure as part of the over-all expansion of Front Sight's current training facility located in Pahrump, Nevada (the "Project").

A summary of indicative terms for the Financing is attached as Schedule A. The projected budget and timeline for this transaction are attached as Schedule B; the parties acknowledge and agree that the budget and timelines are the best current estimates for both and that they may change in response to actions by USCIS and market conditions..

The Company hereby engages EB5 Impact Advisors LLC ("EB5IA"), as the Company's exclusive Financial Advisor with respect to the Financing, and EB5IA accepts such engagement.

Scope of Assignment; Services

As Financial Advisor to the Company, EB5IA will perform the following services (the "Services"):

- (a) EB5IA will promptly engage Baker & McKenzie as its legal counsel to establish the "EB5 Impact Capital Regional Center" ("RC") approved by USCIS to cover at a minimum Nye County, Nevada, and to have approved job codes that will encompass the Project. EB5IA shall also engage a business plan writer and an economist (Professor Sean Flynn) to prepare the business plan and economic impact analysis for both the RC and the Project as the exemplar transaction for the RC;
- (b) Advise the Company on the appropriate markets in which to obtain the contemplated Financing, especially China;
- (c) EB5IA will assist the Company in making appropriate presentations to relevant parties concerning the contemplated Financing, and will prepare an offering memorandum for the Financing (the "Memorandum"). The Company shall approve the Memorandum prior to its use and will advise



Mr. Mike Meacher
Chief Operating Officer – Front Sight
February 14, 2013
Page 2

EB5 IMPACT ADVISORS

EB5IA in writing that it has so approved the Memorandum and that the Company represents to EB5IA that the Memorandum does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; provided however, that the Company need not make any representation with respect to (i) matters specified in the Memorandum that are based on a source other than the Company or (ii) any projections as to the Company's financial results, other than that the projections were prepared in good faith and with a good faith belief in the reasonableness of the assumptions on which the projections were based;

(d) EB5IA will endeavor to obtain commitment(s) for the contemplated Financing that will accomplish the Company's objectives;

(e) If so requested, EB5IA will work with the Company, its counsel and other relevant parties in the structuring, negotiation, documentation and closing of the contemplated Financing; and

(f) EB5IA will render such additional advisory and related services as may from time to time be specifically requested by the Company, and agreed to by EB5IA. If the parties deem it advisable to do so, the scope and fees for any such additional services shall be set forth in an addendum to this Agreement (an "Addendum").

Nothing contained in this Agreement is to be construed as a commitment by EB5IA, its affiliates or its agents to lend to or invest in the contemplated Financing. This is not a guarantee that any such Financing can be procured by EB5IA for the Company on terms acceptable to the Company, or a representation or guarantee that EB5IA will be able to perform successfully the Services detailed in this Agreement.

Certain Obligations of EB5IA

EB5IA is prohibited from making any illegal payment from the fees paid under this engagement letter pursuant to applicable laws, including but not limited to the Foreign Corrupt Practices Act of the United States.

Certain Obligations of the Company

(a) The Company hereby engages EB5IA on an exclusive basis as its Financial Advisor for the Financing.

(b) The Company shall provide full cooperation to EB5IA as may be necessary for the efficient performance by EB5IA of its Services, including but not limited to the following. The Company will:

- (1) Keep EB5IA fully and accurately informed as to the status and progress of all important matters related to the Project and the Financing;
- (2) Respond promptly to EB5IA's suggestions for changes to the indicative terms of the Financing so as to make it more attractive to the EB-5 immigrant investors; and
- (3) Make one or more senior management personnel available to participate in presentations as may be reasonably required;

(c) The Company acknowledges that EB5IA is making no independent investigation of the accuracy or completeness of the information to be included in the Memorandum with regard to the Project and that EB5IA makes no representation or warranty with respect thereto. Furthermore, the Company agrees to advise EB5IA immediately of the occurrence of any event or any other change known to the Company which results in the Memorandum containing an untrue statement of a material fact or

Mr. Mike Meacher
Chief Operating Officer – Front Sight
February 14, 2013
Page 3

EB5 IMPACT ADVISORS

omitting to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading.

Compensation

(a) Fee. The Company shall pay EB5IA a total fee of \$36,000 as per the attached budget, which fee will be offset against the first interest payments made on the Financing. Each payment due EB5IA shall be paid promptly by check or by wire transfer of next-day funds into such bank account(s) as are nominated by EB5IA.

(b) If the Company accepts a term sheet or letter of intent for the Financing substantially on the terms of Schedule A and then refuses to complete the Financing transaction, the Company shall pay EB5IA a break-up fee equal to 2% of the Financing amount.

Right of First Refusal for Refinancing

EB5IA shall have the right of first refusal for a period of five (5) years after the completion of the Financing to provide EB-5 immigrant investor financial advisory and placement services for any projects the Company may undertake.

Expenses

The Company will pay for or reimburse EB5IA, as billed periodically, for its expenses, which are detailed to the extent possible as this time on the attached budget, regardless of whether or not the contemplated Financing is completed. If any of such expenses have not previously been reimbursed at the time this Agreement terminates, the Company shall promptly reimburse EB5IA for any such expenses incurred or accrued prior to termination.

Indemnification

In connection with EB5IA's engagement hereunder, the Company and EB5IA mutually agree to indemnify and hold harmless the other party, and its affiliates, the respective directors, partners, officers, agents, representatives and employees of EB5IA and its affiliates and each other person, if any, controlling EB5IA and its affiliates (each an "Indemnified Party") to the full extent lawful, from and against any losses, claims, damages or liabilities (or actions, including shareholder actions, in respect thereof) and will reimburse any Indemnified Party for all costs and expenses (including counsel fees and disbursements) as they are incurred by such Indemnified Party in connection with investigating, preparing or defending any such action or claim, whether or not in connection with pending or threatened litigation in which either party or any other Indemnified Party is a party, caused by or arising out of any transaction contemplated by this Agreement or EB5IA's performing any service contemplated hereunder with regard to the Project. The indemnifying party will not, however, be liable to the extent that any claims, liabilities, losses, damages, costs or expenses of any Indemnified Party are judicially determined by a court of final jurisdiction to have resulted solely from the gross negligence or willful misconduct of such Indemnified Party. In no event shall either party be liable to the other party for any special, consequential or punitive damages arising under or related to this Agreement.

Mr. Mike Meacher
Chief Operating Officer – Front Sight
February 14, 2013
Page 4

EB5 IMPACT ADVISORS

The foregoing agreements shall be in addition to any rights that either party or any Indemnified Party may have at common law or otherwise.

No compromise or settlement by the indemnifying party of any action or proceeding related to the transactions contemplated hereby shall be effective unless it also contains an unconditional release of each Indemnified Party. Notwithstanding anything to the contrary herein, the indemnification obligations under this section shall survive the termination of this Agreement for a period not to exceed the statute of limitations under applicable law.

Termination

The engagement of EB5IA pursuant to this Agreement shall terminate on the earliest of (i) the Financing closing date, or (ii) twenty-four (24) calendar months from the date of this Agreement. This Agreement may be extended if agreed to in writing by both parties.

General Matters

(a) This Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and supersedes and cancels any prior communications, understanding and agreements between the parties. This Agreement cannot be modified or changed, nor can any of its provisions be waived, except in writing signed by both parties.

(b) The Company acknowledges that EB5IA may carry out its Services hereunder through or in conjunction with one or more consultants or affiliates. The contracting parties, however, shall be and remain the Company and EB5IA.

(c) Any term or condition of this Agreement which is prohibited or unenforceable in any applicable jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof; and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by any applicable law, the Company hereby waives any provisions of such applicable law which render any provisions hereof prohibited or unenforceable in any respect.

Governing Law

This Agreement shall be governed by and construed in accordance with the substantive laws of Nevada, excluding choice of law provisions.

If the foregoing is in accordance with your understanding, please confirm your acceptance by signing and returning the enclosed copy of this letter, which upon execution will constitute an agreement between us.

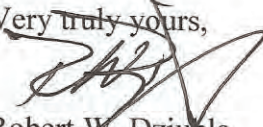


Mr. Mike Meacher
Chief Operating Officer – Front Sight
February 14, 2013
Page 5

EB5 IMPACT ADVISORS

We look forward to working with you on the Services detailed in this Agreement.

Very truly yours,


Robert W. Dziubla
President & CEO

Cc: Mr. Jon Fleming
Professor Sean Flynn

AGREED AND ACCEPTED:

Front Sight Management, Inc.

By:

Ignatius A. Piazza II
President & Owner

Mr. Mike Meacher
Chief Operating Officer – Front Sight
February 14, 2013
Page 6

EB5 IMPACT ADVISORS

SCHEDULE A

**SUMMARY OF INDICATIVE TERMS FOR
EB-5 FINANCING OF FRONT SIGHT TRAINING FACILITY IN PAHRUMP
NEVADA**

Borrower: Front Sight Management Inc.

Development Budget/
Capital Stack: 1) \$75m – EB-5 debt financing
2) \$35m – Borrower’s equity investment into the Project

Loan amount: \$75m subject to acceptable economic analysis supporting requisite job creation, i.e. 1,500 direct, indirect and induced jobs

Term: 5 years with a 2-year extension

Interest rate: 6% per year

Accrual: Interest on the loan will accrue monthly and shall be payable on the first day of each month. The loan includes an interest reserve of \$10m.

Expenses: Borrower shall be responsible for payment of lender’s reasonable expenses, which are estimated to be \$277,230 as per the expense budget and timeline attached hereto.



Mr. Mike Meacher
 Chief Operating Officer – Front Sight
 February 14, 2013
 Page 7

EB5 IMPACT ADVISORS

SCHEDULE B

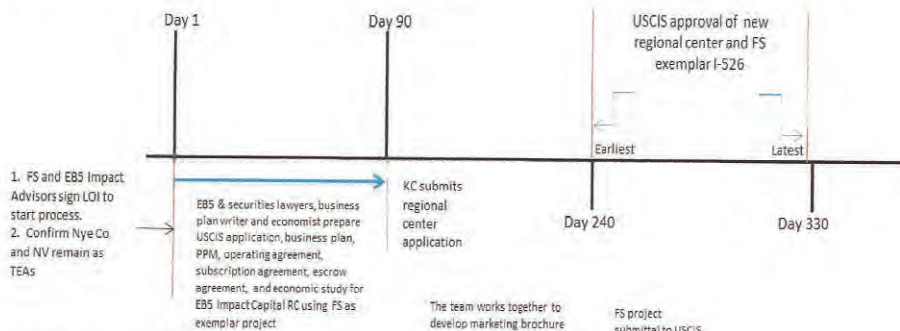
**Budget and Timeline
 (attached)**

Regional Center & Front Sight Project Cost				
Category	Budget	Payor / Est. pymt date		
		EB5IC	Front Sight	
Economist	\$ 20,000		\$ 20,000	FS - 50% on Day 1 and balance on Day 45
SEC Attorney	\$ 45,000	\$ 22,500	\$ 22,500	Split 50 / 50; 50% due on Day 1 and balance over 90 days per milestones
EB-5 Attorney	\$ 25,000	\$ 12,500	\$ 12,500	Ditto
Business Plan (USCIS Format)	\$ 15,000	\$ 7,500	\$ 7,500	Split 50 / 50; 50% on Day 45 & balance at Day 90
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International Marketing in China	\$ 96,000		\$ 96,000	FS - approximately Day 150 to Day 361
Marketing/Brochures	(included in line 16)			
Staffing	\$ 2,000	\$ 2,000		EB5IC - ongoing
Translations	\$ 8,000		\$ 8,000	FS - Day 241 and later
Travel	\$ 15,000		\$ 15,000	FS - Day 241 and later
EB5 Impact Advisors Fee	\$ 36,000		\$ 36,000	50% on RC submittal; 50% on FS project submittal; offset against success payment
Escrow Fee	\$ 3,500		\$ 3,500	FS - Day 241 and later
Real estate mortgage loan docs	\$ 30,000		\$ 30,000	Given how far out this will be, the \$30k is a best guess at this point
Total Expenses	\$ 327,960	\$ 60,730	\$ 277,230	
Month 1			\$ 37,500	1/2 econ fee, 1/2 SEC atty split, 1/2 EB5 atty split, 1/2 market study
Month 2			\$ 32,500	1/2 econ fee, 1/4 SEC atty split, 1/4 EB5 atty split, 1/2 market study, 1/2 biz plan
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Month 5			\$ -	
Month 6			\$ 32,000	1/4 intl marketing fee (line 17), and translations
Month 7			\$ -	
Month 8			\$ 48,230	USCIS fee, 1/4 intl marketing fee, 1/2 EB5IC fee
Month 9			\$ 65,000	Escrow fee, 1/2 travel costs, 100% mortgage loan docs, 1/4 intl marketing costs
Month 10			\$ 31,500	1/4 intl marketing fee, 1/2 travel costs
TOTAL			\$ 277,230	

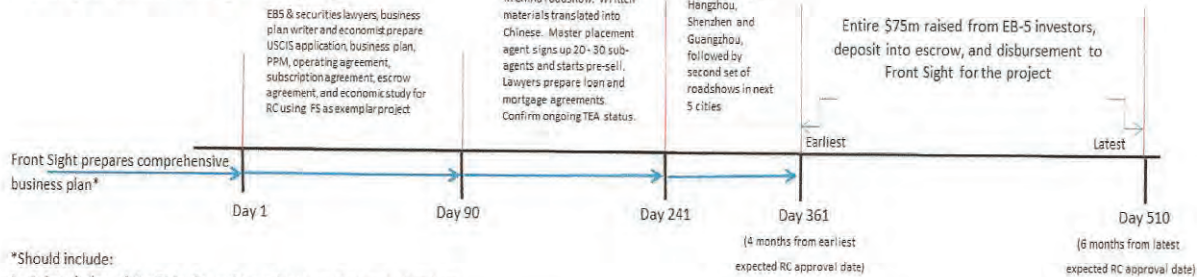
Mr. Mike Meacher
 Chief Operating Officer – Front Sight
 February 14, 2013
 Page 8

EB5 IMPACT ADVISORS

New regional center establishment for Front Sight project



Raising of \$75m through EB-5 program



*Should include:

1. A description of the FS business, its products, services and objectives
2. A market analysis, including names of competitors and relative strengths and weaknesses.
3. A comparison with competitors' products and pricing structures
4. A list of the required permits and licenses obtained
5. A list of any contracts signed for the proposed development
6. A discussion of the marketing strategy of FS, including pricing, advertising & servicing
7. A discussion of FS's organizational structure and its personnel's experience
8. An explanation of FS's staffing requirements and a timetable for hiring, as well as job descriptions for all positions
9. Pro forma projections for sales, costs, and income projections
10. Letters of support from city, county and state officials / agencies

(Handwritten signature)

EXHIBIT 7

EXHIBIT 7

Traci Bixenmann

From: Robert Dziubla <rdziubla@kenworthcapital.com>
Sent: Wednesday, April 16, 2014 2:29 PM
To: Mike Meacher
Cc: 'Jon Fleming'
Subject: USCIS filing complete!
Attachments: USCIS cover letter - EB5 Impact Capital RC _ I-924 and Front Sight exemplar cover letter(8203.pdf; Budget - status update 16April2014.xlsx

Dear Mike,

I am pleased to say that the USCIS filing for the Front Sight Exemplar project and the new sponsoring regional center, EB5 Impact Capital Regional Center LLC, was completed yesterday. The FedEx delivery confirmation is copied below. As you will see, the FedEx box weighed 9 pounds, as it included the following:

TABLE OF DOCUMENTS

1. Detailed map of the proposed geographic area of the RC (see also business plan for the RC);
2. Explanation of how at least 10 new full-time jobs will be created by each individual alien investor within the RC, either directly or indirectly -
 - a. Economic analysis (see economic analysis included with the exemplar);
 - b. Business plan for the RC;
 - c. The industry category title and NAICS code for each industrial category (see RC business plan);
 - d. Statement from the principal of the RC that explains the methodologies that the RC will use to track the infusion of each EB-5 investor's capital into the job creating enterprise and to allocate the jobs created through the EB-5 investments to each associated EB-5 investor (see business plans of RC and exemplar, economic analyses for the RC and exemplar, and Confidential Private Placement Memorandum ("PPM") for the exemplar);
3. Detailed description of the past, current and future promotional activities for the RC, including a description of the budget for this activity and evidence of funds committed to the RC for promotional activities (see business plans of the RC and exemplar);
4. General prediction that addresses the positive impact of the capital investment projects sponsored by the RC (see business plan for the RC);
5. Description and documentation of the organizational structure of the RC and proposed commercial enterprises that will be affiliated with the RC (see business plan of RC, including exhibits) and:
 - a. Operating agreement of the RC;
6. Exemplar documentation, including:
 - a. I-526;
 - b. Articles of organization;
 - c. Operating agreement;
 - d. Draft subscription agreement;

- e. Draft escrow agreement and instructions;
- f. List of proposed financial institutions that will serve as the escrow agent;
- g. Draft of PPM;
- h. Economic analysis;
- i. Business plan of the project;
- j. Market demand study and appraisal report;
- k. Pro forma statements of income for the project;
- l. Servicing agreement for Front Sight Resort and Vacation Club between Front Sight Firearms Training Institute and ResortCom Elite, LLC , dba LaTour Hotels and Resorts;
- m. Pictures and renderings of the project.

We have attached the cover letter from Dentons (Matt Schulz, our EB5 counsel) to USCIS explaining the documents being filed, and requesting expedited handling. Matt has advised us that the best way to get expedited handling, especially since we have Senator Dean Heller's support letter, is to send the USCIS file number (which we should receive in about three weeks) to Senator Heller's office and ask them to follow up with USCIS.

Also attached is an updated budget showing the amounts that have been paid and the amounts owing. As noted on the spreadsheet, I miscalculated the last payment in November so it was short by \$500. We kindly ask that Front Sight pay the outstanding balance of \$57,230 plus the \$500 shortfall, for a **total of \$57,730**.

We would appreciate a wire transfer if possible:

Account name: EB5 Impact Advisors LLC
Bank: Wells Fargo N.A.
Incline Village, NV 89451
Account #: 7197291581
Routing #: 122000247

Alternatively, if he prefers, Naish could simply deposit the check at his local Wells Fargo bank branch to our account # 7197291581.

We are excited and look forward to hitting the market as soon as we get the USCIS approval. Recently, we have seen some new Regional Centers getting approved as quickly as 3 – 4 months.

Thanks and best regards,

Bob

From: trackingupdates@fedex.com [<mailto:trackingupdates@fedex.com>]
Sent: Tuesday, April 15, 2014 10:37 AM
To: Ivan, Andrea
Subject: FedEx Shipment 798544883330 Delivered

This tracking update has been requested by:

Company Name: Dentons US LLP
Name: Carl Schulz
E-mail: matthew.schulz@dentons.com

Message: PSShip eMail Notification

Our records indicate that the following shipment has been delivered:

Reference: 20008230-0007.MGS
Ship (P/U) date: Apr 14, 2014
Delivery date: Apr 15, 2014 10:29 AM
Sign for by: A.HOETKER
Delivery location: LAGUNA NIGUEL, CA
Delivered to: Shipping/Receiving
Service type: FedEx Priority Overnight
Packaging type: FedEx Box
Number of pieces: 1
Weight: 9.00 lb.
Special handling/Services: Direct Signature Required
Deliver Weekday

Tracking number: 798544883330

Shipper Information	Recipient Information
Carl Schulz	EB 5 RC Proposal
Dentons US LLP	USCIS ? California Service Center
1530 Page Mill Road	24000 AVILA RD FL 2
Suite 200	LAGUNA NIGUEL
Palo Alto	CA
CA	US
US	92677
94304	

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 12:36 PM CDT on 04/15/2014.

To learn more about FedEx Express, please visit our website at fedex.com.

All weights are estimated.

To track the status of this shipment online, please use the following:

<https://www.fedex.com/insight/findit/nrp.jsp?tracknumbers=798544883330&language=en&opco=FX&clienttype=ivpoda&irt>

This tracking update has been sent to you by FedEx on the behalf of the Requestor noted above. FedEx does not validate the authenticity of the requestor and does not validate, guarantee or warrant the authenticity of the request, the requestor's message, or the accuracy of this tracking update. For tracking results and fedex.com's terms of use, go to fedex.com.

Thank you for your business.

C. Matthew Schulz
Partner

matthew.schulz@dentons.com
D +1 650 798 0361

Dentons US LLP
1530 Page Mill Road
Suite 200
Palo Alto, CA 94304-1125 USA

T +1 650 798 0300
F +1 650 798 0310

April 14, 2014

By FedEx
URGENT

U.S. Citizenship and Immigration Services
California Service Center
Attn: EB-5 Processing Unit
P.O. Box 10526
Laguna Niguel, CA 92607-052

Re: Application for Regional Center and Exemplar
Applicant - EB-5 Impact Capital Regional Center LLC ("RC" or "applicant")
Exemplar - Front Sight Management LLC's ("JCE") Front Sight Resort & Vacation Club / Front
Sight Firearms Training Institute ("Project"), funded by Las Vegas Development Fund LLC ("NCE")

Dear Madam or Sir:

We respectfully request you assistance to grant our client's application and exemplar in the above-entitled matters.

I am the attorney of record and my Form G-28 notice of entry of appearance for the applicant is enclosed, together with the Form I-924 application for regional center with exemplar, filing fee check in the amount of \$6,250, and the supporting documents listed in the enclosed Table of Documents.

Discussion

The applicant requests designation as a qualifying participant in the Immigrant Investor Program as an EB-5 regional center.

The applicant intends to focus, promote economic growth, and offer capital investment opportunities in the following contiguous geographic area and industry categories:

A. Geographic Area

State	Counties
Nevada	Clark, Nye
California	Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego

U.S. Citizenship and Immigration Services
 April 14, 2014
 Page 2

B. Industry Categories

Industry Name	NAICS code
Other schools and instruction - sports, recreation and automobile instruction	6116
Sporting goods, hobby and musical instrument stores	4511
Traveler accommodation	7211
Special food services	7223
Drinking places	7224
Restaurants and other eating places	7225
Residential building construction	2361
Non-residential building constructions	2361
Utility system construction	2371
Land subdivision	2372
Highway, street and bridge construction	2373
Other heavy and civil engineering construction	2379
Foundation, structure and building exterior contractors	2381
Building equipment contractors	2382
Building finishing contractors	2383
Other specialty trade contractors	2389
Other miscellaneous manufacturing	3399
Spectator sports	7112
Amusement parks and arcades	7131
Gambling industries	7132
Other amusement and recreation industries	7139

C. Economic Analysis

The applicant seeks to use the **Rims II** Input-Output economic model to establish indirect job creation.

D. The Project

The applicant also seeks approval of an actual capital investment project, supported by an exemplar Form I-526 Petition.

Project	Type of Project	Organization Documents and dates
Front Sight Resort & Vacation Club / Front Sight Firearms Training Institute ("Project") - funded by Las Vegas Development Fund	Actual Project supported by an Exemplar Form I-526 Petition	Business Plan, dated March 2014 Economic Analysis, dated November 18, 2013 Confidential Private Placement Memorandum, submitted March 26, 2014

U.S. Citizenship and Immigration Services
 April 14, 2014
 Page 3

LLC ("NCE") - Front Sight Management LLC ("JCE")		Subscription Agreement, submitted April 2, 2014 Escrow Agreement, submitted April 2, 2014
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The new commercial enterprise ("NCE") of the proposed project is Las Vegas Development Fund LLC, which was formed in the State of Nevada on October 10, 2013. The Front Sight Resort & Vacation Club / Front Sight Firearms Training Institute project ("project") is located in Nye County, Nevada. A total of up to 150 EB-5 investors will subscribe to the NCE as LLC owner/members in exchange for capital contributions of \$500,000 each and an aggregate investment of up to \$75 million.

The NCE will contribute the full amount of the aggregate investment as a loan to Front Sight Management LLC, the job creating enterprise ("JCE"). The EB-5 capital proceeds will be used to own and operate a resort/vacation club and firearms training institute in Nye County, Nevada, a targeted employment area based on the "rural" definition. The JCE will construct and operate a resort/vacation club and expand an existing firearms training institute on 555 acres. The development and operation of the business is expected to be on-going and job creation will occur over 30 months and will generate approximately 1,822.7 jobs.

The job creation methodology is presented in the economic impact analysis and underlying business plan applying the Rims II economic model, with the applicable Rims II and NAICS industry and code labels, inputs, multipliers, and job counts stated in those documents.

F. Responsibilities in the Operations of the Regional Center

The applicant understands it will be responsible to provide USCIS with updated information to demonstrate the regional center is continuing to promote economic growth, improved regional productivity, job creation, and increased domestic capital investment in the approved geographic area. Such information will be submitted to USCIS on an annual basis or as otherwise requested by USCIS. The applicant will monitor all investment activities under the sponsorship of the regional center and maintain records in order to provide the information required on the Form I-924A Supplement to Form I-924. Form I-924A,

The applicant further understands that regional centers that remain designated for participation in the Immigrant Investor Program as of September 30th of a calendar year are required to file Form I-924A Supplement in that year. The Form I-924A Supplement with the required supporting documentation must be filed on or before December 29th of the same calendar year.

The applicant acknowledges that failure to timely file a Form I-924A Supplement for each fiscal year in which the regional center has been designated for participation in the Immigrant Investor Program will result in the issuance of an intent to terminate the participation of the regional center in the Immigrant Investor Program, which may ultimately result in the termination of the designation of the regional center.

Finally, we acknowledge that the regional center designation is non-transferable.

U.S. Citizenship and Immigration Services
April 14, 2014
Page 4

Expedited Handling Requested

We respectfully request that the USCIS expedite the approval of this application and exemplar. We believe that the developer will lose a significant amount of capital if processing is delayed. The whole project is in jeopardy as a result of the delay in securing EB-5 financing, and the developer risks incurring substantial costs to cover financing expenses to pursue the project if EB-5 financing is not quickly available. The exemplar project is located in a targeted employment area, where the creation of jobs for American workers is needed quickly, but the JCE will not be able to carry out the project without the USCIS approval needed to secure EB-5 funds.

Conclusion

We believe that the documentation submitted satisfies the applicant's burden of proof and establishes eligibility for the benefits sought.

Please do not hesitate to contact me if there are any questions or additional documentation that will assist you in the speedy approval of this request. Thank you for your assistance.

Respectfully submitted,

Dentons US LLP

C. Matthew Schulz
Partner

cc: EB-5 Impact Capital Regional Center LLC

EXHIBIT 8

EXHIBIT 8

Traci Bixenmann

From: Robert Dziubla <rdziubla@eb5impactcapital.com>
Sent: Sunday, June 29, 2014 1:37 PM
To: 'Mike Meacher'
Cc: 'Jon Fleming'; Sean Flynn
Subject: RE: Senator Heller - USCIS

Mike,

Not to worry, I will pester her incessantly. I am good at that...just ask my kids. ☺ And thanks for the update on all the positive news at Front Sight – that is all very good to hear, and should make the project even more attractive to investors.

With regard to your question about the San Diego Hyatt deal, the EB5 funding was proceeding well, as we had many millions of dollars in escrow with another 95 investors (\$47.5m) slated to fund by September 30. Unfortunately, and in confidence please, the project developer got into a major disagreement with Hyatt, who summarily terminated the management agreements two weeks ago. Therefore, we are starting the process of refunding the investors' money. Given that the first investors went into escrow in September, their I-526 applications never even got to the adjudication stage, as it is taking USCIS 10 – 12 months to reach that stage – as opposed to the 4.5 month average time for an I-924 application to be adjudicated, which is what we are doing for the Front Sight project.

We anticipate that once we start the roadshows for the Front Sight project, which will have already been pre-approved by USCIS as part of the I-924 process – a very big advantage -- we should have the first tranche of \$25m into escrow and ready for disbursement to the project (at the 75% level, i.e. \$18.75m, as discussed) within 4 – 5 months.

Thank you for your most kind invitation to the July 3rd fireworks event at Front Sight. I'd love to attend but am already committed as we are hosting a birthday bash for my brother and two of his children who have birthdays on July 2, 3 and 4. I will pass along your invitation to Jon and Sean by copy of this email.

Best regards,

Bob

From: Mike Meacher [mailto:meacher@frontsight.com]
Sent: Thursday, June 26, 2014 3:34 PM
To: 'Robert Dziubla'
Subject: RE: Senator Heller - USCIS

Bob,

Irritating but predictable. Efficiency is hardly the hallmark of any bureaucrat. Keep after her. She won't do anything if you don't pester her.

Can you give me a summary of your selling success on the San Diego hotel EB-5 fundraising? How many investors have put up their \$500,000 and how many have been accepted by USCIS?

I am trying to get an idea of how long it is taking for you to raise the capital for this project and how that correlates with the probable time required to accomplish the same task for Front Sight.

We are moving dirt like crazy for our additional 26 ranges. We hope to have all grading completed by the end of the Summer and then we'll start with range construction, drilling an additional well, shade structures, and bathrooms. We might get it all completed by the end of 2014. We will then have 50 ranges and a capacity to see as many as 2000 students concurrently. Then, we need lodging, retail, food service and entertainment for this same group of up to 2000.

We also just signed a vendor deal with the local Best Western hotel so we will start receiving travel agency level commissions for all our students who book there. We also cut a similar deal with the Wine Ridge RV resort (adjacent to Symphony restaurant where we have eaten). SportEAR is expanding their product line and we are dedicating more proshop space to them. Our margins in their product are 30%. We have a possibility of being selected for the venue to provide advanced training for the SEAL teams out of Coronado. That could be a lucrative contract and begin a new revenue stream for military and law enforcement courses. Revenues are good, membership is strong. We just need the development capital.

If you, Sean and Jon want to come out for the July 3rd event, you are welcome. We have a hell of a fireworks show on July 3rd at midnight. There are usually 250 to 300 people. Piazza will be here if you want to catch up.

Thanks,

Mike
Meacher@frontsight.com
702-425-6550

From: Robert Dziubla [<mailto:rdziubla@eb5impactcapital.com>]
Sent: Thursday, June 26, 2014 3:19 PM
To: Mike Meacher
Cc: 'Jon Fleming'
Subject: Senator Heller - USCIS

Hi Mike,

I hope you are well. A quick update: I again called Sarah Timoney Paul, legislative director in Senator Heller's office, on June 22 to inquire about a letter from the Senator to USCIS requesting expedited approval of the Front Sight project. Her response was that there has been no progress since my last call, as they are still "running the traps. The Senator already gave Front Sight a support letter so he clearly is in your corner, but we have never been asked to send an expedite request to USCIS, so we're not sure how to proceed. I will let the Chief of Staff [Mac Abrams] know that you called to follow up."

Ah, our precious tax dollars at work.

Best

Bob

EXHIBIT 9

EXHIBIT 9

U.S. Department of Homeland Security
U.S. Citizenship and Immigration Services
Immigrant Investor Program
Mailstop 2235
Washington, DC 20529



U.S. Citizenship
and Immigration
Services

July 27, 2015

C. Matthew Schulz
1530 Page Mill Road, Ste 200
Palo Alto, CA 94304

Application: Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program

Applicant(s): EB-5 Impact Capital Regional Center, LLC

Re: Initial Regional Center Designation
EB-5 Impact Capital Regional Center, LLC
RCW1410551734 / ID1410551734

This notice is in reference to the Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program that was filed by the applicant with the U.S. Citizenship and Immigration Services ("USCIS") on April 15, 2014. The Form I-924 application was filed to request approval of initial regional center designation under the Immigrant Investor Program. The Immigrant Investor Program was established under § 610 of the Department of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993 (Pub. L. 102-395, Oct. 6, 1992, 106 Stat. 1874).

In addition to the Form I-924, the applicant submitted a completed exemplar Form I-526, Immigrant Petition by Alien Entrepreneur, seeking USCIS review and approval of an actual project supported by a comprehensive business plan as contemplated in Matter of Ho, 22 I. & N. Dec. 206 (Assoc. Comm'r 1998).

I. Executive Summary of Adjudication

Effective the date of this notice, USCIS approves the Form I-924 request to designate EB-5 Impact Capital Regional Center as an, LLC qualifying participant in the Immigrant Investor Program.

1. Effective the date of this notice, USCIS approves the EB-5 Impact Capital Regional Center, LLC based on the evidence submitted with the exemplar Form I-526.

EB-5 Impact Capital Regional Center

ID# 1410551734

RCW1410551734

Page 2

II. Regional Center Designation

USCIS approves the applicant's request to focus, promote economic growth, and offer capital investment opportunities in the following geographic area and industry categories:

A. Geographic Area

State	Counties
Nevada	Clark and Nye
California	Kern, San Bernardino, Riverside, Los Angeles, Orange and San Diego

B. Industry Categories¹

NAICS	Industry Name
6116	Other schools and instructions—sport, recreation and automobile instruction
4511	Sporting goods, hobby and musical instrument stores
7211	Traveler accommodation
7223	Special food services
7224	Drinking places
7225	Restaurants and other eating places
2361	Residential building construction
2362	Nonresidential building construction
2371	Utility system construction
2372	Land subdivision
2373	Highway, street and bridge construction
2379	Other heavy and civil engineering construction
2381	Foundation, structure and building exteriors contractors
2382	Building equipment contractors
2383	Building finishing contractors
2389	Other specialty trade contractors
3399	Other miscellaneous manufacturing
7112	Spectator sports
7131	Amusement parks and arcades
7132	Gambling industries
7139	Other amusement and recreation activities

¹ USCIS issued a Policy Memorandum (PM-602-0083) on the subject of "EB-5 Adjudication Policy," dated May 30, 2013, stating that formal amendments to the regional center designation are no longer required when a regional center changes its industries of focus or geographic boundaries. A regional center may still elect to pursue a formal amendment by filing Form I-924 if it seeks certainty in advance that changes in the industries or the geographic area will be permissible prior to filing Form I-526 petitions.

EB-5 Impact Capital Regional Center
 ID# 1410551734
 RCW1410551734
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III. The Project

Effective the date of this notice, USCIS approves the applicant's request to include the following actual capital investment project supported by an exemplar Form I-526.

Project	Type of Project	Organization Documents	Date of Document
<u>Las Vegas Development Fund, LLC</u> Geographic Location: Pahrump NV Focus of Investment: loan	Exemplar Form I-526 Petition Project	Business Plan	Dated 03/2014
		Economic Analysis	Dated 11/18/2013
		Operating Agreement	Dated 03/26/2014
		Confidential Private Placement Memorandum	Submitted 04/15/2014
		Subscription Agreement	Submitted 04/15/2014
		Articles of Organization	Dated 02/03/2014
		Escrow Agreement	Submitted 04/15/2014

Note: If changes to this project and its supporting documents are found in subsequent Form I-526 or Form I-829 petitions, USCIS will review the supporting documents once more to ensure compliance with EB-5 program requirements.

The proposal identifies the new commercial enterprise ("NCE") of the project as Las Vegas Development Fund, LLC, which was formed in the State of Nevada on February, 3, 2014. The project is located at PO Box 3003, 916 Southwood Blvd, Suite 1G in the City of Incline Village, Nevada. 150 immigrant investors will subscribe to the NCE as limited partners in exchange for capital contributions of \$500,000 each and an aggregate of \$75 million.

The NCE will loan the \$75 million of EB-5 capital to a third-party entity, Front Sight Resort and Vacation Club and Front Sight Fire Arm Training Institute. The EB-5 capital loan proceeds will be used to finance construction of the Front Sight Resort & Vacation Club (FSRVC). The construction of the FSRVC will include 102 timeshare residential units, 150 luxury timeshare RV pads, pool, spa Restaurant, Patriot Pavilion which will include office buildings, classrooms, retail, etc. Expansion of the facilities and infrastructure of the Front Sight Firearms Training Institute (FSFTI) includes increasing the total number of ranges from 22 to 50, expanding the martial arts facility, new evasive driving facility and infrastructure improvements, such as: paving; sewers and electrical improvements.

The projected total cost of the project is \$150 million. The project will take more than two (2) years to complete and will generate approximately 1821 jobs.

A. Job Creation

USCIS approves the geographic area and industry categories noted above based on the economic impact analysis presented and reviewed in conjunction with the adjudication of this capital investment project. The job creation methodology presented in the economic impact analysis and underlying business plan is found to be reasonable based on the following inputs, when applying the RIMS II economic model:

EB-5 Impact Capital Regional Center

ID# 1410551734

RCW1410551734

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Economic methodology/model used in job creation

Economic activity prepared by Impact Econometrics LLC	Expenditure/revenue deflated 2010 \$	Final demand multiplier	# of direct jobs	Direct effect multiplier	Total jobs
Hard Construction	\$44,228,554	16.9790			751.0
<i>Operations FSFTI</i>					
Range Staff			260.0	1.6046	417.2
Maintenance Staff			80.0	1.6046	128.4
Office Staff			30.0	1.5197	45.6
Retail Staff			18.0	1.6177	29.1
Patriot Pavilion Staff			20.0	1.6046	32.1
<i>Total for Operations FSFTI</i>			408.0		652.4
<i>Operations FSRVC</i>					
General & Administrative			8.0	2.6185	20.9
Activities Personnel			8.0	1.5197	12.2
Food & Beverage			52.0	1.4833	77.1
Front Desk			28.0	2.6185	70.7
Housekeeping			21.0	2.0581	43.2
Maintenance			7.0	2.6185	18.3
Retail Outlet			8	1.6177	12.9
Gas Outlet			0	1.6177	0.0
Security			5.0	2.0546	8.2
Spa Manager			9.0	1.5197	15.2
<i>Total for Operations FSRVC</i>			145.0		278.8
<i>Visitor Spending</i>					139.6
TOTAL JOBS					1821.8

The approval of this Form I-924 application supported by an exemplar Form I-526 petition is based upon the assumptions and estimates used as inputs in the business plan for job creation. Please refer to the input and multiplier analysis table above.

When an actual project is specifically named in this notice and the critical inputs remain materially unchanged, USCIS will give deference to the job creation methodology when adjudicating Forms I-526 associated with the named project. The same business plan and the same reasonable job creation methodology and projected inputs must be submitted when the individual investor's Form I-526 is filed in order to receive deference.

It will be the responsibility of the individual investor to demonstrate that the assumptions and estimates presented as inputs to the job creation methodology remain materially unchanged when he or she files a Form I-526. When filing Form I-829 for removal of conditional status, the individual investor has the burden of demonstrating that the assumptions and estimates presented as inputs to the job creation methodology have not materially changed and have been realized (or can be expected to be realized within a reasonable time).

EB-5 Impact Capital Regional Center

ID# 1410551734

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If the job creation estimated in the business plan materially changes or will not be realized, then it will be the responsibility of the EB-5 investor to notify USCIS of an agreed upon methodology to allocate job creation among eligible investors.

IV. Guidelines for Filing Form I-526 Petitions Based on Las Vegas Development Fund LLC project

Each individual petition, in order to demonstrate that it is affiliated with the EB-5 Impact Capital Regional Center LLC, in conjunction with addressing all the requirements for an individual immigrant investor petition, shall also contain the following:

1. A copy of this regional center approval notice and designation letter including all subsequent amendment approval letters (if applicable).
2. An economic impact analysis which reflects a job creation methodology required at 8 CFR § 204.6 (j)(4)(iii) and shows how the capital investment by an individual immigrant investor will create not fewer than ten (10) indirect jobs for each immigrant investor.
3. A comprehensive, detailed and credible business plan for an actual project that contains the factual details necessary to be in compliance with the requirements described in Matter of Ho, 22 I&N Dec. 206 (Assoc. Comm'r 1998).
4. Legally executed organizational documents of the commercial enterprise. The documents may be the same documents noted in Section III of this approval notice.

Note: If the project timeline has changed significantly from the original business plan, a narrative that explains the changes in the project timeline, along with a timeline that realistically reflects the status of the project should be submitted.

V. Designee's Responsibilities in the Operations of the Regional Center

As provided in 8 CFR § 204.6 (m)(6), to ensure that the regional center continues to meet the requirements of section 610(a) of the Appropriations Act, a regional center must provide USCIS with updated information to demonstrate the regional center is continuing to promote economic growth, improved regional productivity, job creation, and increased domestic capital investment in the approved geographic area. Such information must be submitted to USCIS on an annual basis or as otherwise requested by USCIS. The applicant must monitor all investment activities under the sponsorship of the regional center and to maintain records in order to provide the information required on the Form I-924A Supplement to Form I-924. Form I-924A, Supplement to Form I-924 Application is available in the "Forms" section on the USCIS website at www.uscis.gov.

Regional centers that remain designated for participation in the Immigrant Investor Program as of September 30th of a calendar year are required to file Form I-924A Supplement in that year. The Form I-924A Supplement with the required supporting documentation must be filed on or before December 29th of the same calendar year.

The failure to timely file a Form I-924A Supplement for each fiscal year in which the regional center has been designated for participation in the Immigrant Investor Program will result in the issuance of an intent

EB-5 Impact Capital Regional Center
ID# 1410551734
RCW1410551734
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to terminate the participation of the regional center in the Immigrant Investor Program, which may ultimately result in the termination of the designation of the regional center.

The regional center designation is non-transferable.

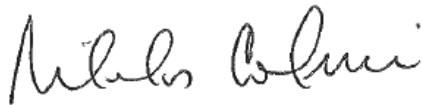
VI. Legal Notice

This approval and designation of a Regional Center under the Immigrant Investor Program does not constitute or imply an endorsement or recommendation by USCIS, the United States Government or any instrumentality thereof, of the investment opportunities, projects or other business activities related to or undertaken by such Regional Center. Except as expressly set forth in this approval and designation, USCIS has not reviewed any information provided in connection with or otherwise related to the Regional Center for compliance with relevant securities laws or any other laws unrelated to eligibility for designation as a Regional Center. Accordingly USCIS makes no determination or representation whatsoever regarding the compliance of either the Regional Center or associated New Commercial Enterprises with such laws.

Each Regional Center designated by USCIS must monitor and oversee all investment offerings and activities associated with, through or under the sponsorship of the Regional Center. The failure of an associated New Commercial Enterprise to comply with all laws and regulations related to such investment offerings and activities may result in the issuance by USCIS of a notice of intent to terminate the Regional Center designation.

If the applicant has any questions concerning the regional center designation under the Immigrant Investor Program, please contact the USCIS by email at USCIS.ImmigrantInvestorProgram@uscis.dhs.gov.

Sincerely,



Nicholas Colucci
Chief, Immigrant Investor Program

cc: Robert W Dziubla
EB-5 Impact Capital Regional Center, LLC
C/O EB5 Impact Advisors, LLC
916 Southwood Blvd, Suite 1G, PO Box 3003
Incline Village NV 89450

EXHIBIT 10

EXHIBIT 10

Traci Bixenmann

From: Robert Dziubla <rdziubla@eb5impactcapital.com>
Sent: Tuesday, August 11, 2015 11:25 AM
To: 'Mike Meacher'; 'Jon Fleming'
Subject: RE: Marketing payment request update

Dear Mike

Thanks for this email and the voicemail. We look forward to having the \$53.5k deposited into our Wells Fargo account tomorrow.

Front Sight is the ONLY EB5 project we are handling and of course receives our full and diligent attention. Our goal is most assuredly to have the minimum raise of \$25m (50 investors) subscribed by Thanksgiving.

The marketing video is largely complete (awaiting a © notice at the end) and here is a YouTube link to view it. The quality on YouTube is fair at best, but the product we will use in the roadshows will be high def. <https://www.youtube.com/watch?v=cMu6AqvW0s&feature=youtu.be>

Best regards,

Bob

From: Mike Meacher [mailto:meacher@frontsight.com]
Sent: Tuesday, August 11, 2015 10:14 AM
To: Robert Dziubla <rdziubla@eb5impactcapital.com>; Jon Fleming <jfleming@EB5impactcapital.com>
Subject: Marketing payment request update

Bob and Jon,

Good news about a possible first investor. Not great news that you want another \$10K. I have spoken with Naish about this and he will deliver a check to the local Wells Fargo office tomorrow in the amount of \$53,500.

However, he wants it clearly understood, per my voicemail to you, that he wants your 110% effort immediately to secure the first 50 investors so we can do the detailed architectural plans, building permits, begin infrastructure and refinance the real estate to give your investors a security interest in that real estate. See if you can get this done by Thanksgiving.

To this end, do you have the marketing video completed? Please send me a copy or a link.

Please prevail upon your relationship with Sinowel and the other brokers/immigration attorneys that you will use to jump start the selling process. We selected you to sell the EB-5 investors based on your experience in Asia and your persistence. Time to make it happen.

Jon, when you plan to bring the Indian agent to the property, let me know and I will gladly give him a tour if you like.

Thanks,

Mike
Meacher@frontsight.com
702-425-6550

From: Robert Dziubla [<mailto:rdziubla@kenworthcapital.com>]
Sent: Monday, August 10, 2015 5:43 PM
To: Mike Meacher
Cc: Jon Fleming
Subject: FW: Marketing cost payment decision

Dear Mike,

Further to this email, I just checked our bank account and see that the \$43.5k has not been deposited. We are hereby requesting that you increase that amount by \$10k, which is 1/3rd of the budgeted legal fees. Therefore, please have the deposit be \$53.5K.

Before you have a coronary, there is good news behind this request! We have our first investor preliminarily lined up, so we need to get moving on all of the loan documents ASAP. The investor is from India, and one of our agents was able to stop the investor in the nick of time from investing in another EB5 project and instead designate the Front Sight project. Our Indian agent who has sourced this investor is currently planning to visit Front Sight in a couple of weeks (Jon will chaperone him) to verify that it's a real deal, and immediately thereafter have the investor put funds into escrow. Accordingly, we HAVE to move into high gear and get the escrow set up and the loan documents done. To do that, we need the budgeted funds.

Please do realize that in Asia, it is considered VERY GOOD luck to have your first customer / investor, so it is quite important that we not let this slip through our fingers.

Thanks,

Bob

From: Robert Dziubla [<mailto:rdziubla@eb5impactcapital.com>]
Sent: Friday, August 7, 2015 10:12 AM
To: 'Mike Meacher' <meacher@frontsight.com>; 'Jon Fleming' <jfleming@EB5impactcapital.com>
Subject: RE: Marketing cost payment decision

Dear Mike,

You're welcome, and we of course will do everything in our power to get the deal subscribed as soon as possible.

With regard to the first payment, instead of just the marketing costs of \$34k, as noted in prior emails, we also need payment for the translations and escrow. So please have the first check made for **\$43,500** and payable to EB5 Impact Advisors. Rather than overnighting it, could you please have someone walk it into a Wells Fargo branch and deposit it directly to:

EB5 Impact Advisors
Checking Account # 7197291581

That way we can start booking our flights a bit earlier and in all events would be a more pleasant experience than the US Post Office.

Bob

From: Mike Meacher [<mailto:meacher@frontsight.com>]
Sent: Thursday, August 6, 2015 9:51 AM
To: Robert Dziubla <rdziubla@eb5impactcapital.com>; Jon Fleming <jfleming@EB5impactcapital.com>
Subject: Marketing cost payment decision

Bob and Jon,

Thanks for taking the time to further describe your marketing plans for promotion of the Front Sight EB-5 opportunity. Naish and I agree with your approach. Sinowel sounds like the best current source. Please maximize that relationship and push them hard to sell it out from their clients.

Naish has decided that he will pay the marketing costs as follows: \$34,000 now, \$34,000 at the end of September and the balance at the end of October. Please give me the correct mailing address to which Naish should overnight a check for the first payment.

Both Naish and I will want progress emails every couple of weeks as to brokers signed up in various countries and investors located and closed.

Thanks for your persistence and getting this approved. Now we need to get it sold.

Mike
Meacher@frontsight.com
702-425-6550

From: Robert Dziubla [<mailto:rdziubla@eb5impactcapital.com>]
Sent: Wednesday, August 05, 2015 5:32 PM
To: 'Mike Meacher'; 'Jon Fleming'
Cc: 'Ignatius Piazza'
Subject: RE: 2014 financials, two points, conference call with Sinowel

Dear Mike,

Thanks for the response. We look forward to receiving the 2014 financials. In the meantime, please find attached the additional detail you requested on the marketing endeavors and costs therefor.

Jon and I would be happy to discuss with you and Naish on a conference call, but Sinowel respectfully declines. They rightly point out that they do not have a contractual relationship with you but with us, and they do not want to get involved in discussions with Front Sight. (That's all very much a part of the Chinese relationship culture.) Both King Liu and Jay Li also travel incessantly on Sinowel business in China and around the world, so it's very hard to schedule a call.

Cheers,

Bob

From: Mike Meacher [<mailto:meacher@frontsight.com>]
Sent: Wednesday, August 5, 2015 9:13 AM
To: Robert Dziubla <rdziubla@eb5impactcapital.com>; Jon Fleming <jfleming@EB5impactcapital.com>

Cc: Ignatius Piazza <Ignatius@frontsight.com>

Subject: 2014 financials, two points, conference call with Sinowel

Bob and Jon,

Naish talked with our accountants yesterday. They will be getting us the 2014 numbers as soon as possible. We will forward them to you.

There are some interlineated red responses to your two points below. Both are self-explanatory.

Naish and I would like to have a conference call with the two Sinowel principals, Jay and King, along with you both as soon as practical. Please see if you can arrange a couple of times that will work for the four of you.

Thanks,

Mike

Meacher@frontsight.com

702-425-6550

From: Robert Dziubla [<mailto:rdziubla@eb5impactcapital.com>]

Sent: Tuesday, August 04, 2015 2:06 PM

To: Mike Meacher

Cc: Jon Fleming

Subject: Marketing schedule / financials

Dear Mike,

Per our call this morning, we are working on a more detailed description of our international marketing efforts to enhance Naish's understanding and appreciation of all that we will be doing. We will have that ready by tomorrow.

In the meantime, however, two points, please:

1. No Material Change to the Project. As you know, we received USCIS approval for the Front Sight project as our "exemplar project," and based thereon USCIS approved the project itself, the jobs creation methodology, the manner of confirming those jobs (which is through the "expenditure model," whereby we prove that FS has indeed spent the money as stated in the business plan and economic impact analysis, thereby creating the number of jobs that Sean projected), and other matters. As a result, no EB5 investor can have his I-526 application denied because of project reasons UNLESS the project changes in a "material way." There is no precise definition of material, as it is a term of art refined over many decades in thousands of court cases. In a nutshell, though, it means any change that a reasonable person or investor would consider to be material. That too is vague, but it provides some guidance. At a more practical level, a material change is often viewed as one where a project or budget changes by more than 5 – 10%. Therefore, as you and Naish are considering how specifically to deploy the \$75m that we are going to raise for Front Sight, please keep that in mind. If there were to be a material change, then the investors could have their green cards denied and all

of us, most especially Front Sight, would become the target of endless litigation. **This will not be an issue. We will build all of what we agreed to build.**

2. 2013 Financials. As we are awaiting the 2014 financials from your accounting firm, could you please explain to us in greater detail (as we are being queried by Sinowel on this point) the reason(s) for the 50% decline in revenue from 2012 to 2013, and the decrease in NOI from \$7.3m to \$3.66m. I know you and I have discussed this before, and you explained that much of it had to do with your CPAs classification of \$12.48m as “deferred revenue,” and its inclusion in the Current Liabilities section of the 2012 balance sheet. We need to understand this point better. **The decrease in revenue reported is due to deferring income through a gift card promotion. We have continued that program each year because it give us even greater market dominance and a position in the market that nobody else can match. The fact that it also defers income is a bonus. More importantly, it is creating an account of “credits” for our members that we will allow them to apply TOWARD the timeshare purchase which will allow us to establish a higher market value for your time share units when members use their credits as partial payment toward the time share purchase. This drives members to the offer, softens the purchase for them, while still making all the profit we need in an above market value offer. In other words, it will drive sales and increase profits by allowing members to use their gift card credits as partial payment toward an above market price time share, thus establishing a higher value perceived the public.**

If we chose not to claim the gift card deferred income, then we would add that number to the profit each year. As such we are wildly profitable.

Thanks,

Bob

EXHIBIT 11

EXHIBIT 11

844-889-8028

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New Project Inquiry

BUSINESSES INTERESTED IN EB-5 FINANCING

Thank you for your interest in EB5 Impact Capital Regional Center, LLC or EICRC. EB5 Impact Capital Regional Center works in collaboration with Southern California and Southern Nevada-based enterprises to promote economic growth, business innovation, and local job-creation.

What Is EB-5

Congress created the fifth employment-based preference (EB-5) immigrant visa category in 1990 for high

net-worth foreigners seeking to invest in a business that will benefit the U.S. economy and create at least 10 full-time jobs for U.S. workers. The basic amount required to invest is \$1 million, although that amount is reduced to \$500,000 if the investment is made in a high unemployment area. The benefits of the immigration program are simple. The American business receives start-up or expansion capital, and the immigrant investor receives a minority business ownership and an expedited green card.

What We Do

EB5 Impact Capital Regional Center is an investment fund created by business and legal professionals. We source high net-worth immigrant investors who wish to invest in an American business in order to obtain lawful permanent residence through the EB-5 green card program. The EB-5 program has already attracted billions of dollars into emerging and expanding American businesses, and during depressed economic times such as these, provides an optimal source of business-financing with attractive terms.

How It Begins

As an interested business, EB5 Impact Capital Regional Center, LLC or EICRC respectfully requests an initial business plan in order that we may understand your business and evaluate its suitability for the EB-5 program. The business plan should include the following information:

Business description and objectives

Description of products and/or services

Brief Market Analysis

Description of target market and prospective customers

List of required permits and licenses obtained (if any)

Description of the manufacturing or production processes (if applicable)

Materials required and supply sources (if applicable) Any contract executed for materials supply, products distribution, or real estate (if applicable)

Business organization structure and personnel's experience

Staffing requirements and timetable for hiring (including brief job description)

Marketing plan

Sales, cost, income projection, and detail of the bases thereof.

We look forward to working in tandem with your new enterprise. Please contact us through our Contact Us page.

844-889-8028

info@eb5impactcapital.com

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Incline Village, Nevada 89450

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English



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EXHIBIT 12

EXHIBIT 12

Traci Bixenmann

From: Robert Dziubla <rdziubla@eb5impactcapital.com>
Sent: Wednesday, December 16, 2015 4:05 PM
To: 'Mike Meacher'; 'Jon Fleming'
Subject: RE: Timelines

Dear Mike,

Thanks for your email.

We are truly delighted to say that late yesterday Congress agreed on language that will extend the EB-5 program with NO changes until September 30, 2016, as part of the federal spending package. Therefore, the investment level will remain at \$500k and we will not need to make any changes to our deal documents or marketing materials.

As we mentioned in an earlier email, the uncertainty surrounding what Congress was going to do has really sidelined the investors. We have been in contact with our agents in China over night, and they are ecstatic with this news and assure us that with this logjam now cleared, the investors will be signing up. We were, of course, dismayed by the slow sales progress, but now expect the sales pace to increase substantially.

With regard to the timeline, we may still be able to achieve the minimum raise of \$25m by January 31 and thereupon begin disbursing the construction loan proceeds to you, but a more realistic date might be February 8. Why that date you ask? Because the Christmas holidays and January 1st new year holiday are rather insignificant in China and, importantly, February 8 is the start of the Chinese New Year. Chinese people like to conclude their major business decisions before the start of that 2 – 3 week holiday period, so we expect to see interest in the FS project growing rapidly over the next couple of weeks with interested investors getting their source and path of funds verification completed in January so that they can make the investment by February 8.

We of course will provide you with weekly updates plus notify you each time we receive investors' funds into escrow so that you have an accurate picture of the progress.

Best regards,

Bob

From: Mike Meacher [mailto:meacher@frontsight.com]
Sent: Wednesday, December 16, 2015 9:44 AM
To: Robert Dziubla <rdziubla@eb5impactcapital.com>; Jon Fleming <jfleming@EB5impactcapital.com>
Subject: Timelines

Bob and Jon,

I only suggested dealing with the immigration attorneys because we are concerned about the slow start in sales. We expect you are looking at all avenues to locate investors. What other ways can you, or we, promote this?

Should we be concerned about the current slow sales? In prior communications you indicated your belief that we could generate sufficient investors for the first distribution by end of the year or January. This seems unlikely unless you know something I don't.

What is your current best timeline projection? I have lots of construction things that need to be scheduled and I want to be as accurate as possible.

Your weekly update would be appreciated.

Merry Christmas,

Mike
Meacher@frontsight.com
702-425-6550

From: Robert Dziubla [<mailto:rdziubla@eb5impactcapital.com>]
Sent: Saturday, December 12, 2015 10:40 AM
To: 'Mike Meacher'
Cc: 'Jon Fleming'
Subject: RE: Roadshow update

Dear Mike,

Thanks for your email. Believe me, we are pushing our agents and our investors.

Part of the hang-up is Congress's delay in passing the annual budget bill because the extension of the EB-5 program is part of that package. Congress was supposed to pass it today, but then just voted themselves another 5-day extension. There is a good likelihood that Congress will increase the minimum investment amount for EB-5 from \$500 to \$800k, as the US is a bargain compared to other countries' visa investment program. No one in China believes that the \$300k will deter Chinese investors, but they just want clarity as to the investment amount for EB-5. An increase will actually be quite good for the Front Sight project, as it will decrease the number of investors for the minimum raise from 50 to 32, which also means that the number of jobs created per investor increases.

Thanks for your suggestion about doing an email blast / solicitation to US immigration lawyers. Unfortunately, that is illegal under the US securities laws because those lawyers have a fiduciary duty to their clients and because the lawyers do not have US broker-dealer licenses. I have attached a complaint that the SEC just filed on Monday against a NYC law firm that is run by a Chinese-American lawyer. This is the start of a long-anticipated campaign by the SEC against US immigration lawyers who are trying to game the system.

Have a good weekend.

Bob

From: Mike Meacher [<mailto:meacher@frontsight.com>]
Sent: Thursday, December 10, 2015 9:01 AM
To: 'Robert Dziubla' <rdziubla@eb5impactcapital.com>
Cc: 'Jon Fleming' <jfleming@EB5impactcapital.com>
Subject: RE: Roadshow update

Bob and Jon,

Congratulation on getting another investor. Glad to read that Sinowel is getting their marketing act together. However, we need to increase the sign up rate if we are going to close the first funding anytime soon.

As a marketing idea, why don't you guys locate an email list of immigration attorneys in the U.S. and send a couple of blast emails to them with sufficient teaser information to solicit any clients they may have who are looking for an EB-5 investment. There have to be thousands of these attorneys. In fact, I have an acquaintance, Gittel Gordon, who is an immigration attorney. I think she is in La Jolla. My attorney and I sold her a building in Marina Del Rey many years ago. I will be emailing Gittel and asking if she has any clients and suggest she contact you. Much like Ted Carlson, you should have a fee plan in mind for such contact sources as they will want to be compensated.

We sent all the loan documents to our attorneys, Preston-Arza in L.A. Letvia or Scott will be contacting you or your attorney with their questions shortly. We have asked them to handle this as quickly as possible as it is an impediment to marketing.

Welcome back Bob. I'm sure it was a marathon journey. Now, as we see it, the job is to work the phones and email and keep the momentum going and locate more and more brokers, keep their interest high in Front Sight and get them to close.

As you know from recent world events in Paris and San Bernardino, the concern for civilian safety in a world of increasing terrorist threats is all over the news. This can be a marketing opportunity to promote the Front Sight EB-5 offering. Front Sight is part of the solution to provide law-abiding citizens with the proper training.

Merry Christmas to you both,

Mike

From: Robert Dziubla [<mailto:rdziubla@eb5impactcapital.com>]
Sent: Tuesday, December 08, 2015 3:06 PM
To: Mike Meacher
Cc: Jon Fleming
Subject: Roadshow update

Dear Mike,

I returned from China over the weekend and am pleased to provide the following update.

The Sinowel seminar in Chengdu last week went well. Again, there were just about 40 people in the audience, though this time most of them were direct investors rather than local money managers / investment advisors. The format was the same as Wuhan, though the venue was really quite spectacular: an opulent presentation room in the Raffles Ascott Center in downtown Chengdu, with 30 foot ceilings and floor to ceiling windows. Too bad it was a gray, rainy, and typically polluted day.

Sinowel led off with a video clip about themselves followed by the FS marketing video. Then Hai-oh got up and went through the power point presentation. I joined her for the Q&A, which ran about 30 minutes. The audience was quite interested and had good questions. The entire presentation ran about 3 hours. Sinowel of course is following up with all of the investors who were present.

We are especially pleased to say that Sinowel placed its first investor into escrow yesterday. Attached is the confirmation letter from our Escrow Administrator for your convenience. Sinowel again reiterated that they

have many more investors in the pipeline and are eager to receive our confirmation that the loan documents have been signed. Please advise the status of that, as we had understood from your email of November 18 that Letvia would be reviewing and responding quickly.

Thanks,

Bob

<<...>>

EXHIBIT 13

EXHIBIT 13

Traci Bixenmann

From: Robert Dziubla <rdziubla@eb5impactcapital.com>
Sent: Monday, January 4, 2016 2:24 PM
To: 'Mike Meacher'; 'Jon Fleming'
Subject: RE: EB-5 distribution timeline

Dear Mike,

Happy New Year 2016! Hope you had a grand holiday season.

The minimum raise for the Front Sight project is \$25m. At \$500k per investor, that requires 50 investors only. Once we have the \$25m in escrow and the loan documents have been signed (presumably within the next few days), then we will disburse 75% of that to you, i.e. \$18.75m and retain the other 25% in escrow to cover any I-526 applications that are rejected by USCIS, which is quite unlikely given that we already have USCIS exemplar approval for the project. Hence, we will not need to have 63 investors in escrow, just 50. Please refer to my email of October 20 to you detailing the funds disbursement process.

With regard to timing, based on discussions with our agents over the past few days, including today, it looks like we may have 5 – 10 investors into escrow by February 8, with an additional 20 – 30 in the pipeline. The Chinese New year commences on February 8, so the market will essentially shut down for about two weeks, and then the investors will gradually return to work. The agents are saying that investors who have not already decided on the project by February 8 will contemplate it over the Chinese New Year and discuss it with their family, as it entails the fundamental life change of leaving their homeland and moving to the USA. We are pushing our agents hard to have 50 investors into escrow by February 29. Once we have the 50 investors into escrow with the Minimum Raise achieved, we will disburse the initial \$18.75m to you and then continue with the fundraising, which is likely to accelerate since it has a snowball type of effect. As the funds continue to come into escrow, we will continually disburse them to you. (See the Oct. 20 email.) Given that the current EB-5 legislation expires on September 30, 2016, at which time the minimum investment amount will most likely increase to \$800k, we highly anticipate that we will have raised the full \$75m by then.

Thanks for pushing on Scott and Letvia to provide their comments on the loan docs.

Best regards,

Bob

From: Mike Meacher [mailto:meacher@frontsight.com]
Sent: Monday, January 4, 2016 9:02 AM
To: Robert Dziubla <rdziubla@eb5impactcapital.com>; Jon Fleming <jfleming@EB5impactcapital.com>
Subject: EB-5 distribution timeline

Bob and Jon,

Please give me an update on the status of investors so we can plan on a timeline for the initial distribution.

As I understand the math, you intend to have a 25% holdback in order to allow for refunds on those investors who are not accepted by USCIS. In order to distribute the phase one distribution of \$25 million, we will need 63 investors.

I need to make plans for a variety of architectural and construction items that require lead time. Should I be planning to have this initial distribution by the previously referenced February 8th timeline. If not, when?

This morning I reiterated my request of Letvia and Scott to contact you to discuss their items in review of the construction loan documents.

Happy New Year,

Mike

Meacher@frontsight.com

702-425-6550

EXHIBIT 14

EXHIBIT 14

Traci Bixenmann

From: Robert Dziubla <rdziubla@eb5impactcapital.com>
Sent: Sunday, January 31, 2016 3:29 PM
To: 'Mike Meacher'
Cc: 'Jon Fleming'
Subject: RE: Please update status on EB-5 investors
Attachments: EthanDevineResume.pdf

Dear Mike,

Please see response below in CAPS.

I am pleased to say that we have just concluded negotiations to bring Ethan Devine onboard as our Director of Business Development. He starts tomorrow, is fluent in English, knows the EB5 market space very well, and just successfully concluded a project in October for an LA-based regional center that was having challenges getting its Chinese agents to be more aggressive in sourcing investors. Ethan's resume is attached FYI.

Best regards,

Bob

From: Mike Meacher [mailto:meacher@frontsight.com]
Sent: Thursday, January 28, 2016 9:41 AM
To: 'Robert Dziubla' <rdziubla@eb5impactcapital.com>
Cc: Jon Fleming <jfleming@EB5impactcapital.com>
Subject: RE: Please update status on EB-5 investors

Bob and Jon,

Thanks for this update. Glad to learn your wife is doing well.

How many "actual investors" where we have their \$500,000 in escrow do we currently have? TWO

What constitutes "in the pipeline"? What are the hurdles from this status to capital in escrow? THE AGENTS ARE WORKING TO EDUCATE THEM ON THE RELATIVE MERITS OF THE FRONT SIGHT PROJECT COMPARED TO THE HUNDREDS OF OTHERS THAT ARE NOW IN THE MARKET PLACE, HELPING THEM TO DETERMINE THE BEST WAY TO APPLY FOR EB-5 (THE COUPLE, THE HUSBAND ALONE, THE WIFE ALONE, OR THROUGH THEIR CHILDREN), ARRANGING THE DOCUMENTS FOR "SOURCE & PATH OF FUNDS" VERIFICATION, FINDING 10 PEOPLE TO WIRE TRANSFER \$50K APIECE BECAUSE OF THE CHINESE CURRENCY RESTRICTIONS.

What is happening in Eastern Europe? You had several interested people there but were looking at overcoming the limitations on getting capital out of Russia. THAT SITUATION REMAINS THE SAME – PRESSURING THE AGENTS TO GET MORE CREATIVE AND FIGURE OUT HOW TO GET AROUND THE GOVERNMENT – WHICH IS SOMETHING THAT THE RUSSIANS HAVE HISTORICALLY PRIDED THEMSELVES UPON.

Mike
Meacher@frontsight.com
702-425-6550

From: Robert Dziubla [<mailto:rdziubla@eb5impactcapital.com>]

Sent: Wednesday, January 27, 2016 2:49 PM

To: 'Mike Meacher'; 'Jon Fleming'

Subject: RE: Please update status on EB-5 investors

Dear Mike,

Thanks for your patience and understanding. My wife is now quickly recovering from her ankle surgery.

Here is an update based on discussions with all our agents and our direct activities:

1. **China market turmoil and volatility** are continuing, as the Shanghai stock exchange dropped another 6.6% just yesterday. The market has dropped almost 50% since its high in June 2015. The trading break triggers that the Chinese market regulator implemented last year, were triggered twice within minutes several days ago, forcing the regulator to suspend the triggers and allow the market to set its own path to a degree. Uncertainty is pervasive.
2. **Pipeline** of investors continues to grow and is at 26, which also includes a new one from India. Will likely increase when we get Sinowel's report. See next paragraph.
3. **Sinowel** - Based on the last feedback about 10 days ago, Sinowel had 15 investors. Wenrui Li, the new head of the EB5 team has been visiting all of the Sinowel offices and training up the agents on Front Sight and meeting with interested investors. He just returned to Beijing last night and told us that he would provide a report by the end of this week.
4. **Chinese New Year** - Other agents report that due to the market volatility their investors are holding off on making any investments and investment decisions until after the Chinese New Year, which will unofficially start on Friday, February 5 (the official start is on Monday, February 8). Some of the investors are considering a visit to Front Sight over the CNY holiday. We of course will advise you if that is likely to occur.
5. **New agents and a direct hire** - We, like you, are frustrated and annoyed with the slow sales pace. Therefore, we are in the process of signing up four new agents and are interviewing tomorrow a potential new hire for our company to act as a dedicated sales manager. Details:
 - a. One agent is native Chinese living in Washington state. He makes his living by sourcing direct investors for EB5 projects that he has vetted and approved. We worked with him on the San Diego Hyatt project, where he sourced over 10 investors prior to Hyatt pulling the flag.
 - b. The second agent is native Chinese living in the Chicago area, as she married an American man recently and accompanied him to the Chicago area, where she just finished her MBA degree. She was a very successful sales manager for several companies selling high-end dental and medical devices and implants in northeast China. Has an extensive network of wealthy medical professionals there that she will develop for EB5.
 - c. The third agent is an American chap living in China and who has a highly placed and well connected Chinese partner. He was introduced thanks to your friend Fely, whom we met with when she was in San Diego last week. He and his partner have sourced over \$80m of EB5 money for various projects.
 - d. The fourth agent is an old Chinese friend of mine who is connected at the very top levels of the Chinese government. He and I worked closely together several years ago when I had my 50/50 JV with Guggenheim Partners, the \$200 billion wealth management firm, and the Chinese government wanted Guggenheim to partner up on a China Green Energy Fund. We have had extended discussions over the past three weeks, and he reports that the Chinese government wants to encourage and expand Chinese investors using the EB5 program but at the same time wants to see the investors going into good, solid projects. They have reviewed the Front Sight project and believe that it is one of the best currently in

the market. They are contemplating directly sponsoring EB5 projects – i.e. a Chinese government agency would sponsor and hold investment seminars and roadshows for projects that they have selected and approved – and believe that they could bring 200 – 500 investors very quickly and bring thousands of investors over the next few years. These Chinese officials will resume discussions with my friend after the Chinese New Year.

- e. Tomorrow we are interviewing a possible direct hire to act as our sales manager and drive the Chinese agents. He is a magna cum laude graduate of your alma mater, USC, where he majored in Chinese; he spent several years doing language training in China; he received his MA in International Affairs at UCSD focusing on China; he worked for several Chinese companies in mainland China and Taiwan; he was the Asia Desk Manager for the World Trade Center San Diego; and most recently he was the sales manager for an EB5 project in west Hollywood where he was instrumental in pushing the Chinese agents to close on a \$30m financing in less than four months (he was very skillful at using the September 30 and then the December 11 legislative deadlines to drive sales).

Best regards,

Bob

From: Mike Meacher [<mailto:meacher@frontsight.com>]

Sent: Tuesday, January 26, 2016 9:08 AM

To: 'Robert Dziubla' <rdziubla@eb5impactcapital.com>; Jon Fleming <jfleming@EB5impactcapital.com>

Subject: RE: Please update status on EB-5 investors

Bob,

I certainly understand. We hope she is doing well and fully recovers quickly.

Best Wishes,

Mike

Meacher@frontsight.com

702-425-6550

From: Robert Dziubla [<mailto:rdziubla@eb5impactcapital.com>]

Sent: Tuesday, January 26, 2016 9:02 AM

To: 'Mike Meacher'; 'Jon Fleming'

Subject: RE: Please update status on EB-5 investors

Dear Mike,

Thanks for the email and sorry for our delayed report. It's my fault – my wife had orthopedic surgery on Friday, and I way underestimated the amount of time caregiving would require the past few days. We will have an update to you later today or first thing tomorrow morning.

Best

Bob

From: Mike Meacher [<mailto:meacher@frontsight.com>]

Sent: Tuesday, January 26, 2016 7:51 AM

To: Robert Dziubla <rdziubla@eb5impactcapital.com>; Jon Fleming <jfleming@EB5impactcapital.com>

Subject: Please update status on EB-5 investors

Bob and Jon,

Please send me the updated stats on investors in our EB-5 project since last week's report.

We understand China is on holiday but what is progress from other sources?

Is Sinowel making this Front Sight EB-5 offering a priority with their sales force and how do we know?

Sales seem very slow for being into the selling effort seriously for 4-5 months.

Thanks,

Mike

Meacher@frontsight.com

702-425-6550

EXHIBIT 15

EXHIBIT 15

Traci Bixenmann

From: Robert Dziubla <rdziubla@eb5impactcapital.com>
Sent: Friday, March 4, 2016 2:59 PM
To: 'Mike Meacher'
Cc: 'Jon Fleming'; Mike Brand
Subject: RE: State of our EB-5 offering--(2)

Dear Mike,

Thank you for your various emails. We wish to reiterate the following:

- ✓ Over the past two months we have fired our non-performing Chinese agents, have hired new agents, and are recruiting additional agents.
- ✓ Ethan is going to China on Monday for two weeks or more to educate and support our existing agents, to continue growing our existing network of agents, and to participate in investor seminars and roadshows that have been arranged by our agents.
- ✓ As an accommodation to you, we had Sinowel confirm the other day in the confidential email that we forwarded to you that we are generously compensating them at the very top of the market. That is indicative of how we handle our agents.

An additional point: The new investor that we told you about yesterday has finished funding the balance of his \$500k into escrow.

We have the following three responses to the points raised in your emails:

1. Agent compensation. We will not “work around” our legal and ethical obligations to our agents by breaching the agreements and telling you how much we are retaining so that you can subtract that from the 5% interest spread to then calculate how much the agents make. We don’t work around our agreements with our agents nor would we “work around” our agreements with you if someone prodded us to do so -- that is simply not how we work. We have done the most we are able to do, which was to have Sinowel confirm that we are generously compensating them at the very top of the market.
2. Deliverables from Front Sight. Thank you for confirming that Front Sight has “over \$1 million more into it since you started soliciting the offer for grading, civil engineering, adding ranges and other development costs.” Please provide us with receipts for those expenditures so that we have that confirmation in our files when we make that representation to the investors. The remaining open and crucial deliverable from Front Sight is the loan documentation. Again, not having the loan documents finalized is severely hampering our marketing efforts.
3. Representations. In your excitement about receipt of USCIS approval for the project, Front Sight may have overstated to its members the prospects for obtaining the EB5 funds by a date specific. We, however, have never given you a specific date for completion of the fundraising nor any promises regarding the number of investors into escrow by a date certain. As you know, this is a market-driven process and we have always avoided promising specific results within a given timeframe.

Kind regards,

Bob

CC: Michael A. Brand, Esq.

From: Mike Meacher [mailto:meacher@frontsight.com]
Sent: Wednesday, March 2, 2016 7:06 PM
To: Robert Dziubla <rdziubla@eb5impactcapital.com>; Jon Fleming <jfleming@EB5impactcapital.com>
Subject: State of our EB-5 offering--(2)

Bob and Jon,

This has been a long day at Front Sight for me so the terse tone will continue. Please excuse any 15th hour of the day typos. You both must understand we are very serious. The saltiness you reference was and has been self-inflicted on your part. Had you come close to meeting ANY of the representations in your marketing summaries, we would all be a lot more pleasant in this discussion. Envision the situation reversed and tell me you would be reacting any differently.

It did not go unnoticed that you did not answer any of the questions posed in my prior email. Please review it ,and those below, and answer them all.

In response to your email earlier today, we have the following comments:

1. Yes, we want to immediately know the compensation plan for Sinowel and WHY they have not placed a SINGLE investor in escrow after 7 months. You should want to know this. You should have wanted to know this in October. Anyone serious about sales should be tracking the sales agents and finding out what the objections are to closing sales. Why no sales from Sinowel? Naish does this with every marketing offer. If an offer is not working, why? What do we need to change to get high sales? Further, please put this Sinowel compensation plan into context and give us the high to low spread of how brokers and sub brokers are compensated. Such disclosure cannot be a conflict if no specific party is referenced. The fallback of “we are legally and ethically bound by confidentiality restrictions in all of our contracts with our Chinese agents (and all others) not to disclose the terms thereof” seems quizzical. Irrespective of your belief, you and Jon are really acting in the capacity of a “super broker” and are hiring agents and sub agents to create a sales tree. If you were the sales manager for a major Coldwell Banker office and I listed my multi-million dollar home with you and we agreed to a 6% commission but you went out and advised everyone outside your office there would only be a 1% commission to their office, what type of sales interest would there be outside your office? Zero. If, as the seller of the home, I had no offers and came to you and asked pointedly how the 6% is being split to motivate all brokers and you told me some babble about “legal and ethical restrictions” I would call BS.
2. As the owners and developers of Front Sight, we have a right to know everything that impacts sales. Talk about real fiduciary duty. We have that very real obligation to our members to make sure everything is being done to maximally impact sales. We reiterate our request for this information. We are not taking the information public nor are we disclosing it to brokers. We just want confirmation that it is a compensation program that provides a serious incentive for them to sell and not a disincentive. How is this an unreasonable request? Here is the ethical work around. If you still find this to be some obtuse violation of a real or imagined relationship with these brokers, then disclose to us what you are retaining. There is a 6% annual cost of the money that Front Sight is borrowing via EB-5. The investors are getting 1%. Answer this simple question: how much are you and Jon (or entities owned or controlled by you and Jon) retaining of the net 5% spread? Surely there cannot be any objection to this. Please send this information back tomorrow.

3. Per the offering disclosures all your investors have received, Front Sight has a valuation of \$75 million into the project to date and over \$1 million more into it since you started soliciting the offer for grading, civil engineering, adding ranges and other development costs.
4. You will have the loan agreement when it is done. We have spent over \$20,000 in legal fees sorting it out and our attorneys. They are currently working on the support documents and making sure we have pristine title to deliver to your investors. There are some historical artifacts that need to be dealt with. After exhaustive due diligence, Preston-Arza has come to the conclusion that you have no fiduciary responsibility to anyone. You are operating in the capacity of a broker. If you disagree, please provide the support to Letvia and Scott so they can review it. These construction loan documents, while necessary prior to distribution, are not the pressing issue. SALES is the issue. Sales is the ONLY issue. If sales don't radically improve, there is nothing to distribute and these document are moot.
5. You are massively behind in performance on every representation you have made of what you were to deliver. If you continue at the same pace, using the same compensation plans for your brokers, you will never deliver funds to us before the EB-5 program risks being significantly changed or halted. There is a real risk to the viability of EB-5 past October or November. Don't you agree? If not, what do you know that we don't? You need step up your game. You have wasted 7 months and damaged our reputation with our members. We cannot allow you to waste another 7 months or further damage us without consequences. Your words and mine are really not the litmus test. Performance is the test.

What are we to conclude is the problem? What do you conclude? It's not the Front Sight offering. It's not the demand for EB-5. It has to be something else and YOU GUYS need to figure out what this is and figure it out now. Enlist our help. The more we understand about the offering, the greater the chance of us coming up with some solutions. Doing the same thing and expecting different results is failed logic.

What is your plan to get the first 63 investors closed and into escrow in the next 45 days? This is the only relevant question.

However, none of the questions in this email or the one from yesterday are rhetorical. We want your accurate and detailed responses.

Mike
Meacher@frontsight.com
702-425-6550

From: Robert Dziubla [<mailto:rdziubla@eb5impactcapital.com>]
Sent: Wednesday, March 02, 2016 12:36 PM
To: 'Mike Meacher'; 'Jon Fleming'
Subject: RE: The State of our EB-5 Offering

Dear Mike,

Well, you were certainly right about your email being salty.

And we apologize if Naish is venting his anger and frustration on you because of the state of our EB-5 offering. We certainly felt that sting keenly even at a second-hand remove; and we most assuredly understand, appreciate and share your and Naish's concerns.

Let us address those as best we can. First, the very good news.

We had told you a few days ago that we have several Indian investors getting ready to fund their investment. Well, this morning, another Indian investor went into escrow. I separately will forward to you an email from NES confirming the receipt into escrow of the first \$250,000 from this investor – the remaining \$250k will be coming in today or over the next couple of days. That means we have three investors in escrow, not one. The same agent who sourced this investor told us that he has one more investor preparing to wire his investment funds and that he has two or three more investors after that who are getting closer.

Next, as we explained the other day, last Friday we met in Orange County with a different Indian agent and two of his clients. This morning, that agent said that one investor, after returning to India and discussing the matter with his family, has decided to move forward.

In short, we are seeing good progress from our Indian agents.

Turning to China, which accounts for 87% of EB-5 investments: You have stated below your belief that the reason the Front Sight project is not enjoying faster uptake is because we are being too greedy and not providing enough compensation to our Chinese agents to market the Front Sight. You then demanded to see the details of our contractual agreements with our agents. We wish to make three important points in response to this.

First, as we explained the other day, because of the slow uptake in China, over the past eight weeks we have fired several agents who have not performed (i.e. agents who completely failed to source the number of investors agreed by the dates agreed). In turn, we then have hired several new agents and are negotiating with others to bring them onboard.

Second, we have hired Ethan as our Director of Business Development, and he has been working closely with our Chinese agents to provide them with as much support as possible. Further in this regard, Ethan will be going to China on March 7 for two weeks (or longer if necessary) to meet with and further educate and motivate our existing agents, to participate in investor seminars and roadshows, and to line up additional new agents.

Third, we are legally and ethically bound by confidentiality restrictions in all of our contracts with our Chinese agents (and all others) not to disclose the terms thereof. The EB-5 business is highly and increasingly competitive, and the agents absolutely will not tolerate the disclosure of the terms of their compensation. Assuming for the sake of discussion that we were to acquiesce to your demand and violate our contractual and ethical obligations, and thereby disclose to you the details of the compensation scheme, all of our agents would immediately quit and would sue us (and perhaps you) for breach of contract (or, in your case, tortious interference with contract). In that event, the EB-5 raise for Front Sight would die instantly, all of our reputations would be horribly and irreparably damaged, and we would spend lots of money hiring lawyers to defend us. That is a result none of us want to see.

While we find it deeply insulting that you would question our desire and ability to handsomely compensate and motivate the agents for sourcing investors so that this EB-5 offering is successful, we also understand your

desire for assurances and a better understanding. In an effort to provide you with comfort on this point, without violating our contracts, we are willing to ask Sinowel, whom you have met and know, to confirm that they are being compensated at the very top of the market and further explain their view of the market conditions and investor uptake.

Of course you are concerned about the state of the EB-5 offering, and all of us our ceaselessly searching for ways to make the offering more successful. You can help us substantially in this effort in two ways, thereby addressing repeated requests from both agents and investors: First, you can have your lawyers finalize the loan agreements. Second, you can tell us how much Front Sight has spent on construction over the past 6-month and 12-month periods. Those options for helping us to improve success are at your feet.

Kind regards,

Bob

From: Mike Meacher [<mailto:meacher@frontsight.com>]

Sent: Tuesday, March 1, 2016 6:44 PM

To: Robert Dziubla <rdziubla@eb5impactcapital.com>; Jon Fleming <jfleming@EB5impactcapital.com>

Subject: The State of our EB-5 Offering

Bob and Jon,

You once sent an email to me and advised in advance it was going to be salty. The same warning applies to this email.

You are in a dangerous situation. You have been selling the EB-5 program for Front Sight since August of 2015. As best Naish and I can determine, your success to date has been ONE Indian investor with funds in escrow, TWO Indian investors who are raising funds to deposit to escrow and the Swiss investor who has decided to invest but from whom you have no escrow money. So for all the dust that has been raised in the last seven months, you have a grand total of 4 investors—three of which have yet to put their cash in escrow. I could rant and rave about poor performance and tell you what thin ice you are on with Naish but you are both bright guys and it should be obvious.

In the sales business, you either get performance or excuses. Four sales in seven months is abysmal. Were Naish and I anticipating such poor performance? Hardly and let me tell you why. Below are random excerpts from your communications with us since August. They are meant only to let you know why Naish is seriously pissed.

- August 2015—"our goal is to have the first 50 investors by Thanksgiving"
- August 2015—"we have made contacts in Mexico, UAE, Russia and Ukraine"
- September 2015—"Bob is going to Russia, Ukraine, Kazakhstan, London and Zurich in October". Did this happen?
- September 2015—"Jon is going to Mexico Brazil, Argentina in October". Did this happen?
- September 2015—First investor is secured from India
- September 2015—"Agents believe the first \$25 million will be raised by 12-31 and the balance by 6-30-16"
- October 2015—"Agents in Russia have 3 investors and have lined up 10 or more in the pipeline"

- October 2015—"Sinowel has 5 investors lined up"
- October 2015—"Second China agent is planning on 50 investors by year end"
- October 2015—"Third China agent anticipates 20 investors by year end"
- October 2015—"Will do road show in Brazil". Did this happen?
- October 2015—"Aiming to achieve \$25 million by 12-31 but it might go to January 15"
- October 2015—"Sinowel has 3-4 investors ready to sign up"
- November 2015—"Believe Sinowel has 5-6 in process"
- November 2015—"Planning a seminar in Brail for December 8-9." Did this happen?
- November 2015—"Russia has 3 investors in process"
- November 2015—"Sinowel is getting its act together and has a dedicated EB-5 marketing team"
- November 2015—"Many investors in the pipeline for the Front Sight deal"
- December 2015—"May be able to achieve the minimum \$25 million raise by 1-31"
- December 2015—"Various agents report a total of 20 investors in the pipeline"
- January 2016—"5-10 investors in escrow by February 8th with an additional 20-30 in pipeline"
- January 2016—"Sinowel continues to expand its team"
- January 2016—"We await reports from agents but expect it to be more than the 21 previously reported"
- January 2016—"The pipeline is now at 26 investors and Sinowel has 15 investors"
- February 2016—"Shanghai agent has 2 high potential clients and 11 potential clients"
- February 2016—"Jay Li going to China on 3-1-16 for 60 days to revamp and expand his EB-5 team"
- February 2016—"2 Indian investors committed to Front Sight"
- February 2016—"Swiss investor decided to invest"

At the risk of pointing out the obvious, all of the above is blue sky, hope or misrepresentation. The net result is ONE investor with money in escrow and three possible investors. Something is terribly wrong. We have yet to hear from anyone that the Front Sight project is anything other than the best EB-5 offering. All who have shown up at Front Sight (George, Celinka, King, Jay, Ethan and other agents) are very impressed. The problem is not the Front Sight offering. There is a lot of demand for EB-5 visas and the pressure on foreign nationals is to get in now before the U.S. changes the deal in October or elects a new President in November and the program gets curtailed. The only other option is the deal being offered to the brokers and sub brokers is insufficient to motivate them to close sales. We want to know immediately what the financial arrangements are between you and Sinowel and the other brokers. Please provide us a specific breakdown of the money being paid from the 6% annual payment Front Sight has agreed to pay. We understand the return being offered to investors is 1%. Rather than speculating, we now want to know the detailed breakdown. Please provide this immediately. You must be attempting to retain more of the 5% spread than is marketable, it has obviously been a disincentive for brokers to sell this product.

Something must change and must change NOW. Naish will not sit by and get sued by his members for creating expectations of his members based on your inflated sales beliefs. He will not stand in front of his best members on July 4th AGAIN, with egg on his face and giving them excuses when he has done everything you have asked. Front Sight has funded the existence of a Regional Center for you that can be a source of income for you both for many years. You need to supply documents to confirm the financial arrangements with you and ALL your brokers. This formerly was not our concern. It is impacting marketing and is now our concern. These deals need to be redone to provide the vast majority of the available revenue to the brokers (it needs to be way above market) to provide incentive for them to prioritize the Front Sight project at the very top of their things to sell. You

will make less but you will make something. The way this is currently going, you are not likely to make anything and get a black eye in the EB-5 business.

You have never seen Naish as livid as he was with me this afternoon. He is not one to make idle threats. He will close this down if you cannot demonstrate significant sales immediately and get this first funding in the next 45 days. He will seek alternate funding elsewhere since the strength of Front Sight and of Naish personally has increased during the 3.5 years we have been betting on this EB-5 funding. Don't test him. Please do what I have requested.

It does boil down to excuses or performance.

Mike

Meacher@frontsight.com

702-425-6550

EXHIBIT 16

EXHIBIT 16

Mike Meacher

Subject: Agreement with typo corrections

From: Ignatius Piazza [<mailto:ignatius@frontsight.com>]
Sent: Tuesday, November 15, 2016 8:03 PM
To: 'Robert Dziubla' <rdziubla@gmail.com>
Cc: 'Mike Meacher' <meacher@frontsight.com>; 'Jon Fleming' <jfleming@EB5impactcapital.com>
Subject: RE: Agreement with typo corrections

Bob,
Here is what I agreed to do in our phone discussion today.:

1. When you advise EB5 investor funds are ready for disbursement, Mike Meacher will send you an email request for disbursement of those funds with the following message: "Please disburse the EB5 funds you are holding into Front Sight's account. Front Sight has used the prior fund advances in support of the Front Sight project." Front Sight will provide receipts and documentation covering all of the expenditures by October 31 of each year when we submit the EB5 documentation.
2. Upon disbursement of \$375k by wire into our account ANTICIPATED TO OCCUR BY November 21, 2016 we will pay you ½ of the agreed \$24k (\$12,000) by wire.
3. Upon subsequent disbursement of \$375k, we will pay you the remaining ½ of the \$24k (\$12,000) as payment in full for any and all legal, escrow, title and travel fees or expenses associated with the closing of the EB5 transaction of October 7.
4. On December 10, we will pay you \$8k as the marketing fee for December 10 along with the interest payment because you will have made the pending disbursement.
5. If the next investor, whose approval you are awaiting, approves disbursement of her funds on or before November 30, we will consider that a December investment release and pay you \$8k on January 10 along with the interest payment. If the investment is not released by November 30, it will not be counted for December or any other month as the \$8,000 was originally offered for the release of both the November 16 investors funds and the November 30 investors funds way back on October 7.
6. Until you have disbursed a total of \$10m, we will pay you \$8k each month on the 10th so long as you have disbursed funds from at least one investor in the prior month.
7. If you have a dry spell and don't disburse funds from an investor in one month but disburse funds from 2 or more investors in the subsequent month, we will then credit the surplus investor(s) to the prior month(s) and make up the \$8k payment(s) so long as there's a disbursement equal to one investor per month.

Bob,

Please prepare for disbursement of the \$375k tomorrow.

Mike,

Please send Bob an email requesting disbursement of the \$375K that is ready for release with the following statement: "Please disburse the EB5 funds you are holding into Front Sight's account. Front Sight has used the prior fund advances in support of the Front Sight project."

EXHIBIT 17

EXHIBIT 17

Traci Bixenmann

From: Robert Dziubla <rdziubla@eb5impactcapital.com>
Sent: Wednesday, August 5, 2015 5:32 PM
To: 'Mike Meacher'; 'Jon Fleming'
Cc: 'Ignatius Piazza'
Subject: RE: 2014 financials, two points, conference call with Sinowel
Attachments: Front Sight memo re marketing costs - second memo.docx

Dear Mike,

Thanks for the response. We look forward to receiving the 2014 financials. In the meantime, please find attached the additional detail you requested on the marketing endeavors and costs therefor.

Jon and I would be happy to discuss with you and Naish on a conference call, but Sinowel respectfully declines. They rightly point out that they do not have a contractual relationship with you but with us, and they do not want to get involved in discussions with Front Sight. (That's all very much a part of the Chinese relationship culture.) Both King Liu and Jay Li also travel incessantly on Sinowel business in China and around the world, so it's very hard to schedule a call.

Cheers,

Bob

From: Mike Meacher [mailto:meacher@frontsight.com]
Sent: Wednesday, August 5, 2015 9:13 AM
To: Robert Dziubla <rdziubla@eb5impactcapital.com>; Jon Fleming <jfleming@EB5impactcapital.com>
Cc: Ignatius Piazza <Ignatius@frontsight.com>
Subject: 2014 financials, two points, conference call with Sinowel

Bob and Jon,

Naish talked with our accountants yesterday. They will be getting us the 2014 numbers as soon as possible. We will forward them to you.

There are some interlineated red responses to your two points below. Both are self-explanatory.

Naish and I would like to have a conference call with the two Sinowel principals, Jay and King, along with you both as soon as practical. Please see if you can arrange a couple of times that will work for the four of you.

Thanks,

Mike
Meacher@frontsight.com
702-425-6550

From: Robert Dziubla [<mailto:rdziubla@eb5impactcapital.com>]
Sent: Tuesday, August 04, 2015 2:06 PM
To: Mike Meacher
Cc: Jon Fleming
Subject: Marketing schedule / financials

Dear Mike,

Per our call this morning, we are working on a more detailed description of our international marketing efforts to enhance Naish's understanding and appreciation of all that we will be doing. We will have that ready by tomorrow.

In the meantime, however, two points, please:

1. No Material Change to the Project. As you know, we received USCIS approval for the Front Sight project as our "exemplar project," and based thereon USCIS approved the project itself, the jobs creation methodology, the manner of confirming those jobs (which is through the "expenditure model," whereby we prove that FS has indeed spent the money as stated in the business plan and economic impact analysis, thereby creating the number of jobs that Sean projected), and other matters. As a result, no EB5 investor can have his I-526 application denied because of project reasons UNLESS the project changes in a "material way." There is no precise definition of material, as it is a term of art refined over many decades in thousands of court cases. In a nutshell, though, it means any change that a reasonable person or investor would consider to be material. That too is vague, but it provides some guidance. At a more practical level, a material change is often viewed as one where a project or budget changes by more than 5 – 10%. Therefore, as you and Naish are considering how specifically to deploy the \$75m that we are going to raise for Front Sight, please keep that in mind. If there were to be a material change, then the investors could have their green cards denied and all of us, most especially Front Sight, would become the target of endless litigation. **This will not be an issue. We will build all of what we agreed to build.**

2. 2013 Financials. As we are awaiting the 2014 financials from your accounting firm, could you please explain to us in greater detail (as we are being queried by Sinowel on this point) the reason(s) for the 50% decline in revenue from 2012 to 2013, and the decrease in NOI from \$7.3m to \$3.66m. I know you and I have discussed this before, and you explained that much of it had to do with your CPAs classification of \$12.48m as "deferred revenue," and its inclusion in the Current Liabilities section of the 2012 balance sheet. We need to understand this point better. **The decrease in revenue reported is due to deferring income through a gift card promotion. We have continued that program each year because it give us even greater market dominance and a position in the market that nobody else can match. The fact that it also defers income is a bonus. More importantly, it is creating an account of "credits" for our members that we will allow them to apply TOWARD the timeshare purchase which will allow us to establish a higher market value for your time share units when members use their credits as partial payment toward the time share purchase. This drives members to the offer, softens the purchase for them, while still making all the profit we need in an above market value offer. In other words, it will drive sales and increase profits by allowing members to use their gift card credits as partial payment toward an above market price time share, thus establishing a higher value perceived the public.**

If we chose not to claim the gift card deferred income, then we would add that number to the profit each year. As such we are wildly profitable.

Thanks,

Bob

MEMORANDUM

TO: Ignatius Piazza
Mike Meacher
FROM: Robert Dziubla
CC: Jon Fleming
RE: International marketing and travel costs
DATE: 5 August 2015

Dear Naish and Mike:

Per your request, this memorandum will supplement our memo of July 29 that explained why we must develop a global marketing network for the Front Sight project and not rely solely upon Sinowel.

First, by way of background, only China has a highly developed platform of visa immigration agencies because, historically, it was very difficult for Chinese travelers to obtain travel visas to foreign countries, especially student visas. Given that there is a serious shortage of places in Chinese universities for the number of high school graduates, and given the high importance that the Chinese place on education, many affluent Chinese families have for many years chosen to send their children abroad for high school and / or university. The Chinese visa immigration agencies arose to meet that need, and then they morphed into EB5 placement agents once EB5 became so popular.

Today, because of this sophisticated system of visa agencies, China accounts for much of the EB5 financing. But that is changing due to many factors previously articulated, and we all agree that it would be foolhardy to rely just on China and Sinowel.

EB5 investors have come to the USA from all of the countries that we listed in our prior memo, and we intend to develop a marketing program in those countries.

We are currently planning to sign up three marketing agents in India, each covering a different section of that vast country, as soon as we have received the marketing fees from you so that we have the money to hire the lawyers finalize the agreements and to begin funding some of the marketing costs.

We also are short-listing potential marketing agents in all the other countries with South Korea, Taiwan, Mexico, Brazil, England, Vietnam, Russia / Ukraine, Iran, Japan and UAE at the top of the list because about 1,000 EB5 investors came from those countries in 2014.

Our planned travel schedule and approximate costs are as follows, with hotels averaging about \$300 per night:

<p><u>September 2015</u> Three weeks</p>	<p>Bob & Jon both travel to China (Beijing, Shanghai and other cities selected by Sinowel), plus Hong Kong, Taiwan, South Korea</p>	<p>Airfare = \$20k Hotels / meals / entertainment = \$10k</p>
<p><u>October 2015</u> Two weeks</p>	<p>Jon travels to India and Singapore</p>	<p>Airfare = \$7.5k Hotels / meals / entertainment = \$4k</p>
<p>Two weeks</p>	<p>Bob travels to UK, Middle East & Russian / Ukraine</p>	<p>Airfare = \$16k Hotels / meals / entertainment = \$4k</p>
<p><u>November 2015</u> Two weeks</p>	<p>Bob or Jon travels to Mexico, Brazil, and Venezuela</p>	<p>Airfare = \$6k Hotel / meals / entertainment = \$4k</p>
<p><u>December 2015</u> Two weeks</p>	<p>Bob or Jon travels to China, India and Japan. We plan to host a booth at the IIUSA industry conference in Shanghai at that time.</p>	<p>Airfare = \$7k Hotel / meals / entertainment = \$4k Booth cost = \$3k</p>

The total cost of the above travel is \$85,500. From the \$101k that we had budgeted, that leaves \$15,500 for newspaper, radio, TV and other advertising in the target markets.

We renew our request that Front Sight fund these expenses plus the \$9.5k detailed in Bob's email of July 31 to Mike (\$6k translation costs plus \$3.5k escrow set-up fees).

Kind regards.

EXHIBIT 18

EXHIBIT 18

Traci Bixenmann

From: Robert Dziubla <rdziubla@eb5impactcapital.com>
Sent: Wednesday, February 15, 2017 9:55 AM
To: 'Ignatius Piazza'; 'Mike Meacher'
Subject: RE: Call to our agent

Naish,

When you and I talked on the phone, you said you didn't want to pay us the monthly marketing fee of \$8k and, instead, would pay only when we sourced an investor, as that would be what really motivated us to perform. I said, if that's the way you want it, fine. So our motivation relies upon sourcing investors, not spending our time writing up reports. We don't get paid for writing reports, we get paid for sourcing investors.

We look forward to seeing the USCP loan finalized within the next 45 days.

Bob

From: Ignatius Piazza [mailto:ignatius@frontsight.com]
Sent: Wednesday, February 15, 2017 8:03 AM
To: rdziubla@eb5impactcapital.com; 'Mike Meacher' <meacher@frontsight.com>
Subject: RE: Call to our agent

Bob,
There is nothing pointless about berating you for failing miserably. In fact, that is EXACTLY the point. We have not received a closed investor since when... November? It is now the middle of February! All we hear from you are excuses ranging from how Front Sight became an outlier, to the most recent jewel that Trump has something to do with your inability to close investors! Front Sight had nothing to do with any of your failings. In fact we have pulled your ass out of the fire several times along the way and paid you more money than we ever initially agreed to pay you, just to help. YOU have failed to properly understand the EB5 market and continue to fail to properly market Front Sight. My gut tells me that when we close the USCP loan, which should be in another 45 days or so, it won't make a bit of difference in your ability to source and close lenders. You will come up with more creative excuses as to why you can't close any investors when having a first in place does not improve your performance. I hope I am wrong, but your track record of excuses leads me to believe otherwise. How about giving us a weekly report of WHAT YOU ARE ACTUALLY DOING IN CHINA , INDIA and around the world to source and close investors Bob? We have repeatedly asked you for WEEKLY reports and you conveniently fail to deliver our requested reports. Why Bob? How about answering the simple question Mike just asked you about Ethan? How about closing an investor Bob? WE WANT ANSWERS BOB not more questions or more excuses from you. Answers our questions and give us weekly reports.

From: Robert Dziubla [mailto:rdziubla@eb5impactcapital.com]
Sent: Tuesday, February 14, 2017 5:15 PM
To: 'Mike Meacher'; 'Jon Fleming'
Subject: RE: Call to our agent

If you want to talk with us fine. If you want to talk with our agents, then ask us first. Simple courtesy at a minimum demands no less. We didn't even get a head's up that you were thinking of doing it. Talk about being blind-sided.

We've had extended talks about how FS became an outlier in the EB5 world while we awaited USCIS approval and how that needed to be fixed – by bringing in a senior loan -- so please stop the pointless beratement over our failing

miserably. We continue to await the USCP loan, so please respond to our request of yesterday. What's the status, have you started contractual negotiations and, if not, what's the hang-up?

From: Mike Meacher [<mailto:meacher@frontsight.com>]
Sent: Tuesday, February 14, 2017 4:46 PM
To: Robert Dziubla <rdziubla@eb5impactcapital.com>; Jon Fleming <jfleming@EB5impactcapital.com>
Subject: Call to our agent

Dear Bob,

Your insecurity and paranoia is unbecoming.

The purpose for the call with Dr. Shah was to allow Naish to thank him for his support of the Front Sight project and to determine if there was anything else we could do to assist in his sales efforts. The conversation was short, allowed Naish to speak briefly with Dr. Shaw and there was no "grilling".

Your characterization that this was "interference" is both incorrect and short sighted. The Front Sight project benefits all of us if we have a more cooperative effort rather than a compartmentalized and territorial approach. If we were trying to circumvent you and go direct to these agents, you would have some reason to be miffed. We are not.

Let me remind you that you have failed miserably in promoting this to the EB-5 marketplace. Front Sight should have \$75 million by now from your EB-5 promises and the project into resort construction and closer to finished. Instead we have you making excuses every month for your lack of performance and accusing us of interfering.

We suggest you locate more agents, light a fire under these agents by giving them the best financial deal in the EB-5 business, push them to deliver their clients and keep us updated weekly on your progress. This would be the productive approach. Kvetching is not.

Is Ethan Devine still working for you to market the Front Sight project? What is his marketing report?

Mike

From: Robert Dziubla [<mailto:rdziubla@eb5impactcapital.com>]
Sent: Tuesday, February 14, 2017 10:48 AM
To: Mike Meacher
Cc: Jon Fleming
Subject: Call to our agent

Dear Mike:

We understand that you and Naish directly called our contracted agent, Dr. Sudhir Shah, to grill him about his marketing of the Front Sight project in India. Please remember that Dr. Shah is under contract with us and reports to us. We do not appreciate Front Sight interfering with our agents. If you have questions about the marketing, we require that you ask us and not our agents.

Bob

EXHIBIT 19

EXHIBIT 19

Las Vegas Development Fund LLC

Las Vegas Development Fund, LLC
916 SOUTHWOOD BOULEVARD, SUITE 1G
P.O. BOX 3003
INCLINE VILLAGE, NEVADA 89450
Telephone: (844) 889-8028
Facsimile: (858) 332-1795

July 30, 2018

Via FedEx and Email

Mr. Ignatius Piazza
Manager
Front Sight Management LLC
1 Front Sight Road
Pahrump, NV 89061

With a copy to:

Scott A. Preston, Esq.
Preston Arza LLP
8581 Santa Monica Boulevard, #710
West Hollywood, CA 90069

Re: Notice of Multiple Defaults / Notice of Inspection / Monthly Proof of Project Costs

Dear Mr. Piazza:

Capitalized terms used herein shall have the meaning ascribed to them in that certain Construction Loan Agreement dated October 6, 2016 ("Loan Agreement") between us as Lender and Front Sight Management LLC, as the Borrower.

Pursuant to the following contracts, namely: Loan Agreement, First Amendment to Loan Agreement dated July 1, 2017 ("First Amendment"), and the Second Amendment to Loan Agreement dated February 28, 2018 ("Second Amendment"), Borrower was required to do the following:

1. Obtain the Senior Debt by June 30, 2018 and, prior to that date, provide to Lender copies of term sheets, emails and other materials related to the Senior Debt Term Sheets and periodically, but no less than monthly, update the same.
2. Submit EB-5 documentation proving that Borrower had invested into construction of the Project at least \$2,625,000, which is the amount of EB-5 funds that Lender had lent to Borrower by July 1, 2017. Such documentation was to include receipts, cancelled checks, bank statements or other evidence of payment reasonably acceptable to Lender.

Borrower has failed to comply with these requirements, which we will discuss below.



Mr. Ignatius Piazza
 Manager
 July 30, 2018
 Page 2

Las Vegas Development Fund, LLC

Senior Debt by June 30, 2018

Under the Loan Agreement, article 5.23, Borrower was to obtain the Senior Debt by March 31, 2017. Borrower failed to do so and requested Lender to grant an extension until December 31, 2017, with a 60-day extension if Borrower so chose. Lender acceded to this request, and the parties signed the First Amendment. Borrower then obtained a loan commitment from US Capital Partners dated November 3, 2017.

Borrower, however, declined to proceed with the USCP commitment because the terms were onerous and, therefore, asked Lender for another extension to find a more favorable commitment, saying that Borrower could always go back to USCP if nothing better could be found. Lender again agreed with Borrower's request, and the parties executed the Second Amendment extending the date to obtain the Senior Debt until June 30, 2018.

During the term of the Second Extension (March 1, 2018 to June 30, 2018), Borrower represented to Lender that it had two senior lenders who were offering terms substantially more favorable than USCP and was jockeying to obtain the best terms, as Borrower would need the Senior Debt in place in order to begin vertical construction no later than September 2018. Borrower, however, failed to provide to Lender any of the term sheets, emails or other materials related to these two Senior Debt term sheets as was required under the Second Amendment prior to the June 30, 2018, deadline.

In an effort to remedy this failure, Borrower's legal counsel, Scott Preston, sent an email to our legal counsel, Michael Brand, on July 19, 2018, with several attachments purporting to be evidence of two potential lenders sourced during the term of the Second Amendment. That, however, was grossly misleading, as all of the attached lender term sheets were from long ago, and the only documents relevant to the Second Amendment term were (1) the USCP Release Agreement that **terminated** the USCP term sheet from November 2017, and (2) an engagement letter for Innovation Capital to act as a financial advisor to Borrower, not a term sheet for a \$25 million loan as represented by Borrower and its counsel.

This intentional misrepresentation and failure to provide term sheets or other documentation confirming Borrower's good faith efforts to obtain the Senior Debt constitutes an event of default under the Loan Agreement and Second Extension.

EB-5 Documentation

Article 6 of the First Amendment states in relevant part that "on or before June 30, 2018, Borrower shall provide Lender with copies of major contracts, bank statements, receipts, invoices and cancelled checks or credit card statements or other **proof of payment reasonably acceptable to Lender that document that Borrower has invested in the Project at least the amount of money as has been disbursed by Lender to Borrower on or before the First Amendment Effective Date.** [emphasis added]"

The First Amendment Effective Date was July 1, 2017, and Lender had disbursed \$2,625,000 of EB-5 funds to Borrower by said date.

Mr. Ignatius Piazza
Manager
July 30, 2018
Page 3

Las Vegas Development Fund, LLC

Under cover letter dated June 20, 2018 ("Cover Letter"), Borrower delivered to Lender eight binders of documents ("EB-5 Documents") entitled:

1. Account Report (27 pages)
2. Vendor Report (30 pages)
3. Credit Cards (hundreds of pages)
4. Payroll 2015 (77 pages)
5. Payroll 2016 (hundreds of pages)
6. Payroll 2017 (hundreds of pages)
7. Invoices (hundreds of pages)
8. Invoices 2015 – 2018 (hundreds of pages)

Borrower's cover letter stated that its attorneys had reviewed "all the USCIS guidelines for qualified expenses" as well as the underlying documents between Lender and Borrower and, based thereon, compiled guidelines for Borrower's CPAs "as to the expenses that would be allowable for purposes of your compliance with USCIS."

Attached to this Cover Letter was a letter from Borrower's CPAs dated June 20, 2018, stating that "Enclosed please find the following documents which the Management of Front Sight (FS) believes will be considered a valid use of funds from EB-5 investors. FSM's management identified expenses which are 'includable as inputs to demonstrate job creation' as specified by FSM's legal counsel for purposes of USCIS [sic]."

All of that, however, is utterly irrelevant, as Borrower failed to provide proof of payment. Nowhere in the EB-5 Documents could we find major contracts, bank statements, receipts or canceled checks proving that Borrower had invested \$2,625,000 into building the Project.

The Vendor Report, which appears to be a simple summary of Borrower's internal journal entries, indicates that Borrower spent only \$1,551,900.38 on construction payments to such vendors as All American Concrete & Masonry, Civilwise Engineering, Morales Construction and others but several of those payments were outside the period of time in question. Schedule A attached hereto summarizes those payments, including the ones that were outside the time period applicable. The deficit on construction spending, therefore, appears to be well over \$1,000,000.

Borrower appears to believe that its spending on purchases of guns, ammunition, internet hosting services, data centers, FedEx, Google, sanitation and other similar operating expenses qualifies as an EB-5 expenditure under the First Amendment. That belief, however, is completely erroneous as those are mere operating expenses.

Borrower has failed to prove that its expenditures on construction equaled or exceeded \$2,652,000. That is an Event of Default under the Loan Agreement as amended, and Lender hereby issues this Notice of Default requiring Borrower to remedy the same within 30 days as stipulated in article 6.1 of the Loan Agreement.

RWD

Mr. Ignatius Piazza
Manager
July 30, 2018
Page 4

Las Vegas Development Fund, LLC

Notice of Inspections

Pursuant to articles 3.3 and 5.4 of the CLA, we hereby serve you notice that we and our representatives will inspect the Project and your books and records on Monday, August 27 commencing promptly at 9 a.m. We of course know where the project is. Please immediately inform us the location of your corporate books and records.

Notice of Default - Monthly Evidence of Project Costs

Pursuant to section 3.2(a) of the Loan Agreement, you have failed to provide us on a monthly basis with "evidence of the Project costs funded during the preceding month (whether from Loan proceeds or otherwise)." That failure constitutes a default under the Loan Agreement, and we demand that you remedy this default within thirty (30) days for all months since our first disbursement of loan proceeds through July 31, 2018.

Notice of Default – Completing Construction, Section 5.1 of Loan Agreement

Based on Borrower's statements to Lender over the past sixty days, including as recently, as last week Tuesday, July 24, when we visited the Project with two potential EB-5 investors, Borrower has failed to meet multiple requirements of article 5.1 of the Loan Agreement. For example, Mr. Michael Meacher stated that completion of the Project is now planned for "three or four years from now." Another example, Borrower has also failed to provide to Lender the quarterly list of all Contractors, any updated Plans, and other required documents. A third example: based on statements by Borrower to Lender, the Project will not be completed by the Completion Date. These multiple failures constitute Events of Default under the Loan Agreement, and we demand that you remedy them within thirty (30) days for all months since our first disbursement of loan proceeds through July 31, 2018.

Notice of Default – Changing Costs, Scope or Timing of Work, Section 5.2 of Loan Agreement

Borrower is in default of multiple provisions of section 5.2. For example, but without limitation:

- a. On July 24 during the aforementioned property tour, Mr. Meacher stated that the Patriot Pavilion will no longer be 85,000 square feet as represented in the USCIS-approved Business Plan but instead will be "25,000 to 30,000 square feet, and because of recent developments we don't have to have a foundation and will install steel structures that we [Borrower] will lease on a lease-to-own basis payable over 10 – 20 years."
- b. Borrower has failed to deliver revised, estimated costs of the Project.
- c. Borrower has failed to deliver the revised construction schedule when the Project has been delayed by more than 20 days.
- d. Borrower has made multiple changes to the Plans without the prior written consent of Lender.

Mr. Ignatius Piazza
Manager
July 30, 2018
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Las Vegas Development Fund, LLC

Notice of Default – Defaults, Section 5.10(d) of Loan Agreement

Borrower is in default of section 5.10(d) because Borrower knew of a Default or Event of Default and failed to notify Lender of same and failed to take the corrective actions required.

Notice of Default – Work on the Project, Section 6.1(f) of Loan Agreement

Given Borrower's delays in constructing the Project, Borrower is in default of section 6.1(f) of the Loan Agreement.

Payment of Legal Fees

Pursuant to article 8.1(a) of the Loan Agreement and article 7 of the First Amendment, all legal fees incurred by Lender in connection with the Events of Default detailed in this letter shall be at Borrower's expense.

The above list of defaults or events of default may not be complete, and Lender may supplement the same after the inspections on August 27 and based on further developments.

You are required to correct the Events of Default noted above no later than 30 days from the date first written above.

We hereby notify you that our preferred physical delivery address is:

Las Vegas Development Fund, LLC
16870 West Bernardo Drive
Suite 400
San Diego, CA 92127-1677

Sincerely,



Robert W. Dziubla
President & CEO

Attachment – Schedule A (Construction vendor summary)

cc: Mr. Michael Meacher, COO, Front Sight
C. Matthew Schulz, Esq.
Michael Madda, Esq.
Michael A. Brand, Esq.
Ms. Linda K. Stanwood, Senior Vice President

Mr. Ignatius Piazza
Manager
July 30, 2018
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Las Vegas Development Fund, LLC

Schedule A
Construction Vendor Summary

Front Sight - Vendor Report per submission of June 20

All American Concrete & Masonry

1/10/2017 \$ 145,000.00
3/3/2017 \$ 164,205.00
4/4/2017 \$ 109,470.00
5/22/2017 \$ 9 3,055.00
6/23/2017 \$ 5 4,735.00 NB - same exact amount, a week apart?
6/30/2017 \$ 5 4,735.00
\$ 621,200.00

Civilwise

10/12/2016 \$ 3 0,000.00
11/17/2016 \$ 3,362.00
12/12/2016 \$ 1 0,238.75
3/3/2017 \$ 1,058.00
4/20/2017 \$ 3 1,755.75
8/30/2017 \$ 1 8,582.50
11/15/2017 \$ 6 3,012.50
\$ 158,009.50

Lee's Roofing

12/5/2017 \$ 44,600.00 Need detail as don't recognize contractor

Morales Construction Inc. Note - two payments of \$50k each, one in July 2015 and one in July 2016 are NOT included because prior to loan funding

11/1/2016 \$ 119,719.00
1/27/2017 \$ 2,000.00
3/22/2017 \$ 6,121.29
4/20/2017 \$ 121,721.00
5/19/2017 \$ 2,500.00
8/24/2017 \$ 225,000.00
11/15/2017 \$ 3 0,300.00
\$ 507,361.29

TAV

Las Vegas Development Fund, LLC

Mr. Ignatius Piazza
Manager
July 30, 2018
Page 7

Nye County Planning Note - need detail
10/27/2016 \$ 350.00
10/27/2016 \$ 1,920.00
\$ 2,270.00

Top Rank Builders
1/10/2017 \$ 7 8,226.00
2/7/2017 \$ 6,121.29
3/10/2017 \$ 5 7,624.00
11/15/2017 \$ 7 6,488.30
\$ 218,459.59

GRAND TOTAL = \$ 1,551,900.38



EXHIBIT 20

EXHIBIT 20



August 20, 2018

Via FedEx and Email (rdziubla@eb5impactcapital.com)

Mr. Robert W. Dziubla
President & CEO
Las Vegas Development Fund, LLC
916 Southwood Boulevard, Suite 1G
P. O. Box 3003
Incline Village, Nevada 89450

With a copy to:

EB5 Impact Capital Regional Center LLC
916 Southwood Blvd., Suite 1G
Incline Village, Nevada 89450

Michael A. Brand, Esq.
2924 Selwyn Circle
Santa Barbara, California 93105

C. Matthew Schulz, Esq.
Dentons US LLP
1530 Page Mill Road, Suite 200
Palo Alto, California 94304-1125

Re: **Response to Notice of Default dated July 30, 2018**

Dear Mr. Dziubla:

We acknowledge receipt of the document entitled "Notice of Multiple Defaults / Notice of Inspection / Monthly Proof of Project Costs" (the "Notice") delivered on July 30, 2018 by Las Vegas Development Fund, LLC, as lender ("Lender"), to Front Sight Management LLC, as borrower ("Borrower" or "Front Sight").

Said notice alleges breach by Borrower of that certain Construction Loan Agreement dated October 6, 2016 (the "Original Loan Agreement"), that certain First Amendment to Loan Agreement dated July 1, 2017 (the "First Amendment"), and that certain Second Amendment to Loan Agreement dated February 28, 2018 (the "Second Amendment"; collectively, the Original Loan Agreement, the First Amendment and the Second Amendment may be referred to as the "Construction Loan Agreement").

There have been no payment defaults on the part of Borrower under the Construction Loan Agreement. We categorically disagree that any breach has occurred as stated in the aforementioned Notice; therefore, we do not agree with any remedial action identified in the Notice. Before setting forth the full response to said

Mr. Robert W. Dziubla
President & CEO
Las Vegas Development Fund LLC
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Notice, the matters in dispute should be placed in the context of the background and history that has led us to where we find ourselves today.

Background and History

Inducement of Front Sight to Fund Your EB-5 Raise for the Development and Construction of the Front Sight Resort Project in Detrimental Reliance on a Raise of \$75 Million

As reflected in email correspondence between you and Front Sight officers, as early as October of 2012, representations were made to us that you and your associates had the ability, experience and networking breadth with Chinese investors to enable you “to put together a financing package for some, or perhaps all, of the \$150 million you [Front Sight] were seeking to raise.” (Email correspondence from Robert Dziubla to Mike Meacher dated August 27, 2012.)

In a proposal letter dated September 13, 2012, you, as President and CEO of Kenworth Capital, represented to us that, provided Front Sight agreed to pay “upfront fees” of \$300,000 to cover your “direct out-of-pocket cost to do an EB-5 raise,” you “will be able to structure the \$65 million of EB-5 financing as non-recourse debt secured only by a mortgage on the property. Thus, no personal guaranties or other collateral will be required from Dr. Piazza or Front Sight. This non-recourse element of the EB-5 financing is truly extraordinary.” The structure chart attached to that proposal letter contemplated “130 foreign investors,” “\$500,000 from each investor,” and a “\$65 million loan” for the development and construction of the Front Sight Resort Project. In said letter, you represented that your “partners, Empyrean West (Dave Keller and Jay Carter), are the owners and managers of a USCIS-approved regional center, Liberty West Regional Center, through which we will invest the \$65 million of EB-5 funding.” In that same proposal letter, you further represented to us:

“I personally have been conversant with and involved in EB-5 financing since the program was first established in 1990, as one of my oldest friends and a fellow partner of mine at Baker & McKenzie, the world’s largest law firm, ran the Firm’s global immigration practice out of the Hong Kong office. During my career, I have spent much of my life living and working in China / Asia and have worked with many Chinese clients and institutions investing abroad. This experience has provided me with an expansive network of relationships throughout China for sourcing EB-5 investors; and this personal network is coupled with our collective relationships with the leading visa advisory firms operating in China.

“In addition to the Chinese EB-5 funding, Empyrean West has been authorized by the Vietnamese government to act as the exclusive EB-5 firm in Vietnam and has been exempted from the \$5,000 limit on international money transfers.

“On a separate note, we also think the Front Sight project will be especially attractive to Chinese / Asian investors because it has “sizzle” since firearms are forbidden to our Chinese investors. Thus any who do invest will be able to tell all of their friends and family that they have invested into Front Sight and been granted a preferred membership that gives them the right to receive Front Sight training in handguns, shotguns, rifles, and machine guns anytime they want.”

In that same letter, you also represented to us that “EB-5 funding initiatives typically take 5 – 8 months before first funds are placed into escrow with the balance of the funds being deposited during the next 6 – 8 months. This sort of extended timing seems to be compatible with Front Sight’s development timeline given our discussions.” (Email correspondence from Robert Dziubla to Mike Meacher dated September 13, 2012, and attached letter of proposal of even date.)

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After multiple exchanges of email correspondence and several meetings, you represented to Front Sight that you and your partners were working on a proposal for “the creation of a new regional center for the Front Sight project and the raise of up to \$75m (interest reserve included) of EB-5 immigrant investor financing.” (Email correspondence from Robert Dziubla to Mike Meacher dated December 27, 2012.)

On February 8, 2013, as President & CEO of EB5 Impact Advisors LLC (“EB5IA”), you submitted a revised proposal (the “Engagement Letter”) to Front Sight for the engagement of EB5IA to perform services in connection with the **raising of \$75 million of debt financing** for Front Sight to expand its operations through the EB-5 immigrant investor program supervised by the USCIS, said services to include, amongst other, engaging the services of other professionals to achieve the establishment of the EB5 Impact Capital Regional Center covering Nye County, Nevada, and with approved job codes encompassing the Front Sight Resort Project; to prepare the business plan and economic impact analysis for both the Regional Center and the Front Sight Resort Project as the exemplar transaction for the Regional Center; preparing the offering documentation and making presentations to prospective investors to obtain commitments for the contemplated financing. (Email correspondence from Robert Dziubla to Mike Meacher dated February 8, 2013 and attached letter of engagement. Emphasis ours.) After negotiating a few changes, Front Sight placed its trust in you and your team and executed the Engagement Letter in February of 2013.

EB5 Impact Capital Failure to Deliver on \$75 Million Raise and Promised Timeline

After many months of intense work, with all costs and expenses covered by Front Sight, the application for approval of the Regional Center was filed on April 15, 2014.

During the extended period of waiting for the approval of the Regional Center and the Exemplar Project, more promises and representations were made with respect to the rapidity of the EB-5 raise, including the below:

“We anticipate that once we start the roadshows for the Front Sight project, which will have already been pre-approved by USCIS as part of the I-924 process – a very big advantage -- **we should have the first tranche of \$25m into escrow and ready for disbursement to the project (at the 75% level, i.e. \$18.75m, as discussed) within 4 – 5 months.**”

(Email correspondence from Robert Dziubla to Mike Meacher dated June 29, 2014; emphasis ours.)

After many more months of intense follow-up by all concerned parties, including Front Sight, the Regional Center and Exemplar Project were approved by the USCIS on July 27, 2015. Shortly thereafter, marketing efforts began by you, and others engaged by you, with Front Sight continuing to pay for all related costs and expenses. As we are all poignantly aware, the results of those efforts have fallen dramatically short, both of the \$75 million raise that Front Sight had been initially induced to expect, and of the reduced maximum \$50 million raise that subsequently you asked Front Sight to accept, long after Front Sight had been induced into incurring, and had in fact incurred, substantial costs and expenses in connection with such raise. (Email correspondence from Robert Dziubla to Mike Meacher dated July 22, 2017.)

A pattern was established of asking Front Sight to advance funds for travel and marketing expenses by you and other members of your team, including Jon Fleming, and then not delivering even a modest amount of EB-5 investor funds as promised. (“We look forward to having the \$53.5k deposited into our Wells Fargo account tomorrow. Front Sight is the ONLY EB5 project we are handling and of course receives our full and diligent attention. Our goal is most assuredly to have the minimum raise of \$25m (50 investors)

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subscribed by Thanksgiving.” Email correspondence from Robert Dziubla to Mike Meacher dated August 11, 2015.)

In October of 2015, you alluded to a “minimum raise of \$25 million” in multiple email correspondence concerning our upcoming negotiation of a construction loan agreement. In response to our repeated expressions of concern with the slow pace of securing investors for our EB-5 program, on December 16, 2015 you wrote: “With regard to the timeline, we may still be able to achieve the minimum raise of \$25m by January 31 and thereupon begin disbursing the construction loan proceeds to you, but a more realistic date might be February 8. Why that date you ask? Because the Christmas holidays and January 1st new year holiday are rather insignificant in China and, importantly, February 8 is the start of the Chinese New Year. Chinese people like to conclude their major business decisions before the start of that 2 – 3 week holiday period, so we expect to see interest in the FS project growing rapidly over the next couple of weeks with interested investors getting their source and path of funds verification completed in January so that they can make the investment by February 8.” (Email correspondence from Robert Dziubla to Mike Meacher dated December 16, 2015; emphasis ours.)

On January 4, 2016, in reply to our query as to whether the “minimum raise of \$25 million” would be achieved by February 8, as you had indicated above, you wrote:

“The minimum raise for the Front Sight project is \$25m. At \$500k per investor, that requires 50 investors only. Once we have the \$25m in escrow and the loan documents have been signed (presumably within the next few days), then we will disburse 75% of that to you, i.e. \$18.75m and retain the other 25% in escrow to cover any I-526 applications that are rejected by USCIS, which is quite unlikely given that we already have USCIS exemplar approval for the project. Hence, we will not need to have 63 investors in escrow, just 50. Please refer to my email of October 20 to you detailing the funds disbursement process.

“With regard to timing, based on discussions with our agents over the past few days, including today, it looks like we may have 5 – 10 investors into escrow by February 8, with an additional 20 – 30 in the pipeline. The Chinese New year commences on February 8, so the market will essentially shut down for about two weeks, and then the investors will gradually return to work. The agents are saying that investors who have not already decided on the project by February 8 will contemplate it over the Chinese New Year and discuss it with their family, as it entails the fundamental life change of leaving their homeland and moving to the USA. We are pushing our agents hard to have 50 investors into escrow by February 29. Once we have the 50 investors into escrow with the Minimum Raise achieved, we will disburse the initial \$18.75m to you and then continue with the fundraising, which is likely to accelerate since it has a snowball type of effect. As the funds continue to come into escrow, we will continually disburse them to you. (See the Oct. 20 email.) Given that the current EB-5 legislation expires on September 30, 2016, at which time the minimum investment amount will most likely increase to \$800k, we highly anticipate that we will have raised the full \$75m by then.”

(Email correspondence from Robert Dziubla to Mike Meacher dated January 4, 2016; emphasis ours.)

On January 31, 2016, in response to our question as to how many “actual investors” with \$500,000 in investment funds into escrow we had to date, you responded: “Two.” (Email correspondence from Robert Dziubla to Mike Meacher dated January 31, 2016; emphasis ours.)

From the inception of your marketing efforts, you consistently refused Front Sight’s requests to have direct contact with parties reportedly performing services to find EB-5 investors, including King Liu and Jay Li,

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principals of the Sinowel firm. (Email correspondence from Robert Dziubla to Mike Meacher dated August 6, 2015.) From time to time you announced various alliances and associations with brokers and sales representatives in various regions with reported growing “pipelines,” but in the end, more than three years after the USCIS approval, after having paid at least \$512,500 in fees and expenses to date, Front Sight has only received \$6,375,000 in Construction Loan disbursements.

Notwithstanding the aforesaid lack of transparency on the part of EB5 Impact Capital, and in a good-faith effort to promote the ongoing marketing of our EB-5 program, as of November 15, 2016, Front Sight agreed to a modified version of your request of advancing you \$8,000 per month for marketing expenses, in detrimental reliance on your representation that the local/regional agents for the investors “were taking it all.” (Email correspondence from Dr. Ignatius Piazza to Robert Dziubla dated November 15, 2016.)

Furthermore, when you were soliciting us to pay for the Regional Center, Front Sight requested to be an owner of it since we were paying for it, but you responded that USCIS would not allow it and would look unfavorably on a developer owning a regional center. When we asked for full disclosure on the financial arrangements with the various agents and brokers you claimed to have in place, you told us that said agents require strict confidentiality on all financial arrangements with the regional center and thus you could not disclose to us the financial splits. Front Sight has recently learned from an experienced and reputable industry consultant that these representations are not true. In fact, Developers often own the regional centers handling their projects, and financial arrangements with the brokers and agents are normally transparent and regularly disclosed to the developers. You either knew or should have known that we, as developers, could have owned the Regional Center that we paid for, but for your misrepresentation that this would not be acceptable to the USCIS. You also either knew or should have known that we, as developers, were and are entitled to full disclosures of the financial arrangements that you have made or are making with agents and brokers who produce investors for the EB-5 investor program for our Project. We expressly reserve any claims that we may have against you with respect to the above misrepresentations and their consequences.

Response to Notice

The full response to the Notice is set forth below.

1. Alleged Breach: Failure to Obtain Senior Debt by June 30, 2018

Borrower is not in breach. Pursuant to the definitions set forth in the Original Loan Agreement, “**Senior Debt**” means the additional loan that will be sought by Borrower, and which Borrower will use its best efforts to obtain, from a traditional financial institution specializing in financing projects such as the Project.” (Emphasis ours). Further, Section 5.27 of the Original Loan Agreement states that “Borrower will use its best efforts to obtain Senior Debt as defined herein.” (Emphasis ours). The “best efforts” language included in the Original Loan Agreement corresponds with the representations made by Lender to prospective EB-5 investors in accordance with the updated Confidential Private Placement Memorandum (the “Updated PPM”) that was finalized in late June of 2016 and forwarded by you to our outside counsel via email on June 30, 2016. In the section of the Updated PPM entitled “Summary of the Loan,” under the heading “The Loan,” it states in pertinent part as follows:

“Borrower will seek bridge financing of a senior commercial loan in the amount sufficient to build the Project in accordance with the Business Plan (the “Senior Loan”). If this occurs, it is likely that the commercial lender will procure the first mortgage/deed of trust and a first priority pledge and security interest in the Borrower and that the Fund will take

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a second priority position until such time as the Senior Loan is paid off with the proceeds of this Offering or from other sources.” (Emphasis ours.)

Further, in the section of the Updated PPM entitled “Risk Factors,” under the heading “Senior Loan and Second Mortgage Interest,” it states in pertinent part as follows:

“Borrower will seek bridge financing of a senior commercial loan in an amount sufficient to build out the Project (“Senior Loan”). If this occurs, it is likely that the commercial lender will procure the first mortgage/deed of trust and a first priority pledge and security interest in the Borrower and that the Fund will take a second priority position. There can be no assurances given that the Senior Loan will be available or, if available, on terms favorable to the Fund. If the Senior Loan is not procured, there is a risk that the Project may not be built, that the requisite jobs will not be created, and that the Investors’ applications for an EB5 visa will be denied.” (Emphasis ours.)

Based both on the language included in the Original Loan Agreement as well as the representations to the prospective EB-5 investors made by Lender in the Updated PPM, Borrower is NOT required to obtain Senior Debt.

Notwithstanding the foregoing, on or about October 31, 2017, Borrower obtained Senior Debt by securing a revolving line of credit in the maximum principal amount of Thirty-Six Million Dollars (US\$36,000,000.00) from Top Rank Builders, Inc., Morales Construction, Inc., and All American Concrete and Masonry, Inc. (collectively, “TRB”), which Borrower is using to build the Project facilities. Electronic copies of the fully-executed documents evidencing the revolving line of credit with TRB were delivered to Jon Fleming on October 31, 2017 (see copy of said email, together with its attachments, included as Exhibit “A” hereto). We further refer you to that certain Project Update – Q3 2017, prepared by EB5 Impact Capital Regional Center, LLC, the Class A Member and Manager of Lender, addressed to “Our valued EBS investors in the Front Sight Resort & Vacation Club,” a copy of which you forwarded to Mike Meacher via email on January 17, 2018, the second paragraph of which reads as follows:

“**Senior Construction Lender-** Front Sight has negotiated a \$36 million construction line of credit with the construction companies contracted to build the resort. This will be a 5-year term credit facility that accrues interest at 7% for the difference between any work done by the construction companies and the payments made by Front Sight to those companies. The terms of this agreement and note are completed and this line of credit will be signed by the end of October. There will be no Deed of Trust encumbering the property associated with this credit facility.”

While the Class A Member and Manager of Lender proceeded to discuss as well the possible financing with US Capital Partners which was being negotiated at that time, acknowledging that “there is no immediate need for this capital,” the Class A Member and Manager of Lender unequivocally represented to the EB-5 investors that the line of credit with TRB satisfied the supposed requirement that Borrower obtain a “senior lending facility.”

2. Alleged Breach: Failure to provide to Lender copies of term sheets, emails, other materials related to Senior Debt Term Sheets with periodic updates

Borrower is not in breach. Section 1 of the Second Amendment states in pertinent part: “Concurrently with the execution of this Second Extension, Borrower shall provide to Lender copies of term sheets, emails and other materials related to the Senior Debt Term Sheets and shall periodically, but no less than monthly,

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update the same.” As a reminder, starting with our initial meeting with Hank Cairo on June 4, 2016, we updated you frequently with respect to his efforts at identifying “a traditional financial institution specializing in financing projects such as the Project.” When it became clear that a “traditional financial institution” would not be an immediate option, we expanded our search for additional financing and again updated you frequently with respect to these efforts. Attached as Exhibit “B” are copies of the following:

- a. Letter of Intent from Summit Financial and Investment Group, LLC, dated as of August 26, 2016, and transmitted to you via email on September 6, 2016;
- b. Term Sheet for Proposed Credit Facility from US Capital Partners Inc., dated as of September 30, 2016, and transmitted to you via email on said date;
- c. Commitment Letter for Proposed Credit Facility from US Capital Partners Inc., dated as of November 3, 2017, and transmitted to you via email on November 5, 2017;
- d. Financial Advisory Engagement with Innovation Capital LLC (the “IC Engagement Letter”), dated as of April 2, 2018, and transmitted to your outside counsel, Mike Brand, via email on July 19, 2018.

In the Notice, you refer to an email from our outside counsel, Scott Preston, to your outside counsel, Mike Brand, on July 19, 2018, “with several attachments purporting to be evidence of two potential lenders sourced during the term of the Second Amendment” and further reference the IC Engagement Letter as follows: “an engagement letter for Innovation Capital to act as a financial advisor to Borrower, not a term sheet for a \$25 million loan as represented by Borrower and its counsel.” In the opening to the aforementioned email, Mr. Preston states that “we are forwarding to you various documentation evidencing the good-faith negotiations undertaken by our client to obtain senior financing for the development of the Front Sight Resort...,” making no reference whatsoever to the time frame during which the documents were received. Further, in referencing the IC Engagement Letter as one of the attachments to the aforementioned email, the accompanying verbiage is as follows: “Innovation Capital in El Segundo, CA. Our client believes this lender, with whom discussions are ongoing, will be able to deliver the US\$25MM in financing necessary to supply the infrastructure cost to the entire project on terms that our client will find acceptable but, as of yet, no final deal has been agreed.” Nowhere was the IC Engagement Letter referred to as a “term sheet” as you assert.

3. Alleged Breach: Failure to submit EB-5 documentation proving that Borrower had invested into construction of the Project at least \$2,625,000 (Construction Loan Proceeds to date) by July 1, 2017

Borrower is not in breach. In the Notice, in the first paragraph under the heading “EB-5 Documentation,” you recite a portion of the third sentence of Section 6 of the First Amendment, as follows: “on or before June 30, 2018, Borrower shall provide Lender with copies of major contracts, bank statements, receipts, invoices and cancelled checks or credit card statements or other **proof of payment reasonably acceptable to Lender that document that Borrower has invested in the Project at least the amount of money as has been disbursed by Lender to Borrower on or before the First Amendment Effective Date.**” [Emphasis added.] In the second paragraph under the same heading, you state that “[T]he First Amendment Effective Date was July 1, 2017, and Lender had disbursed \$2,625,000 of EB-5 funds to Borrower by said date.” In the first sentence of the final paragraph of this section of the Notice, you state that “Borrower has failed to prove that its expenditures on construction equaled or exceeded \$2,652,000 (sic)” and thereafter claim that this constitutes an Event of Default under the Loan Agreement.

Section 3.7 of the Original Loan Agreement states as follows: “**Use of Loan Proceeds.** Borrower shall use and apply the Loan proceeds solely to all or any number of the individual Project components in

Mr. Robert W. Dziubla
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accordance with the Budget and also to pay some or all of any or all existing indebtedness encumbering the Project pursuant to a Permitted Encumbrance. Borrower shall use its best business judgment based upon then-current real estate market and availability of other financing resources to allocate the proceeds of the Loan in such a manner as to assure the full expenditure of the Loan proceeds advanced to Borrower. Borrower will comply with the requirements of the EB-5 Program and the other EB-5 Program covenants and requirements contained in this Agreement.”

Further, Section 4.29 of the Original Loan Agreement states as follows: “**Use of Loan Proceeds.** The proceeds of the Loan shall be used to pay and obtain release of the existing liens on the Land, to pay for or reimburse Borrower for soft and hard costs related to the pre-construction, development, promotion, construction, development and operation of the Project in connection with the FSFTI Facility and the construction, development, operation, leasing and sale of the timeshare portion of the Project, all as more particularly described on Exhibit F, attached hereto. The Loan is made exclusively for business purposes in connection with holding, developing and financially managing real estate for profit, and none of the proceeds of the Loan will be used for the personal, family or agricultural purposes of the Borrower.”

Each of the aforementioned Sections 3.7 and 4.29 of the Original Loan Agreement makes specific reference to the payoff of existing liens that encumbered the Land as of the date of signature of the Original Loan Agreement as a permitted use of the Loan Proceeds. This concept was not included in your original draft of the Original Loan Agreement from October 9, 2015, but rather was added into these provisions at our request and insistence starting with our first round of comments, as transmitted by our outside counsel to your outside counsel on June 12, 2016. You accepted this concept as evidenced by the inclusion of our requested language, with only minor changes, in the second draft of the Original Loan Agreement transmitted by your counsel to our counsel on July 3, 2016.

Your acceptance of the use of a portion of the proceeds of the Loan for the payoff and release of existing liens was not a spur-of-the-moment decision made by you during our negotiations of the terms and conditions that ultimately would appear in the final version of the Original Loan Agreement. Rather, your acceptance of this concept was based on your own representations and understanding of how the proceeds of the Loan would be used dating back to the time of your application to USCIS for approval as a Regional Center, as evidenced, *inter alia*, by the following:

- On or about May 1, 2014, you forwarded to Mike Meacher via email a copy of the original USCIS Form I-924, as submitted by your outside counsel to USCIS on or about April 14, 2014, which included as an exhibit thereto that certain Business Plan dated as of March, 2014 (the “Original Business Plan”). In Section 8 of said Original Business Plan, entitled “Project Financing & Capitalization,” under the sub-heading “Project Uses of Capital,” there appears a table setting forth proposed uses of the EB-5 investor funds to be advanced to Borrower by Lender, which includes a line item for “Paying off Existing Mortgages,” with a proposed amount of US\$9,037,000. Toward the end of said Section 8 of the Original Business Plan, there appears the following additional language:

“The (Borrower) will pay off the following two mortgages using the funds raised via the EB-5 offering:

- “1. Mortgage 1: The current outstanding balance on this mortgage, as of December 31, 2013, is \$7,779,000. The applicable interest rate is 12% per annum and the monthly payments amount to \$158,000. Please note that the term of the mortgage is 87 months, with the final payment due on July 10, 2019.

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“2. Mortgage 2: The Front Sight real estate is encumbered by a second mortgage that was established in 2007 to secure an original indebtedness of \$3,164,410. As of December 31, 2013, that amount had been reduced to \$1,258,000, and Front Sight continues to pay the monthly mortgage amount.”

- On January 23, 2015, you copied Mike Meacher on an email which you sent to USCIS, to which you attached a copy of a letter dated on even date therewith, sent by you, in your capacity as President and CEO of EB5 Impact Capital Regional Center, LLC, to USCIS, requesting an update and expedite of the USCIS Form I-924 that was received by USCIS on April 15, 2014. On page 2 of the aforementioned letter, in the first paragraph of Section (a), it states that “(t)he first \$10 million of the new loan from the Fund will be used to pay off the existing debt, including transactional costs and fees, thus cutting the current annual interest rate of 12% in half.” (Emphasis ours.)
- On March 16, 2015, you forwarded to Mike Meacher via email a copy of the correspondence from your outside counsel, dated as of March 12, 2015, responding to the first Form I-797 Notice of Action – Request for Evidence (the “First RFE”) issued by USCIS in response to your Form I-924 Application for Regional Center. In the response to the First RFE, your counsel included as an exhibit thereto a copy of that certain Business Plan dated as of March, 2015 (the “Revised Business Plan”; collectively, the Original Business Plan and the Revised Business Plan may be referred to as the “Business Plan”). Although several of the exhibits to the Revised Business Plan were missing from the response to the First RFE, the body of the document was complete. In Section 8 of said Revised Business Plan, entitled “Project Financing & Capitalization,” under the sub-heading “Project Uses of Capital,” there appears again a table setting forth proposed uses of the EB-5 investor funds to be advanced to Borrower by Lender, which includes a line item for “Paying off Existing Mortgages,” with a proposed amount of US\$9,037,000. Toward the end of said Section 8 of the Revised Business Plan, there appears again the following additional language:

“The (Borrower) will pay off the following two mortgages using the funds raised via the EB-5 offering:

- “1. Mortgage 1: The current outstanding balance on this mortgage, as of December 31, 2013, is \$7,779,000. The applicable interest rate is 12% per annum and the monthly payments amount to \$158,000. Please note that the term of the mortgage is 87 months, with the final payment due on July 10, 2019.
- “2. Mortgage 2: The Front Sight real estate is encumbered by a second mortgage that was established in 2007 to secure an original indebtedness of \$3,164,410. As of December 31, 2013, that amount had been reduced to \$1,258,000, and Front Sight continues to pay the monthly mortgage amount.”

- On March 19, 2015, you forwarded to Mike Meacher via email a copy of the correspondence from your outside counsel, dated as of March 18, 2015, supplementing his response to the First RFE, *inter alia*, in order to provide to USCIS a complete copy of the Revised Business Plan. Said complete copy of the Revised Business Plan again included the relevant language from Section 8 set forth in the immediately preceding bullet point.

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- On May 19, 2015, you sent an email to Mike Meacher to which was attached a copy of your outside counsel's response to a second Form I-797 Notice of Action - Request for Evidence (the "Second RFE") issued by USCIS in response to your Form I-924 Application for Regional Center. In said Second RFE, USCIS requested more detailed information on the source and use of funds from the proposed US\$75MM raise. In both the table included on page 4 of the Second RFE, as well as the revised table included by your counsel in his letter responding to the Second RFE, there again appears the line item for "Paying Off Existing Mortgages," with the same proposed amount of US\$9,037,000.

In reliance both on the foregoing as well as on the provisions of the Original Loan Agreement as signed, we conclude that you erred in your issuance of the Notice not only by failing to consider the amount deducted from the first advance of the Loan for the payoff and release of the class-action judgment, also known as "Mortgage 2" in the Business Plan, but also by failing to consider the monthly principal and interest payments made by Borrower toward the Holecek loan, also known as "Mortgage 1" in the Business Plan, since the date of signature of the Original Loan Agreement. With respect to Mortgage 2, the amount deducted from the first advance of the Loan was US\$551,871.50. With respect to Mortgage 1, the sum of principal and interest payments made by Front Sight from and after the date of signature of the Original Loan Agreement currently stands at US\$3,634,000, of which US\$1,422,000 was paid on or before June 30, 2017. Your failure to consider the amounts already paid toward both Mortgage 1 and Mortgage 2, together with any future amounts to be paid toward Mortgage 1 until said obligation is paid in full, would constitute a breach of the Loan Agreement by Lender. We further remind you that your failure to raise sufficient funds in connection with the EB-5 offering resulted in Mortgage 1 not being repaid and released in connection with the initial advance of the proceeds of the Loan and thereby has caused us to incur, and we continue to incur, significant additional and unanticipated interest expense, at a rate of twelve percent (12%) under Mortgage 1 rather than at a rate of six percent (6%) that would have prevailed had sufficient funds under the Loan been disbursed to us at the time of the initial advance. We estimate that, to date, this additional interest expense already has cost Borrower in excess of US\$400,000.

Your failure to consider the amounts already paid toward both Mortgage 1 and Mortgage 2, together with any future amounts to be paid toward Mortgage 1 until said obligation is paid in full, would constitute a violation of your representations made to your EB-5 investors in the Updated PPM wherein you represented that the Loan would be secured by a first- or second-priority deed of trust in favor of Lender. As you are aware, and as was set forth in the Business Plan, the Front Sight property was subject to separate first- and second-priority obligations at the time of the initial advance of the proceeds of the Loan. But for the use of a portion of the proceeds of the initial advance of the Loan to pay off and release Mortgage 2, Lender would have ended up with a third-priority deed of trust.

Your failure to consider the amounts already paid toward both Mortgage 1 and Mortgage 2, together with any future amounts to be paid toward Mortgage 1 until said obligation is paid in full, could constitute a material misrepresentation made by EB-5 Impact Capital Regional Center, LLC (the "Regional Center"), to USCIS. As set forth in both the Original Business Plan and the Updated Business Plan submitted by you to USCIS in connection with your Form I-924, Borrower was to use a portion of the funds raised by the EB-5 offering to pay off in their entirety both Mortgage 1 and Mortgage 2. Your brazen attempt not only to ignore the provisions of the Loan Agreement but also to ignore the representations made by EB-5 Impact Capital Regional Center, LLC to USCIS could constitute a material change to the application for Regional Center designation, thereby necessitating a costly and time-consuming amendment to the same as well as potentially causing delays and/or denials of the EB-5 investors' visa applications.

We further assert that you erred in your issuance of the Notice by failing to consider "transactional costs and fees" paid directly by Borrower, be it (i) the funds advanced by Borrower to Chicago Title in

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October of 2016 for the payment of the initial title insurance premiums as well as the escrow-related fees of Chicago Title (US\$9,217.01), or (ii) the payment of other “transactional costs and fees,” including, but not limited to, the payment of your outside counsel’s fees in connection with the negotiation of the Original Loan Agreement (US\$18,410.50), the fee for terminating your escrow arrangement with Signature Bank (US\$1,500.00), the fee for establishing your replacement escrow with Time Escrow (US\$3,200.00), or additional fees paid to Chicago Title in connection with subsequent advances of the Loan, be it for premiums for endorsements to the original lender’s policy of title insurance or for related escrow fees.

Carrying the concept of “transactional costs and fees” one step further, we insist that we should receive credit for certain additional costs and fees incurred by Borrower, including, but not limited to, the initial funds expended by Borrower in connection with the establishment of the Regional Center and the approval of the Front Sight Project as an “Exemplar Project” (approximately US\$162,500), as well as the additional funds expended by Borrower upon your insistence in connection with the ongoing operations and promotion/marketing of the Regional Center which you are reportedly leading (in excess of US\$350,000).

The aforementioned Section 4.29 of the Original Loan Agreement, as executed, also makes specific reference to “soft and hard costs related to the pre-construction, development, promotion, construction, development and operation of the Project in connection with the FSFTI Facility and the construction, development, operation, leasing and sale of the timeshare portion of the Project” as a permitted use of the Loan Proceeds. Before proceeding with a discussion of the foregoing, it may be useful to review the final version of the language of Section 4.29 marked to reflect changes from the equivalent provision in the initial draft of the Original Loan Agreement as proposed by you on October 9, 2015:

“The proceeds of the Loan shall be used ~~only to pay and obtain release of the existing liens on the Land~~, to pay for or reimburse Borrower for soft and hard costs related to the ~~pre-construction, development, promotion~~, construction, development and ~~operating of a portion~~operation of the Project in connection with the ~~FSTI~~FSFTI Facility and the construction, development, operation, leasing and sale of the timeshare portion of the Project, all as more particularly described on Exhibit ~~—E~~, attached hereto. The Loan is made exclusively for business purposes in connection with holding, developing and financially managing real estate for profit, and none of the proceeds of the Loan will be used for the personal, family or agricultural purposes of the Borrower.”

You have persisted in your assertion that the proceeds of the Loan could only be used for construction expenses (see, for example, your email correspondence of October 4, 2016, to Mike Meacher, attaching a spreadsheet with various costs and expenses for which you were demanding direct payment by Borrower of certain of your expenses, including, but not limited to, a promotion/marketing fee of US\$8,000 to support the Regional Center, in which you stated that “the EB5 funds must by law be disbursed to FS and used to build the project, so FS will need to deposit the invoiced amount into escrow in time for closing”). Notwithstanding, in your own initial draft of the Original Loan Agreement, you proposed the use of at least a portion of the proceeds of the Loan for “operating of a portion of the Project in connection with the FSTI Facility.”

Your assertion that, by law, the proceeds of the Loan could only be used for construction expenses was further contradicted by your own marketing campaign to us back in September of 2012. By way of illustration, on September 28, 2012, you sent an email to Mike Meacher to which you attached a copy of a letter (the “Liberty West Letter”), dated March 21, 2011, by USCIS, addressed to David Keller of Emphyrean West, LLC, approving the designation of Liberty West Regional Center as a Regional Center within the Immigrant Investor Pilot Program. On the very first page of said Liberty West Letter, under the heading “Focus of Investment Activity,” it is stated in pertinent part: “the Regional Center will engage in the

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following economic activities: to provide construction financing and/or working capital for commercial real estate and mixed-use projects in the Regional Center” (Emphasis ours.)

Your assertion that, by law, the proceeds of the Loan could only be used for construction expenses was further contradicted by your own outside counsel, acting on your behalf when submitting to USCIS the Form I-924 Application for Regional Center Designation. In the cover letter dated April 14, 2014, by C. Matthew Schulz of Dentons LLP, addressed to U.S. Citizenship and Immigration Services, California Service Center, Attn: EB-5 Processing Unit, a copy of which you forwarded to Mike Meacher via email on April 16, 2014, in the discussion of the Project in Section D, the proposed use of the investor funds was summarized as follows:

“The (New Commercial Enterprise (‘NCE’)) will contribute the full amount of the aggregate investment as a loan to Front Sight Management LLC, the job creating enterprise (‘JCE’). The EB-5 capital proceeds will be used to own and operate a resort/vacation club and firearms training institute in Nye County, Nevada, a targeted employment area based on the ‘rural’ definition. The JCE will construct and operate a resort/vacation club and expand an existing firearms training institute on 555 acres. The development and operation of the business is expected to be on-going and job creation will occur over 30 months and will generate approximately 1,822.7 jobs.” (emphasis ours).

In addition to affirming in your initial draft of the Original Loan Agreement that at least a portion of the proceeds of the Loan could be used for the “operation” of the Project, you further agreed to expand the permitted uses of the proceeds of the Loan to include “pre-construction, development and promotion...of the Project.” While the term “promotion” is not further defined in the Loan Agreement, a literal interpretation of the word “promotion” would necessarily include at least a portion of the sales and marketing expenses of Borrower, whether with respect to FSFTI or “the timeshare portion of the Project.” In addition, “promotion” should include the periodic sales and marketing fees which Borrower has been forced to pay to Lender and/or to the Regional Center in order to cause Lender and/or the Regional Center to continue to perform the responsibility of marketing the investment opportunity promoted by the Regional Center, namely, Front Sight, also known as the “Exemplar Project.”

We further assert that you erred in your issuance of the Notice by failing to consider certain construction costs incurred by Borrower prior to the date of the initial advance of the Loan. In the so-called Vendor Report Summary that you prepared and forwarded to Mike Meacher via email on July 16, 2018, and which you subsequently attached to the Notice, you summarized certain of the expenses that you had cherry-picked from the full package of expense items that were delivered to you on June 25, 2018. In your list of payments to Morales Construction Inc., you included the following commentary: “Note - two payments of \$50k each, one in July 2015 and one in July 2016 are NOT included because prior to loan funding.” We remind you of the following language included in the Updated PPM, under the subject heading “USE OF PROCEEDS”:

“In order to achieve the objectives described herein, we are seeking equity investment under the EB-5 Program to finance the Loan to Borrower to develop the Project. Subject to the Holdback described in “THE OFFERING—Closing Conditions,” we will pool the aggregate amount of all of the subscription proceeds to make the Loan to the Borrower, which will be used for the development of the Project and to reimburse Borrower for hard construction costs and related expenses of the Project...” (Emphasis ours.)

While the word “reimburse” is not defined in the Updated PPM, it is understood to mean “to pay back” (Merriam-Webster) or “to give back the amount of money that someone has spent” (Cambridge), thereby

necessarily implying that the person being reimbursed has already expended such amounts from his/her/its own funds. By this definition, you erred in excluding the two (2) payments of US\$50,000 each to Morales Construction Inc.

4. Purported Notice of Inspections

Borrower is not in breach; thus, there will be no inspections. In the Notice, you have included a “Notice of Inspections” which alleges that “[P]ursuant to articles 3.3 and 5.4 of the CLA, we hereby serve you notice that we and our representatives will inspect the Project and your books and records on Monday, August 27.” As set forth above and below herein, we contend that Borrower is not in breach or default of any of its obligations under the Loan Agreement; thus, Borrower will not authorize any inspections whatsoever by Lender or its representatives of the Project or its books and records on the proposed date of August 27 [2018], or at any other time.

5. Alleged Breach: Failure to Provide Monthly Evidence of Project Costs

Borrower is not in breach. Contrary to your assertion, Borrower has tendered to you evidence of Project costs by means of spreadsheets and summaries prepared by our accountants on earlier occasions. (See email correspondence from Mike Meacher to Robert Dziubla dated April 2, 2018, with attachments.) You have been repeatedly informed that the supporting documentation (copies of invoices, checks, receipts and so forth) was destroyed in the fire that burned down the structure where those Front Sight records were kept in Santa Rosa, California. In an additional exercise of good faith, attached as Exhibit “C” please find monthly reports of Project costs and expenditures for the pertinent dates.

6. Alleged Breach: Failure to Complete Construction, Section 5.1 of Loan Agreement

Borrower is not in breach. In the Notice, you allege that “[B]ased on Borrower’s statements to Lender over the past sixty days, including as recently, as last week Tuesday, July 24... Borrower has failed to meet multiple requirements of article 5.1 of the Loan Agreement. For example, Mr. Michael Meacher stated that “completion of the Project is now planned for ‘three or four years from now.’ Another example, Borrower has also failed to provide to Lender the quarterly list of all Contractors, any updated Plans, and other required documents. A third example: based on statements by Borrower to Lender, the Project will not be completed by the Completion Date.” None of your assertions cited immediately above is accurate or true.

First, our COO, Michael Meacher, at no time, and particularly not on Tuesday, July 24 [2018], has mentioned to you or anyone else that completion of the Project is now planned for “three or four years from now.” We categorically deny your allegation that such a statement was made by Mr. Meacher. But even if Mr. Meacher had made such a remark, which he did not, given the pace at which you have underperformed your obligation to raise funds for the construction of the Project, impeding the progress that we had hoped to make in the completion of our infrastructure and the commencement of construction of the Project, it is absurd to allege that making such a statement would give rise to a claim of default of any of Borrower’s obligations under the Loan Agreement.

Second, Lender has been kept informed of our Contractors and the status of our efforts to proceed with the infrastructure and other work, notwithstanding your failure to raise and disburse sufficient funds for the completion of the infrastructure and the construction of the Project, as promised. A recent example, amongst many, of Borrower informing Lender as above-mentioned is Mr. Meacher’s email to you, including the following report on the progress of grading and other pre-construction activities during the second quarter of 2018, so that you could in turn submit said update to the EB5 investors:

“Front Sight continues to advance the construction of the Front Sight 550 acre property. Front Sight completed the grading of 240,000 cubic yards for the Patriot Pavilion site. Front Sight also completed the grading for a substantial drainage channel on the East side of the Patriot Pavilion 17 acre site. All engineering for this site is completed and thousands of tons of concrete and rebar will be placed in this drainage channel shortly.

“Front Sight also completed the building of 25 outdoor live fire simulators on the Phase 3 range site so the 1000 students training on these ranges can walk, rather than being driven, to these simulators. All furniture, fixtures, and equipment were installed on these ranges and simulators and they are fully functional for the fall season.

“The Front Sight engineers completed the grading plans for the 124-acre resort building site and they were submitted and approved by Nye County Department of Planning and Public Works. A dust control and grading permit have been issued and the grading contractor has begun this major grading project. Front Sight has projected we will grade about 700,000 cubic yards of earth to make the various building sites for the Vacation Villas, the commercial buildings, the clubhouse, the restaurant and other support buildings. This grading is anticipated to take 4-6 months. A progress video will be provided as this moves along.

“Front Sight also made improvements in the utilities and infrastructure. A 10” water main has been purchased and will be installed in the next quarter to connect the multiple water wells on the property as part of the infrastructure for supplying the entire property. Two additional water well locations were designated by the well contractor and drilling for one or both of these wells later this fall.

“Here is a link to the most updated construction video so you can view this progress as Front Sight begins to grade and develop the resort side of Front Sight.

[https://www.dropbox.com/s/k9ge1xi07zm05nt/Construction%20Time%20Lapse%20Alt%20Final%20Edit%2004 18 18.mp4?dl=0](https://www.dropbox.com/s/k9ge1xi07zm05nt/Construction%20Time%20Lapse%20Alt%20Final%20Edit%2004%2018%2018.mp4?dl=0)

(Email correspondence from Mike Meacher to Robert Dziubla dated July 13, 2018.)

An additional example of Borrower keeping Lender informed is the following report on the progress of grading and other pre-construction activities during the first quarter of 2018:

“The grading of the 240,000 cubic yards for the Patriot Pavilion site will be complete in mid-April. This 44-acre site includes a pad for the 2000 person classroom, offices, armory, retail store, and ammunition bunker. Front Sight also completed a new road connecting the main road to the newly completed Phase 3 shooting ranges. All 25 of these new ranges are in full use. Front Sight now has 50 total ranges which have a capacity of up to 2,000 people per day.

“The permits were secured to begin a major concrete drainage channel on the East of the Patriot Pavilion location to control water from getting into the newly graded 1200 car parking lot. Construction of this project will begin in mid-April.

“Rough grading plans for the resort side of Front Sight are almost completed by our civil engineers and are on schedule to be submitted to Nye County, Nevada in the next two weeks. Upon approval, rough grading for the entire resort side will begin.”

(Email correspondence from Mike Meacher to Robert Dziubla dated April 5, 2018.)

Third, there has been no Borrower's default in compliance with the Completion Date as defined and provided in the Loan Agreement. We refer you to the definition of "Completion Date" in the Original Loan Agreement, which sets forth, in pertinent part:

"Completion Date" means the date that is no later than thirty-six (36) months from the Commencement Date.

We further refer you to the definition of "Commencement Date" in the Original Loan Agreement, which is as follows:

"Commencement Date" means the date following installation of the required infrastructure on the Land and on which construction of the buildings that will constitute the Front Sight Resort and Vacation Club units commences."

As neither of such "triggering" dates (i.e., the date following installation of the required infrastructure on the Land, or the date on which construction of the buildings that will constitute the Front Sight Resort and Vacation Club units commences) has occurred, largely due to your failure to raise and disburse sufficient funds as promised so as to enable Borrower to move forward with such activities, the Commencement Date has yet to happen. Therefore, without the occurrence of the Commencement Date, the thirty-six-month period for the completion of the Front Sight Resort and Vacation Club has yet to commence to run, and there is no possibility of a violation of the Completion Date at this time.

7. Alleged Breach: Changing Costs, Scope or Timing of Work, Section 5.2 of Loan Agreement

Borrower is not in breach. None of your assertions that Borrower is in default of Section 5.2 of the Loan is accurate or valid. Specifically:

- a. On July 24, 2018, during your recent visit to the Project, Mr. Meacher **did not state**, as you incorrectly allege in the Notice, that "the Patriot Pavilion will no longer be 85,000 square feet as represented in the USCIS-approved Business Plan but instead will be '25,000 to 30,000 square feet, and because of recent developments we don't have to have a foundation and will install steel structures that we [Borrower] will lease on a lease-to-own basis payable over 10-20 years.'"

In fact, as we have clarified on earlier occasions, the "Patriot Pavilion" is an area and not a specific building. What Mr. Meacher told you last week was that the classroom would be about 30,000 square feet, that there will also be about 7,500 square feet in administrative buildings, plus another 20,000 square feet in commercial buildings, armory, proshop, bathrooms and covered patio space. This area is collectively referred to as the "Patriot Pavilion."

Mr. Meacher also mentioned that we are contemplating the use of steel framed buildings for all of our above-ground structures which could be financed on 4- to 7-year terms, depending on the building. Mr. Meacher never mentioned financing anything from 10 to 20 years.

- b. Borrower has not "failed to deliver revised, estimated costs of the Project." For purposes of the Project, the "Commencement Date" has yet to occur, as set forth above. When the construction of the buildings that will constitute the Front Sight Resort and Vacation Club units commences, we will deliver a copy of our "revised, estimated costs" to Lender.

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- c. Borrower has not “failed to deliver the revised construction schedule when the Project has been delayed by more than 20 days,” as the construction of the Project has yet to commence, pursuant to the terms agreed and provided in the Loan Agreement, as set forth above.
 - d. Borrower has not “made multiple changes to the Plans without the prior written consent of Lender.” None of the Borrower’s efforts to make progress with the works at the Project, notwithstanding the paucity of funds caused by your underperformance of the obligation to raise our financing, represents a substantial change to our initial plans.
8. Alleged Breach: Defaults, Section 5.10(d) of the Loan Agreement

Borrower is not in breach. As there has been no “Default” or “Event of Default” to be notified to Lender, there is no possibility of Borrower being in breach under Section 5.10(d) of the Loan Agreement.

9. Alleged Breach: Failure to Work on the Project, Section 6.1(f) of the Loan Agreement

Borrower is not in breach. As there have been no delays in the construction of the Project, notwithstanding EB5 Impact Capital’s failure to deliver to Borrower the required EB-5 investor funds in a timely manner, there is no possibility of Borrower being in breach under Section 6.1(f) of the Loan Agreement. We further refer you, again, to the definition of “Commencement Date” in the Loan Agreement, as set forth above.

10. Purported Claim for Payment of Legal Fees

As Borrower is not in breach or default of the Agreement, as established in detail in the foregoing sections of this Response, there is no obligation whatsoever of Borrower to pay any legal fees incurred by Lender’s frivolous allegations of default of the Loan Agreement in the Notice. Notwithstanding the aforesaid, Borrower expressly reserves its right to demand from Lender all legal fees and expenses incurred by Borrower in connection with this Response to Lender’s frivolous Notice.

11. Interest Reserve; Interest Offset

In your correspondence of July 16, 2018, addressed to Mike Meacher, among other items, you stated as follows: “4. **Interest Reserve** – per article 7 of the Construction Loan Agreement, we will implement an interest reserve.” As stated near the beginning of this letter, we remind you again that there have been no payment defaults on the part of Borrower under the Construction Loan Agreement. At the time of the initial advance of the proceeds of the Loan, rather than the US\$25MM or US\$75MM that you had from time to time promised to deliver, you were only able to advance US\$2,250,000.

We further wish to remind you of the following language set forth on page 3 of the Engagement Letter under the heading “Compensation”:

“(a) Fee. The Company shall pay EB5IA a total fee of \$36,000 as per the attached budget, which fee will be offset against the first interest payments made on the Financing...”
 [Emphasis ours.]

As you will recall, the initial advance of the proceeds of the Loan, in the amount of US\$2,250,000, was made shortly after we (Lender and Borrower) executed the Original Loan Agreement and related documents. As you will further recall, we made our first (interest-only) payment with respect to the Loan on November 10, 2016, and we have made all additional monthly payments of interest as and when required

in accordance with the Construction Loan Agreement. Accordingly, it would appear that the fee paid to EB5IA was never “offset against the first interest payments” as promised. We further note that, rather suspiciously, EB5IA appears to have been dissolved by you on August 6, 2018. (See copy of List of Entity Actions published in Nevada’s Business Portal, attached as Exhibit “D”.)

12. Unilateral Decision to Stop Marketing Efforts and Withhold Investor Funds

In your unilateral decision to stop marketing efforts on behalf of Front Sight, notwithstanding our having continued to pay substantial sums in marketing and promotional expenses and/or commissions on the face of a dramatic underperformance on your part, you have breached your obligations to raise sufficient funds for the continuing development and the construction of our Project. Likewise, your unilateral decision to withhold EB-5 investor funds from Front Sight without any default on our part constitutes conversion of our property due to wrongful appropriation of such funds by you.

13. Wrongful Solicitation of Business from Third Parties

Front Sight has learned that you have been and continue wrongfully to solicit business from third parties and/or other projects for the EB5 Impact Capital Regional Center, LLC, in breach of your agreement that Front Sight be the sole project for which funds would be solicited by the Regional Center. (See copy of a “New Project Inquiry” obtained from the Regional Center webpage, attached as Exhibit “E”.) This conduct on your part constitutes an additional cause of action that Front Sight can prosecute against you and your related parties.

14. Wrongful Inclusion of Default Interest Rates and Attempted Collection of Attorney’s Fees in Loan Statements and Invoices for July 2018 and August 2018

For all of the reasons set forth in this response, Front Sight categorically rejects Lender’s wrongful inclusion of Default Interest Rates in the Loan statements for the months of July and August, as well as the wrongful inclusion of attorney’s fees in said statements, presumably on the basis of your frivolous claims of default against Front Sight. We have received said statements from NES Financial, who cite Lender’s instructions as the reason for the inclusion of Default Interest Rates and attorneys’ fees in said statements. Said Lender’s instructions are a default of its obligations under Section 6.1(c) of the Loan Agreement. Thus, not only have you breached the Loan Agreement in wrongfully instructing a third-party servicer (NES Financial) to include Default Interest Rates and attorneys’ fees without the right so to do, since Front Sight is not in default of the Loan Agreement, but you have defamed Front Sight to NES Financial by falsely representing that Front Sight is in default and thus responsible for Default Interest Rates and attorneys’ fees.

15. Intentional Interference with Contractual Relations of Front Sight

Your wrongful withholding of EB-5 investor funds constitutes an actionable cause of action that Front Sight can litigate against you, as you have knowledge of valid contracts between Front Sight and TRB, and you have committed the intentional act of withholding said funds with the design of disrupting our contractual relationship with TRB and/or causing us to breach our contracts with TRB.

16. Demand for Confirmation of Administrative Status of Regional Center

As noted above, EB5IA appears to have been dissolved by you on August 6, 2018. In the Operating Agreement of the Regional Center, dated as of March 26, 2014, a copy of which was submitted to USCIS in connection with the original Form I-924, EB5IA held eighty percent (80.0%) of the issued and

Mr. Robert W. Dziubla
President & CEO
Las Vegas Development Fund LLC
Page 18 of 19

outstanding membership interests in the Regional Center. Further, you (Robert W. Dziubla), in your capacity as the “Principal” of the Regional Center, represented to USCIS in Section 1a, Part 3 of the original Form I-924 that EB5IA was an owner of the Regional Center. You further represented to USCIS that EB5IA was the Managing Company/Agency of the Regional Center in Section B, Part 3, in that certain Form I-924A, signed by you on or about November 16, 2015. As clearly set forth on the first page of the Instructions to Form I-924, OMB No. 1615-0061, which expires 12/31/2018, “[y]ou must file an amendment to...seek approval for any changes to the regional center’s name, ownership, or organizational structure, or any changes to the regional center’s administration that affect its oversight and reporting responsibilities, or to add or remove any of the regional center’s principals, immediately following the changed circumstances.” Front Sight demands herein that you immediately provide evidence to us that the Regional Center has complied with the foregoing requirement, that USCIS has approved of the changes in ownership/organizational structure of the Regional Center, and that the Regional Center is in good standing with USCIS.

Conclusion

As outlined above, Front Sight is NOT in default. You have five calendar days from the receipt of this response to acknowledge that Front Sight is NOT in default, withdraw your Notice, deliver the \$375,000 in investor funds you are holding, as well as any other investor funds that are now available, as well as the \$36,000 you are obligated to credit back to Front Sight from the initial interest payments but have failed so to credit us, plus pay the legal fees of our counsel for having to respond to your frivolous default accusations.

Failure to do so will result in Front Sight immediately filing a lawsuit against you, Jon Fleming, EB5 Impact Advisors LLC, Las Vegas Development Fund, LLC, EB5 Impact Capital Regional Center LLC (a/k/a EB-5 Impact Capital Regional Center, LLC), and any related parties to recover the millions of dollars in damages we have incurred including, without limitation, the following causes of action: (1) detrimental reliance on your recurring and repeated intentional misrepresentation in your promises to raise and secure sufficient funds from EB-5 investors for our Project; (2) lost profits as a result of our delayed development and construction caused by your failure to perform your obligation to raise and secure sufficient funds from EB-5 investors for our Project as promised; (3) intentional misrepresentation of your alleged extensive reach in the China investment market; (4) fraud in the inducement to expend substantial amounts in marketing and promotional activities allegedly being conducted by you in China and India and other overseas markets; (5) fraud in the inducement to enter into the Construction Loan Agreement through repeated misrepresentations regarding your network of investors and capital-raising experience and ability; (6) conversion of our property in wrongfully withholding EB-5 investor funds from Front Sight; (7) breach of contract in soliciting third parties to obtain EB-5 investor funds through the Regional Center; (8) defamation; (9) business disparagement; (10) intentional interference with the contractual relations of Front Sight; amongst others.

Front Sight is more than willing to prosecute its claims against you aggressively and immediately. However, in one last demonstration of our good faith, and in the best interest of the Project and the investors, we will agree to a conference call with all parties in an attempt to move forward in an amicable manner. All parties will sign confidentiality agreements drafted by Front Sight’s counsel prior to the conference call. Said conference call must occur prior to the five-calendar-day deadline to acknowledge Front Sight is not in default and deliver all funds you are wrongfully holding.

We expressly reserve all of our rights and remedies in relation to any breach on the part of Lender and/or its representatives.

Mr. Robert W. Dziubla
President & CEO
Las Vegas Development Fund LLC
Page 19 of 19

Sincerely,



Dr. Ignatius Piazza
Manager

Attachments – Exhibits “A” through “E”

cc: Mr. Jon Fleming
Mr. Michael Meacher, COO, Front Sight
C. Matthew Schulz, Esq.
Michael A. Brand, Esq.
Scott A. Preston, Esq.
Letvia M. Arza-Goderich, Esq.

EXHIBIT 21

EXHIBIT 21

Las Vegas Development Fund LLC

Las Vegas Development Fund, LLC
916 SOUTHWOOD BOULEVARD, SUITE 1G
P.O. BOX 3003
INCLINE VILLAGE, NEVADA 89450
Telephone: (844) 889-8028
Facsimile: (858) 332-1795

August 24, 2018

Via FedEx and Email

Mr. Ignatius Piazza
Manager
Front Sight Management LLC
1 Front Sight Road
Pahrump, NV 89061

With an email copy only to:

Scott A. Preston, Esq.
Preston Arza LLP
301 North Palm Canyon Drive
Suite 103-102
Palm Springs, California 92262-5672

Re: Notice of Multiple Defaults / Notice of Inspection / Monthly Proof of Project Costs

Dear Mr. Piazza:

We have reviewed your August 20 response (“Response”) to our Notice of Default (“NOD”) dated July 31.

One thing is very clear: unless we can jointly agree on a realistic path for Front Sight, as Borrower, to cure in an expeditious manner its many defaults, which have now increased because of the Response, we will be forced to record the NOD and proceed to foreclosure and our own completion of the Project. And as so many desperate borrowers do, you will file a lawsuit filled with every claim you can concoct to try to stall the foreclosure. In the end, however, you will lose the property. And you will then be fending off untold lawsuits from the thousands of Front Sight members to whom you have promised -- and pre-sold for varying amounts of money or Front Sight credits -- timeshare units that they will never receive from Front Sight.

Capitalized terms used herein shall have the meaning ascribed to them in the NOD and your Response.

As your very capable legal counsel has no doubt tutored you, the agreements between us are the “law of the deal.” That law is embodied in the following:

1. Engagement Letter dated February 14, 2013, signed by you as the President & Owner of Front Sight Management Inc. (“Engagement Letter”). Your Response fails to indicate



Mr. Ignatius Piazza
Manager
August 24, 2018
Page 2

Las Vegas Development Fund, LLC

- precisely the date of the signed Engagement Lgreement, and this is the only one we are aware of.
2. Original Loan Agreement
 3. First Amendment
 4. Second Amendment.
 5. The two Confidential Private Placement Memorandums that you approved and were distributed to investors in order to obtain their EB5 funding.

We of course disagree with all the claims and allegations contained in the Response, most of which are just outright false, but we will respond briefly to a few.

Background and History

You recite your version of the background and history of our six-year relationship but omit many of the most crucial elements and misrepresent others. You then go on to make claims of detrimental reliance, fraudulent inducement and misrepresentation.


From the very beginning, however, you knew that EB5 financing was speculative and subject to the incredible winds and vagaries, ups and downs, of the international capital markets, but you desperately wanted to proceed because you didn't want to pay "Guido-the-loan-shark" interest rates, such as the 12% on the Holocek mortgage. And you didn't want to provide your and your wife's personal guaranties, again like the Holocek mortgage or as is common with hard-money lenders.

You wanted a 6% construction loan with no personal guarantees and, guess what, that's what you have.

The Engagement Letter specified the services that EB5 Impact Advisors would provide in helping you to craft the Memorandum for the EB5 financing, and you agreed to pay all the costs and fees outlined in the approved budget attached to the Engagement Letter. You now complain bitterly about those expenses and claim that they should somehow be included in proving up the EB5 expenditures on the Project. That is ludicrous, and we will address this point further under the section below, Default - First Amendment.

Your claims of fraudulent inducement, detrimental reliance and misrepresentation, are patently untenable because the Engagement Letter specifically stated that (page 2):

"Nothing contained in this Agreement is to be construed as a commitment by EB5IA, its affiliates or its agents to lend to or invest in the contemplated Financing. **This is not a guarantee that any such Financing can be procured by EB5IA for the Company on terms acceptable to the Company, or a representation or guarantee that EB5IA will be able to perform successfully the Services detailed in this Agreement.**" [Emphasis added]



Mr. Ignatius Piazza
Manager
August 24, 2018
Page 3

Las Vegas Development Fund, LLC

And (page 4):

“General Matters

(a) This Agreement sets forth the entire understanding of the parties relating to the subject matter hereof, and supersedes and cancels any prior communications, understanding and agreements between the parties. This Agreement cannot be modified or changed, nor can any of its provisions be waived, except in writing signed by both parties.”

You also claim that we refused your request to have direct contact with, e.g., King Liu and Jay Li, principals of Sinowel. This too is a lie, as we brought both King and Jay to Front Sight for a visit and meetings with you at the Hilton Airport Hotel in Oakland on Tuesday, October 7, 2014, where you grilled them about their ability to source Chinese investors. I even have a picture of you that day with your arms on their shoulders standing in front of your classic black Cadillac.

Unsurprisingly, you failed to mention one of the most important documents in this entire transaction, the offering Memorandum for the Financing as per the Engagement Letter. That Memorandum, of course, was the “Confidential Private Placement Memorandum” (“PPM #1”) that we and our lawyers prepared on your behalf for the Front Sight project, based on information that you provided and **that you approved** before we submitted it to USCIS as part of the exemplar approval package on April 15, 2014.

As you know, that Memorandum detailed many risk factors, including one that specifically warned:

“EB-5 Market Competition. While we have attempted to distinguish ourselves from other opportunities in the EB-5 market, we will encounter competition from numerous other EB-5 market entities. Certain of our competitors may have greater financial and other resources than we do.”

That Memorandum also explains in detail the \$25 million minimum EB5 raise (before escrowed funds could be released) that formed part of the originally contemplated transaction, but which you now attempt to paint as some sort of guarantee or representation by us that we could minimally raise \$25 million, which of course is ridiculous.

You also glaringly failed to discuss our email of May 12, 2016, which followed months of unending complaints from you about the state of the EB5 marketplace and the slow pick-up of investors. In that email we offered you three options:

“1. Call it a day, shake hands, and part ways as friends. Naturally, as part of that we first refund the EB5 money that is in escrow to the investors and then close our doors.

2. Restructure the capital stack by (i) eliminating the minimum raise and (ii) bringing in senior debt from a timeshare lender who understands the timeshare business. [Details omitted]



Mr. Ignatius Piazza
Manager
August 24, 2018
Page 4

Las Vegas Development Fund, LLC

3. We sell the EB5 Impact Capital Regional Center LLC and Las Vegas Development Fund LLC entities to you, and you then proceed as you wish.”

At the meeting of May 18, 2016, among you, Mike Meacher, Jon Fleming and myself, you rejected both options 1 and 3 and insisted on restructuring the capital stack because you were desperate to continue despite the risks, intense market competition, and the prior inability of the project to gain substantial traction with EB5 investors. Why? Because you wanted to get your hands on the escrowed EB5 funds.

We then crafted a second Confidential Private Placement Memorandum dated July 1, 2016 (“PPM #2”), which you of course approved, that specifically eliminated the \$25 million minimum raise and provided for the immediate release to you of the escrowed EB5 investors’ funds pursuant to the Loan Agreement.

Once again PPM #2, which you approved, listed as one of the risk factors the market competition:

“EB-5 Market Competition. While we have attempted to distinguish ourselves from other opportunities in the EB-5 market, we will encounter competition from numerous other EB-5 market entities. Certain of our competitors may have greater financial and other resources than we do.”

We also note that in multiple phone calls and emails to you over the past many years we explained to you how difficult the marketing of the Project had become due to, e.g. its location (near Las Vegas, where one of the largest EB5 project failures had occurred, the SLS Las Vegas, in 2015; \$300 million loss) and the intense competition from large New York City developers with lots of money, reputation and political cachet to lure EB5 investors (e.g., Related Companies paying incredible commissions to agents; the Kushner family trading on Jared Kushner’s position in the White House).

In sum, even though you were acutely aware of the market risk and the long-struggling history of the EB5 financing for the Front Sight Project, you chose to proceed because you wanted the money. But now, when you are in default under the Loan Agreement, you unbelievably claim that you were misled.

Use of Loan Proceeds

Your Response spends pages parsing the language of the Original Loan Agreement in an effort to justify your spending the EB5 money that we have lent to you on your current business operations rather than on building the Project. Three points:

First, both PPM #1 and PPM #2, which you approved long before you signed the Original Loan Agreement, state that:



Mr. Ignatius Piazza
Manager
August 24, 2018
Page 5

Las Vegas Development Fund, LLC

Use of Proceeds Subject to the Holdback described in “THE OFFERING—Closing Conditions,” we will use all of the subscription proceeds from sales of Interests hereunder, to make the Loan, which amount will be used by the Borrower in accordance with the objectives and strategies described in this Memorandum, namely for the development, construction, and ownership by the Borrower of the Project. See “USE OF PROCEEDS.”

The Project The Project will be the construction of the Front Sight Resort & Vacation Club (“FSRVC”) and an expansion of the facilities and infrastructure of the Front Sight Firearms Training Institute (“FSFTI”) (the “Facilities”) located in a 550 acre site in Pahrump, Nevada. The Facilities will include 102 timeshare residential units, up to 150 luxury timeshare RV pads, an 85,000 square foot restaurant, retail, classroom and offices building (to be known as the Patriot Pavilion) and related infrastructure and amenities, all of which will be located at One Front Sight Road, Pahrump, Nevada 89041 (the “Property”).

We assume that your legal counsel has discussed with you the seriousness of making false representations in a securities offering such as this one.

Second, we of course disagree with your interpretation of the Original Loan Agreement because you consistently fail to note that the loan proceeds are to be used for the stated purposes in connection **with the Project (as defined)**. All three of PPM #1, PPM #2 and the Original Loan Agreement are consistent on this point, namely that you as Borrower are to spend the loan proceeds on the Project, and the definition of Project most assuredly does **not** cover your current business operations.

Default – First Amendment

Third, when Borrower failed to produce by October 31, 2017, the EB5 documentation required under the Original Loan Agreement you represented to us that all your business records had been destroyed when your house burnt down during a wildfire. We then had several discussions about what EB5 documentation you had to deliver to us and by when. You requested that we delay the date until June 30, 2018, because in that intervening period you would assuredly have spent more

Mr. Ignatius Piazza
Manager
August 24, 2018
Page 6

Las Vegas Development Fund, LLC

than the \$2,625,000 on building the Project and would have no trouble producing new receipts and other proof of payment.

You therefore specifically agreed in article 6 of the First Amendment that “on or before June 30, 2018, Borrower shall provide Lender with copies of major contracts, bank statements, receipts, invoices and cancelled checks or credit card statements or other proof of payment reasonably acceptable to Lender that document that Borrower has invested **in the Project** at least the amount of money as has been disbursed by Lender to Borrower on or before the First Amendment Effective Date.” (Emphasis added)

Your contortions trying to argue that the Original Loan Agreement allows you to spend the loan proceeds on your current business operations are utterly ineffective. The First Amendment is perfectly clear, and you have defaulted by failing to provide the requisite documentation.

We demand that you immediately provide us with copies of all your major contracts (general contractor agreement, construction agreements, architect’s agreement, civil engineer’s agreement, project manager’s agreement, etc.) plus the stated proof of payment of Project expenses.

Multiple Other Defaults

You argue that you have not defaulted under several other provisions of the Loan Agreement because the Commencement Date, as defined in the Original Loan Agreement, has not yet occurred. That too is patently false because the Commencement Date occurred on October 4, 2016.

The First Amendment specifically amended the Original Loan Agreement:

- 1. COMMENCEMENT DATE.** The definition of “Commencement Date” in the Original Loan Agreement is hereby deleted and replaced with:

“Commencement Date means October 4, 2016.”

You remain in default as specified in the NOD.

In passing we note that you now have about 13 months to complete the Project. You have a \$36 million Construction Line of Credit available, so you may want to get moving.

Notice of Inspection

You claim that we cannot inspect your books and records because there has been no default. That is absurd. Even assuming for the sake of discussion that you were not in default, the Loan Agreement does not require there to be a default for us to hold an inspection. We have an absolute right to inspect your books and records, and your refusal to permit the same is now an additional default under the Loan Agreement.



Mr. Ignatius Piazza
Manager
August 24, 2018
Page 7

Las Vegas Development Fund, LLC

We cannot help but wonder what you are trying to hide by not permitting our inspection.

Draw Request / Conversion

You claim that our withholding \$375,000 of loan funds from you “without any default on our part constitutes conversion of our property due to wrongful appropriation of such funds by you.” That truly is the most ridiculous assertion we have ever heard. These funds are not your property, however much you might wish so (this rapacious approach is fundamental to your entire mindset and course of conduct). And as we told Mike Meacher on July 23, if you want loan proceeds, submit a draw request per article 3.2 of the Loan Agreement. Your failure to do so constitutes another default under the Loan Agreement.

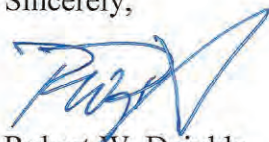
We will record our NOD at 9 a.m. on or about September 11, 2018, unless we have a written agreement that details how you will expeditiously cure your many defaults under the Loan Agreement as amended. We recommend that you start curing immediately with the means you have to hand.

We will immediately be implementing article 5.27 of the Loan Agreement because you have failed to obtain the Senior Debt.

We demand that you produce the documents requested above by next Friday, August 31, at or before 5 p.m.

If you wish to discuss this situation, we and our lawyers are willing to meet with you at our offices in San Diego at a mutually agreeable time the week of September 3 on Wednesday or Friday starting at 10 a.m.

Sincerely,



Robert W. Dziubla
President & CEO

cc: Mr. Michael Meacher, COO, Front Sight
Michael A. Brand, Esq.
C. Matthew Schulz, Esq.
Michael J. Madda, Esq.
Ms. Linda K. Stanwood, Senior Vice President

EXHIBIT 22

EXHIBIT 22



August 25, 2018

Via FedEx and Email (rdziubla@eb5impactcapital.com)

Mr. Robert W. Dziubla
President & CEO
Las Vegas Development Fund, LLC
916 Southwood Boulevard, Suite 1G
P. O. Box 3003
Incline Village, Nevada 89450

With a copy to:

EB5 Impact Capital Regional Center LLC
916 Southwood Blvd., Suite 1G
Incline Village, Nevada 89450

Michael A. Brand, Esq.
2924 Selwyn Circle
Santa Barbara, California 93105

C. Matthew Schulz, Esq.
Dentons US LLP
1530 Page Mill Road, Suite 200
Palo Alto, California 94304-1125

Re: **Response to Notice of Default dated August 24, 2018**

Dear Mr. Dziubla:

We acknowledge receipt of the document entitled "Notice of Multiple Defaults / Notice of Inspection / Monthly Proof of Project Costs" (the "Notice") delivered via electronic mail on August 24, 2018 by Las Vegas Development Fund, LLC, as lender ("Lender"), to Front Sight Management LLC, as borrower ("Borrower" or "Front Sight").

Said notice again alleges breach by Borrower of that certain Construction Loan Agreement dated October 6, 2016 (the "Original Loan Agreement"), that certain First Amendment to Loan Agreement dated July 1, 2017 (the "First Amendment"), and that certain Second Amendment to Loan Agreement dated February 28, 2018 (the "Second Amendment"; collectively, the Original Loan Agreement, the First Amendment and the Second Amendment may be referred to as the "Construction Loan Agreement").

We remind you yet again that there have been no payment defaults on the part of Borrower under the Construction Loan Agreement. We categorically disagree that any breach has occurred as stated in the aforementioned Notice; therefore, we do not agree with any remedial action identified in the Notice.

Mr. Robert W. Dziubla
President & CEO
Las Vegas Development Fund LLC
August 25, 2018
Page 2 of 4

Front Sight is not in a desperate position of concocting claims in an attempt to stall foreclosure. Quite the opposite. We are prepared to immediately file a lawsuit against you and your related parties, to recover the millions of dollars in damages you have caused us, based on the written record of your misrepresentations and failure to perform.

You will not be able to hide behind a single line of a memorandum of agreement written early in our relationship, when you so egregiously misrepresented subsequent and multiple written promises of millions of dollars in funding to induce us to continue to pay hundreds of thousands of dollars to you for the development of your regional center and marketing to your investors.

You will not be able to hide behind the change in capital stack you requested in order to try to salvage your EB-5 program with promises you could raise US\$50 million if we agreed to accept investors' moneys as they were closed, rather than waiting for US\$25 million dollars to accumulate before accepting funding. It was not your false claim that we were desperate to accept the paltry few investors you had sourced at that time that tricked us to agree, once again, to your misrepresentations, but rather our concern that you had conned us out of more than US\$300,000, and further that you were claiming that you and Jon Fleming were broke and this was the only way you could proceed to try to salvage the EB5 program from a complete loss of what we had paid you. You also represented that since you were both financially broke, if we paid you US\$8,000 per month, you and Jon Fleming could continue to keep your company open and would use the money for marketing purposes to raise the \$50 million dollars, one investor at a time if needed. Again, in another act of good faith, we agreed to provide you with more money, albeit with some conditions in order to incentivize you to produce.

You will not be able to defend your position that the language in the PPM, which you created and submitted to USCIS and your investors from Las Vegas Development Fund, in YOUR regional center, conflicts with the language of the loan agreement(s) between Lender and Borrower, specifically, language outlining the use of proceeds, which was negotiated by you with Front Sight. You will not be able to transfer to us the liability to which you have exposed yourself in filing PPMs with USCIS and your investors that conflict with the language of the Loan Agreement. You created the PPMs, not us, and we relied on your misrepresentations that you, as the attorney and the owner of the regional center, were properly creating the PPMs. You have agreements with USCIS and your investors. You also have a Loan Agreement with us. To the extent that the language in the documents with respect to the use of proceeds conflicts, this is a problem you created, not us. We have performed to the letter of the Loan Agreement. Any liability you may perceive that you have in connection with the use of proceeds, as reported to USCIS, cannot be leveled on us, as we are abiding by the language of the Loan Agreement, the senior and most recent document.

You will not be able to defend your position that all receipts must be construction receipts, when in both the Loan Agreement and the PPMs it is specifically set forth that the payment of existing liens such as the class action settlement and Holecek note, approximating US\$9 million in funds, are an appropriate use of funds.

We have absolutely nothing to hide in our books and records, and have given you access to the project property on a number of occasions. Even though we have already stated, and you acknowledged, that the fires in Santa Rosa last year destroyed all of our hard-copy receipts and documents, we have provided, through our accountant, all of the financial information that you have requested, and your demand for further inspections of our records is overly broad, invasive, and a form of lender abuse and harassment.

After over US\$6 million in funding has been released to Front Sight without you demanding a formal draw request, we find it spiteful and vindictive that you now choose to hold funds that could be immediately

Mr. Robert W. Dziubla
President & CEO
Las Vegas Development Fund LLC
August 25, 2018
Page 3 of 4

deployed into the Project per the Loan Agreement and your investors' intention to place their money into the Project as required of them by the EB-5 program. For the record, we formally request release of all remaining funds that you are holding, plus the US\$36,000 that you owe us as demanded in our initial response to your first NOD, as well as payment of our legal fees to date incurred in connection with the preparation of our response to your frivolous NOD. The investor funds will be applied to reimburse us for the most recent payment of Morales construction invoices, and the upcoming payment of the Holecek note.

You will not be able to defend your position on the alleged application of Article 5.27 of the Loan Agreement when you have correctly and specifically represented to your investors, in writing, that Front Sight has in fact secured a senior lender in the Morales Construction Line of Credit.

You will not be able to defend your position that we have not provided you with receipts for expenses. We have made arrangements to obtain and print copies of checks paid for construction as soon as we can recover them from electronic bank statements going back as far as our bank can recover. We will be working on this on Monday. You already have the letter from Holecek stating that we are current on the mortgage and the balance owing, which proves that we have been making US\$158,000 in payments each month to reduce the first mortgage lien, which is an expressly approved expense in both the PPMs and the Loan Agreement. You will also receive the settlement statement from the initial funding indicating the US\$550,000 Class Action lien was paid in full. The copies of checks paying for construction invoices plus the Holecek payments plus the Class Action payment will total significantly more than the amount of funds disbursed to Front Sight by you to date.

In summary, we do not believe in the least that you will prevail in your frivolous attempts to claim we are in default or to foreclose. We caution to be careful what you wish for.

Continuing on your foolish path to try to enforce an NOD or push us into a loophole foreclosure when we are not in financial default, will most certainly stop any further negotiations with several other lenders with whom we are currently negotiating to secure the infrastructure funding. Such actions on your part will certainly kill the exceptional opportunity that we are currently negotiating with the vertical construction company. You will suffer the legal and financial consequences of the damages you cause should you continue with your demands.

Your biggest problem, should you fail to withdraw your NOD and attempt to foreclose, is my simply walking away and turning Front Sight over to my 200,000 members to deal with you in whatever manner they believe is in their best interest. I estimate 5,000 of my members are attorneys and another 5,000, regardless of their professions, are extremely passionate about Front Sight and know the difference between right and wrong. The other 190,000 plus members will rally behind the attorneys and most passionate members. Of course, this would be a shame, but you cannot escape the truth of the narrative that will play out. I have done everything possible to overcome your misrepresentations and failure to deliver on your promises to fund the project. In the members' eyes, you will be the overly aggressive lawyer who foreclosed on Front Sight over VERY QUESTIONABLE accusations, not any failure to pay, and the foreclosure killed the project when it was 18 months away from being completed. The legal morass and extremely bad blood you create will all be directed at you, and with such heavy baggage, nobody would ever consider buying Front Sight's assets out of foreclosure. YOU will be on the hook as the owner to deal with all the fallout. The legal battles will dog you for as long as you live.

If you doubt me, call your buddy Keith Greer. He has first-hand knowledge of what I am talking about. It is no surprise he reconsidered taking your case. He was on the wrong side once. I'm sure he did not want to do that again!

Mr. Robert W. Dziubla
President & CEO
Las Vegas Development Fund LLC
August 25, 2018
Page 4 of 4

Notwithstanding the aforesaid, we do agree with your statement that we must “jointly agree on a realistic path” if we are to resolve this dispute without litigation and move forward for the benefit of all parties.

It is with the interest of finding that realistic path that we suggest you stop any further demands, refrain from the filing of any further notices, or the taking of any further aggressive position in the dispute. In exchange for this cease-fire, Front Sight will not file its intended lawsuit and will produce copies of the checks that paid for construction invoices, contracts and work orders that we can recover electronically from banks statements going as far back as the bank can provide by Thursday, August 30. Once this is done, we can, if needed, secure the services of a professional mediator, preferably a retired judge, to hear both sides and mediate an amicable resolution to enable us to move forward.

Please respond by our previous deadline of end of day, Sunday, August 26, 2018, with your agreement that both parties will stand down and seek a reasonable resolution to this dispute after Front Sight provides the documentation that we will recover through electronic bank statements dating back as far as the bank will provide us.

Sincerely,



Dr. Ignatius Piazza
Manager

cc: Mr. Jon Fleming
Mr. Michael Meacher, COO, Front Sight
C. Matthew Schulz, Esq.
Michael A. Brand, Esq.
Michael J. Madda, Esq.
Scott A. Preston, Esq.
Letvia M. Arza-Goderich, Esq.

EXHIBIT 23

EXHIBIT 23

Las Vegas Development Fund LLC

Las Vegas Development Fund, LLC
916 SOUTHWOOD BOULEVARD, SUITE 1G
P.O. BOX 3003
INCLINE VILLAGE, NEVADA 89450
Telephone: (844) 889-8028
Facsimile: (858) 332-1795

August 28, 2018

Via FedEx and Email

Mr. Ignatius Piazza
Manager
Front Sight Management LLC
1 Front Sight Road
Pahrump, NV 89061

With an email copy only to:

Scott A. Preston, Esq.
Preston Arza LLP
301 North Palm Canyon Drive
Suite 103-102
Palm Springs, California 92262-5672

Re: Notice of Multiple Defaults / Notice of Inspection / Monthly Proof of Project Costs

Dear Mr. Piazza:

We have received your August 25 response to our second Notice of Default dated August 24.

We again reiterate our adamant position: you must prove up that you are investing into the Project, as defined, at least as much money as we have lent to you. Without that, our EB5 investors will not get their green cards and their lives will be destroyed. Ponder that. Lives and families will be destroyed. We cannot, and will not, allow that to happen.

Use of Loan Proceeds

Further regarding the ongoing dispute about your use of the loan proceeds and the expenditures that you need to prove up, we also refer you to section 1.7(e) of the Loan Agreement, which states:

“Borrower shall use the proceeds of the Loan solely for the purpose of funding directly, or advancing to Affiliates to pay, the costs of the Project, in accordance with the terms and conditions of this Agreement, as set forth in the Budget and the Project documents submitted to, and approved by, USCIS.”



Mr. Ignatius Piazza
Manager
August 28, 2018
Page 2

Las Vegas Development Fund, LLC

Proving up Expenditures

We are pleased to see that you finally appear to understand the need to prove up your construction expenditures and look forward to receiving that proof of payment by Thursday, August 30th as promised in your letter of August 25, 2018.

Major Contracts

We reiterate our demand of August 24, 2018, that you send to us copies of all your major contracts as required by the First Amendment and article 5.10(e) of the Loan Agreement.

Updated Plans and Construction Schedule

We demand that you provide us with:

- ✓ the original Plans (Loan Agreement, definitions and article 3.2(b)(i)),
- ✓ the schedule listing all Contractors (Loan Agreement, article 3.2(b)(ii)),
- ✓ the list of all agreements, licenses and permits relating to the construction, development and operation of the Project (Loan Agreement, article 3.2(b)(iii))
- ✓ copies of current policies of insurance for property insurance, liability insurance, and workers compensation insurance (Loan Agreement, article 5.6)

You have down-sized the Patriot Pavilion from 85,000 square feet, as per the USCIS-exemplar approval, to what you now represent in your letter of August 20, 2018, to be 57,000 square feet without our prior written consent. That is a huge change and a breach of article 5.2 of the Loan Agreement.

In your letter of August 24, 2018, you state that the Project is 18 months away from completion. As we previously told you, however, per the Loan Agreement, the Project must be completed by October 4, 2019, i.e. 36 months from the Commencement Date. In light of this pending default and the enormous changes to the scope of the Project, we demand that you provide us with an updated construction schedule and budget.

Draw Request

We again demand that you issue a draw request as per article 3.2 of the Loan Agreement for the \$375,000 we are holding. Your request that we release the remaining funds is ineffective, and your persistent refusal to provide a draw request is a breach of article 3.2.

Senior Debt

The \$36 million construction line of credit dated October 31, 2017 ("LOC"), is not the Senior Debt required under the Loan Agreement. Review the definition of Senior Debt.



Mr. Ignatius Piazza
Manager
August 28, 2018
Page 3

Las Vegas Development Fund, LLC

Moreover, Front Sight itself has acknowledged the same. On July 4, 2018, long after you had signed up the LOC, Mike Meacher sent us the following email:

“Naish Piazza came over for the last couple of days and we have working agreement from a \$1.3 billion dollar manufacturing company to extend Front Sight about \$40 million in construction credit to build all of the buildings on both the firearms training side and the resort side of the facility. This business is owned by one individual. He and Naish worked out the framework for this agreement on Monday and we anticipate having it finalized in the next 60 days. Because of this good news, we have elected not to take the construction loan Naish had been negotiating. This is a better deal for the project. We will now only need a smaller amount for a construction loan to cover the projected infrastructure costs.

Because of this good news, Front Sight will need an additional 90-day extension to provide you with the loan agreement and/or commitment letter we have been discussing. Please get Mike Brand to write up such an extension agreement.”

We have given you almost two years of extensions to obtain the Senior Debt, but you continue to stall, prevaricate and obfuscated. We have already refused to grant you any further extensions on obtaining the Senior Debt. Accordingly, we will be implementing article 5.27 of the Loan Agreement.

Inspection of Books and Records

We reiterate our demand to inspect your books and records per article 5.4 of the Loan Agreement. Your continuing refusal to allow that inspection is a breach. You emphatically state that you “have absolutely nothing to hide in our books and records.” Fine, then we look forward to inspecting them along with our forensic accountants immediately. Where are they located?

Under the LOC, article 4.9.4, you are required to keep them at 1 Front Sight Road, Pahrump, NV. Are they in fact there?

Steel Structures on 4- to 7-year Financing

We wish to point out that your recently revealed plan of using steel framed buildings to be financed on 4- to 7-year terms will be a breach of article 5.23(c) of the Loan Agreement unless you have secured the Senior Debt to finance the same.



Mr. Ignatius Piazza
Manager
August 28, 2018
Page 4

Las Vegas Development Fund, LLC

On Tuesday, September 11, 2018, at 9 a.m. we will record the NOD and proceed to foreclosure unless we have received all the documents required above by COB on Friday, August 31, 2018, and have in place by Friday, September 7, 2018, no later than 5 p.m., a signed workout agreement detailing: (a) how Front Sight will cure its many current defaults and (b) confirmation of the EB5 documentation that Front Sight is required to provide to us by October 31, 2018, for the \$6,375,000 of EB5 funds that we have lent to you.

Sincerely,



Robert W. Dziubla
President & CEO

cc: Mr. Michael Meacher, COO, Front Sight
Michael A. Brand, Esq.
C. Matthew Schulz, Esq.
Michael J. Madda, Esq.
Ms. Linda K. Stanwood, Senior Vice President

EXHIBIT 24

EXHIBIT 24

Las Vegas Development Fund LLC

Las Vegas Development Fund, LLC
916 SOUTHWOOD BOULEVARD, SUITE 1G
P.O. BOX 3003
INCLINE VILLAGE, NEVADA 89450
Telephone: (844) 889-8028
Facsimile: (858) 332-1795

August 31, 2018

Via FedEx and Email

Mr. Ignatius Piazza
Manager
Front Sight Management LLC
1 Front Sight Road
Pahrump, NV 89061

With an email copy only to:

Scott A. Preston, Esq.
Preston Arza LLP
301 North Palm Canyon Drive
Suite 103-102
Palm Springs, California 92262-5672

Re: Temporary Stay - Notices of Default / Workout Agreement

Dear Mr. Piazza:

We have received your letters of August 29 and 30 plus the copies of the cancelled checks and some of the documentation that we have required. We look forward to receiving the other documents that were referenced in Scott's email of yesterday. We are reviewing what we have received and will review the other documents when they arrive.

As a gesture of good faith, we will stay the Notices of Default so that both parties can enjoy a cooling off period and work together on figuring out how to achieve our mutual goal of completing the Project. We anticipate that the end result will be a workout agreement, and we will continue to stay the NODs while progress is being made.

Sincerely,


Robert W. Dziubla
President & CEO

cc: Mr. Michael Meacher, COO, Front Sight
Michael A. Brand, Esq.
C. Matthew Schulz, Esq.
Michael J. Madda, Esq.
Ms. Linda K. Stanwood, Senior Vice President

EXHIBIT 25

EXHIBIT 25

Las Vegas Development Fund LLC

Las Vegas Development Fund, LLC
916 SOUTHWOOD BOULEVARD, SUITE 1G
P.O. BOX 3003
INCLINE VILLAGE, NEVADA 89450
Telephone: (844) 889-8028
Facsimile: (858) 332-1795

September 5, 2018

Via FedEx and Email

Mr. Ignatius Piazza
Manager
Front Sight Management LLC
1 Front Sight Road
Pahrump, NV 89061

With an email copy only to:

Scott A. Preston, Esq.
Preston Arza LLP
301 North Palm Canyon Drive
Suite 103-102
Palm Springs, California 92262-5672

Re: Construction Loan Agreement dated October 6, 2016 (“Loan Agreement”) between Las Vegas Development Fund LLC, as Lender (“Lender”), and Front Sight Management LLC, as the Borrower (“Borrower”)

Dear Mr. Piazza:

This letter (“Pre-Negotiation Letter”) concerns the construction loan, which was made pursuant to the Loan Agreement, as amended pursuant to the First Amendment and Second Amendment. All initially capitalized terms not otherwise defined herein shall have the meanings given thereto in our correspondence the past three weeks.

Lender has previously notified Borrower of certain facts and circumstances that do, or could, constitute potential defaults and/or events of default under the Loan Documents as more specifically described in those certain letters from Lender to Borrower dated July 30, August 24 and August 28 (collectively, Default Notices). Before engaging in any discussions (including, without limitation, negotiations and other forms of communication and correspondence, regardless of the medium used) between representatives of Borrower and Lender (collectively, the Parties, and individually, a Party) regarding various possible courses of action that might be in each party’s mutual interest with respect to the Default Notices and the Loan (Contemplated Discussions), Lender has proposed, and Borrower has agreed, that it is important to have a common understanding of the ground rules for the Contemplated Discussions so that no Party gives up any rights, or incurs any obligations, unless and until there is a “Binding Agreement” (as defined below). Accordingly, the Parties acknowledge and agree as follows:



Mr. Ignatius Piazza
Manager
September 5, 2018
Page 2

Las Vegas Development Fund, LLC

1. The Parties contemplate engaging in the Contemplated Discussions, but only on the condition that the Contemplated Discussions occurring (a) after September 4, 2018 and (b) before the termination of the Contemplated Discussions as provided herein be governed by this Pre-Negotiation Letter.

2. This Pre-Negotiation Letter is not, and shall not be construed to be, an agreement to negotiate, an agreement to agree, a letter of intent, or any other similar agreement requiring the Parties to engage, or attempt to engage, in the Contemplated Discussions, and it is the intention of the Parties that no covenant of good faith and fair dealing, express or implied, shall require, or be deemed to require, any Party to engage or re-engage in the Contemplated Discussions. Without limiting the generality of the foregoing sentence, Lender's acceptance of a partial payment of any amount due under the Loan Documents (including, without limitation, amounts specified in the Default Notices) or Borrower's payment of the fees and costs described in Paragraph 11 below, shall not (a) require, or be deemed to require, Lender to engage in or continue with the Contemplated Discussions or enter into a Binding Agreement or (b) prohibit Lender from collecting, or be construed to prejudice Lender's right to collect, any remaining unpaid amounts.

3. Each Party may, acting independently and in its sole and absolute discretion and without any further obligation or liability to any other Party, elect to engage in, continue, or terminate the Contemplated Discussions at any time. Without limiting the generality of the foregoing sentence, any Party may, for any reason or no reason and with or without notice, terminate the Contemplated Discussions. If any Party believes that another Party has terminated the Contemplated Discussions, such Party may confirm that termination by delivering notice of such belief to the other Party. Notwithstanding anything herein to the contrary, the Contemplated Discussions shall automatically terminate (a) if there is a Binding Agreement or (b) on Friday, September 21, 2018.

4. The Contemplated Discussions may be lengthy and complex. Although the Parties may reach agreement on one or more preliminary issues that are part of the problem they are trying to resolve, no Party will be bound by any agreement on an individual issue or a group of issues until an agreement is reached and reduced to a fully integrated written agreement executed by the Parties (Binding Agreement). This means, for instance, that oral statements made during the Contemplated Discussions, unsigned draft agreements, e-mail correspondence, term sheets, or anything else short of a fully approved, signed, and delivered written agreement cannot constitute a Binding Agreement.

5. Neither this Pre-Negotiation Letter nor the Contemplated Discussions constitute or shall be construed as (a) a waiver of (or an agreement to waive) the Parties' rights under the Loan Documents; (b) a modification of (or an agreement to modify) the Loan Documents; (c) an agreement by Lender to make additional advances with respect to the Loan; (d) an agreement by Lender to grant any new financial accommodations to Borrower; (e) an agreement by Lender to negotiate in good faith; (f) a waiver of (or an agreement to waive) the defaults described in the Default Notices or any other default under the Loan Documents; or (g) an agreement by Lender to forbear from enforcing any of its rights or remedies under the Loan Documents, at law, in equity, or otherwise. Without limiting the generality of the foregoing sentence, nothing in this Pre-Negotiation Letter shall be construed to prohibit or otherwise prejudice Lender from exercising

Mr. Ignatius Piazza
Manager
September 5, 2018
Page 3

Las Vegas Development Fund, LLC

any right or remedy that it may have under the Loan Documents, at law, in equity, or otherwise with respect to the defaults described in the Default Notices or elsewhere while the Contemplated Discussions are continuing or at any other time. Lender reserves all of these rights and remedies, including, without limitation, the right to initiate foreclosure proceedings with respect to the collateral that secures the Loan.

6. All evidence of conduct and communications of any nature whatsoever (whether verbal or nonverbal, or express or implied) of any Party in connection with the Contemplated Discussions shall be inadmissible for any purpose in any judicial or similar proceeding including, without limitation, as proof of admissions of liability or for other evidentiary purposes. The foregoing sentence is intended to be broader than the restrictions on admissibility contained in Rule 408 of the Federal Rules of Evidence (or any similar statutory or judicial law including, without limitation, NRS, Chapter 48); provided, however, that nothing contained in this Paragraph 6 shall (a) impair the admissibility, effect, or validity, or restrict the taking, giving, or use, of any action or notice (including, without limitation, the Default Notices) by Lender to preserve or enforce its rights and remedies under the Loan Documents, at law, in equity, or otherwise; (b) require the exclusion of evidence that is otherwise discoverable solely because such evidence was presented in connection with the Contemplated Discussions; or (c) limit the admissibility of evidence when it is offered for a purpose unrelated to the subject matter of this Pre-Negotiation Letter.

7. Because the Contemplated Discussions may not produce a Binding Agreement, Borrower is advised not to (a) forgo other opportunities to cure the defaults described in the Default Notices in accordance with the Loan Documents or to obtain the Senior Debt or (b) incur any expense or take any action (detrimental or otherwise) in reliance on the Contemplated Discussions producing a Binding Agreement.

8. Borrower acknowledges that Lender will not enter into a Binding Agreement unless Lender's legal counsel have approved the substance of the Binding Agreement.

9. Nothing in this Pre-Negotiation Letter shall effect the validity, effectiveness, or enforceability of the Loan Documents.

10. Borrower understands that Lender would not enter into the Contemplated Discussions without this Pre-Negotiation Letter clarifying the ground rules for the Contemplated Discussions.

11. Borrower shall pay all reasonable fees, costs, and expenses incurred by Lender in connection with the Contemplated Discussions and the drafting and negotiation of this Pre-Negotiation Letter and any Binding Agreement within five business days after receipt of demand therefor from Lender.

12. The Parties understand that this Pre-Negotiation Letter is a legally binding agreement that may affect each Party's rights. Each Party represents to the other that it (a) has received legal advice from legal counsel of its choice regarding the meaning and legal significance of this Pre-Negotiation Letter; (b) is satisfied with its legal counsel and the legal advice received from such

Manager
September 5, 2018
Page 4

legal counsel; and (c) has voluntarily, and without coercion or duress of any kind, entered into this Pre-Negotiation Letter.

13. Should any provisions of this Pre-Negotiation Letter require judicial interpretation, the court interpreting the same shall not apply a presumption that the provisions hereof shall be more strictly construed against any Party by reason of the rule of construction that a document is to be construed more strictly against the party who itself, or through its agent, prepared the same, it being agreed that the Parties have participated in the preparation of this Pre-Negotiation Letter.

14. Because publicity about the existence, nature, or content of the Contemplated Discussions might injure the Parties, the Loan, or the collateral that secures the Loan, the Contemplated Discussions shall be kept strictly confidential. No Party shall disclose to any third party (other than to agents of the Parties, *e.g.*, attorneys, accountants, and brokers, on a "need to know" basis) the existence, nature, or content of the Contemplated Discussions without the consent of the Parties.

15. This Pre-Negotiation Letter shall survive termination of the Contemplated Discussions but shall only be applicable with respect to the Contemplated Discussions.

16. All notices to be given or received hereunder shall be given and received as provided in the Loan Documents.

17. Should any action be brought to enforce this Pre-Negotiation Letter or otherwise resolve any dispute under it, the prevailing Party in that action shall be entitled to recover all costs, expenses, and fees incurred thereby in connection with such action from any non-prevailing Party. The right to recover such costs, expenses, and fees shall accrue on the commencement of the action regardless of whether the action is prosecuted to final judgment. In addition to the foregoing award of costs, expenses, and fees, the prevailing Party shall be entitled to recover all costs, expenses, and fees incurred thereby in connection with any post-judgment proceedings to collect or enforce any judgment from any non-prevailing Party. This provision is separate and several and shall survive the merger of this provision into any judgment on this Pre-Negotiation Letter.

18. This Pre-Negotiation Letter constitutes the entire agreement of the Parties concerning the Contemplated Discussions and supersedes any prior or contemporaneous agreements (to the extent not contained herein) concerning the same. This Pre-Negotiation Letter will inure to the benefit of, and be binding on, the Parties and their respective agents and permitted successors and assigns. This Pre-Negotiation Letter shall be governed by, and construed and enforced in accordance with, the laws of the State of Nevada, without giving effect to the principles of conflicts of laws. Each and every provision of this Pre-Negotiation Letter shall be construed in accordance with the principle that time is of the essence. This Pre-Negotiation Letter may be executed and delivered via facsimile or electronic mail in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same agreement. This Pre-Negotiation Letter may only be amended, or its provisions waived, in writing. Each person signing this Pre-Negotiation Letter on behalf of a Party represents that he/she/it has the full authority and legal power to do so.



Mr. Ignatius Piazza
Manager
September 5, 2018
Page 5

Las Vegas Development Fund, LLC

Kindly sign this Pre-Negotiation Letter in the space provided below and return one counterpart, so executed, to the undersigned in order to indicate your acceptance of the ground rules set forth herein.

Very truly yours,

LAS VEGAS DEVELOPMENT FUND
LLC

By: _____


Robert W. Dziubla
President & CEO

ACCEPTED AND AGREED TO BY BORROWER ON SEPTEMBER __, 2018:

BORROWER:

FRONT SIGHT MANAGEMENT, LLC

By: _____

Ignatius Piazza
Manager

CC: Michael A. Brand, Esq.
C. Matthew Schulz, Esq.
Michael J. Madda, Esq.

EXHIBIT 26

EXHIBIT 26

From: Scott A. Preston

Sent: Friday, September 07, 2018 2:11 PM

To: Robert Dziubla

Cc: Ignatius Piazza (ignatius@frontsight.com); Mike Meacher; Mike Brand; maddamichael@gmail.com; C. Matthew Schulz; jfleming@legacy-loans.com; Letvia M. Arza-Goderich; John P. Aldrich, Esq.

Subject: Front Sight/Las Vegas Development Fund - Response to Pre-Negotiation Letter

Attachments: Front Sight Response to Pre-Negotiation Letter - Sept 07 2018.pdf

Dear Bob,

We hope that this message finds you well.

At the request of our client, Front Sight Management LLC, attached hereto please find a response to the form of pre-negotiation letter that Mike Brand forwarded on your behalf on Wednesday evening.

Please acknowledge receipt of the attached on behalf of Las Vegas Development Fund, LLC, as well as on behalf of EB5 Impact Capital Regional Center, LLC. In addition, please note that a hard copy of the attached will be sent via Federal Express to your outside counsel, C. Matthew Schulz.

Thanks,

Scott

Scott A. Preston, Esq. | Preston Arza LLP | 301 North Palm Canyon Drive, Suite 103-102 | Palm Springs, California 92262-5672 | Phone: 310.464.0355 | Fax: 310.943.1701 | Cell: 310.890.8727 | Skype: scott.a.preston | E-Mail: scott@prestonarza.com





September 7, 2018

Via FedEx and Email (rdziubla@eb5impactcapital.com)

Mr. Robert W. Dziubla
President & CEO
Las Vegas Development Fund, LLC
916 Southwood Boulevard, Suite 1G
P. O. Box 3003
Incline Village, Nevada 89450

With an email copy only to:

Michael A. Brand, Esq.
2924 Selwyn Circle
Santa Barbara, California 93105

Re: Construction Loan Agreement dated October 6, 2016 (“Loan Agreement” between Las Vegas Development Fund LLC, as Lender (“Lender”), and Front Sight Management LLC, as Borrower (“Borrower”)

Mr. Dziubla,

Thank you for your letter dated September 5, 2019 setting forth the terms that you offer for the negotiation session(s) to resolve the issues between our parties (the “Lender’s Pre-Negotiation Letter”). Your letter is viewed as a step in the right direction to resolve our differences, and we look forward to working diligently with you toward that goal.

We must reiterate we are not in financial default.

We must reiterate we refute each and every claim in your previous Notices of Default.

We accept most of the terms set forth in the Lender’s Pre-Negotiation Letter with the exception of those marked #5, #6, and #11, respectively.

Regarding term #5 specifically, both parties are required to negotiate in good faith, not just Front Sight. Therefore, we do not and will not agree to proposed term #5.

Regarding term #6 specifically, Front Sight has not lied or misrepresented any material facts in this case and has not done anything wrong. There is nothing that we would verbally offer or present in writing or imply or express in the negotiations that we would fear could be used against us in any claim against us in the present or future. For this reason, we do not and will not agree to term #6.

Regarding term #11, we will not pay for anyone’s costs and/or legal fees except our own with respect to the proposed negotiation session(s).

Mr. Robert W. Dziubla
President & CEO
Las Vegas Development Fund LLC
September 7, 2018
Page 2 of 2

Please remove terms #5, #6 and modify #11 to reflect that each party shall pay its own costs and legal fees with respect to the negotiations.

We again recommend meeting at a neutral and central location for the negotiations. Las Vegas seems to be a logical choice; however, we are open to another location that is neutral, easily accessible and equidistant from all parties.

Please be advised that although Front Sight will continue to work diligently toward a work out agreement, Front Sight does reserve all rights at all times.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dr. Ignatius Piazza", with a long horizontal flourish extending to the right.

Dr. Ignatius Piazza
Manager

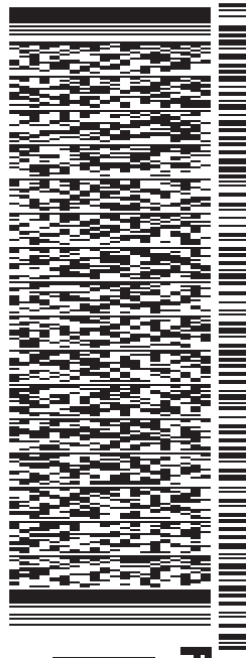
cc: Michael A. Brand, Esq.
C. Matthew Schulz, Esq.
Michael J. Madda, Esq.
Michael G. Meacher
John P. Aldrich, Esq.
Letvia M. Arza-Goderich, Esq.
Scott A. Preston, Esq.

ORIGIN ID: PSPA (310) 464-0355
SCOTT PRESTON
PRESTON ARZA LLP
301 N PALM CANYON DR STE 103-102
PALM SPRINGS, CA 92262
UNITED STATES US

SHIP DATE: 07SEP18
ACTWGT: 0.50 LB
CAD: 101351262JNET4040
BILL SENDER

TO
C MATTHEW SCHULZ
DENTONS LLP
1530 PAGE MILL RD STE 200

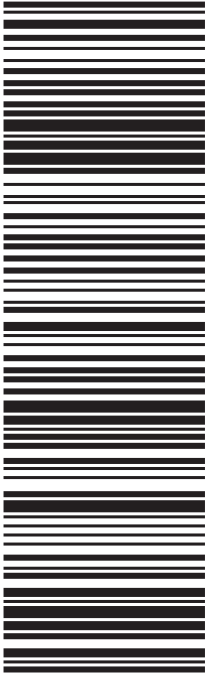
PALO ALTO CA 94304
REF: FRONT SIGHT
DEPT:
PO:
INV/ (650) 798-0361



552J1/F78C/DCA5

TRK# 7731 6686 0443
MON - 10 SEP 10:30A
PRIORITY OVERNIGHT

WA HGTA
CA-US 94304
SFO



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

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September 18, 2018

Dear Customer:

The following is the proof-of-delivery for tracking number **773166860443**.

Delivery Information:

Status:	Delivered	Delivered to:	Receptionist/Front Desk
Signed for by:	L.KAREN	Delivery location:	PALO ALTO, CA
Service type:	FedEx Priority Overnight	Delivery date:	Sep 10, 2018 09:27
Special Handling:	Deliver Weekday		

Signature image is available. In order to view image and detailed information, the shipper or payor account number of the shipment must be provided.

Shipping Information:

Tracking number:	773166860443	Ship date:	Sep 7, 2018
		Weight:	0.5 lbs/0.2 kg

Recipient:
PALO ALTO, CA US

Shipper:
PALM SPRINGS, CA US

Reference

Front Sight

Thank you for choosing FedEx.

EXHIBIT 27

EXHIBIT 27

PO Box 23159
San Diego, CA 92193-3159

ELECTRONIC RETURN RECEIPT
REQUESTED



71 96900 2484 0530 0117 1

Mailed On: 9/13/2018
Reference Number: 4224-40
Mailing Number: 0000555-01 ClientID: Chicago000433 ER

FRONT SIGHT MANAGEMENT, LLC, a Nevada limited liability
company
1 Front Sight Road
Pahrump, NV 89061



DOC #899115

APN(s): 045-481-05 and
045-481-06

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO
CHICAGO TITLE COMPANY
FORECLOSURE DEPARTMENT
560 E. HOSPITALITY LANE
SAN BERNARDINO, CA 92408

Official Records Nye County NV
Deborah Beatty - Recorder
09/11/2018 11:26:39 AM
Requested By: FNTG NCS (LAS VEGAS)
Recorded By: kd RPTT:\$0
Recording Fee: \$285.00
Non Conformity Fee: \$
Page 1 of 5

Title Order No.
APN 045-481-05 and 06

Trustee Sale No. 4224-40

IMPORTANT NOTICE NOTICE OF BREACH AND DEFAULT AND OF ELECTION TO SELL UNDER DEED OF TRUST

NOTICE IS HEREBY GIVEN THAT: CHICAGO TITLE COMPANY, a California corporation is the duly appointed Trustee under a Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents, and Fixture Filing dated 10/06/2016, recorded on 10/13/2016 as Document No. 860867 executed by FRONT SIGHT MANAGEMENT, LLC, a Nevada limited liability company, Grantor, as Trustor, to secure certain obligations in favor of Las Vegas Development Fund LLC, a Nevada limited liability company together with that certain First Amendment to Construction Deed of Trust, Security Agreement and Fixture Filing dated 07/01/2017 and recorded on 01/12/2018 as Document No. 886510 and any modifications/amendments thereto of Official Records in the Office of the Recorder of Nye County, State of Nevada ("Deed of Trust").

Securing, among other obligations, an Amended and Restated Promissory Note for the sum of \$50,000,000.00; that a breach of the obligations for which said Deed of Trust is security has occurred in that payment has not been made of:

THE 09/01/2018 PAYMENT OF INTEREST AND ALL SUBSEQUENT INSTALLMENTS/PAYMENTS OF INTEREST AND/OR PRINCIPAL, DEFAULT RATE INTEREST AND LATE CHARGES. TO CURE THE DEFAULT AND REINSTATE YOUR LOAN, YOU MUST PAY ALL AMOUNTS THEN DUE AT THE TIME OF REINSTATEMENT, INCLUDING ANY ADDITIONAL UNPAID AMOUNTS THAT YOU ARE OBLIGATED TO PAY BY THE TERMS OF THE NOTE AND DEED OF TRUST, SUCH AS, BUT NOT LIMITED TO, ADVANCES, TAXES, HAZARD INSURANCE, AND OBLIGATIONS SECURED BY PRIOR ENCUMBRANCES, PLUS TRUSTEE'S AND/OR ATTORNEY'S FEES AND COSTS AND EXPENSES INCURRED IN ENFORCING THE OBLIGATION. Pursuant to NRS 104.9604(1)(b), the sale may, at the election of the beneficiary, include personal property

NOTICE

YOU MAY HAVE THE RIGHT TO CURE THE DEFAULT HEREIN AND REINSTATE THE OBLIGATION SECURED BY THE DEED OF TRUST DESCRIBED ABOVE. NRS SECTION 107.080 PERMITS CERTAIN DEFAULTS TO BE REINSTATED WITHOUT REQUIRING PAYMENT OF THAT PORTION OF PRINCIPAL AND INTEREST WHICH WOULD NOT BE DUE HAD NO DEFAULT OCCURRED.



Trustee Sale No. 4224-40

WHERE REINSTATEMENT IS POSSIBLE, IF THE DEFAULT IS NOT CURED WITHIN 35 DAYS FOLLOWING THE RECORDING AND MAILING OF THIS NOTICE, THE RIGHT OF REINSTATEMENT WILL TERMINATE AND THE PROPERTY MAY THEREAFTER BE SOLD.

To find out the amount you must pay, or to seek to arrange for payment to stop the foreclosure, or if your property is in foreclosure for any other reason, contact: Las Vegas Development Fund LLC, Attn: Robert Dziubla, President & CEO, 16870 West Bernardo Drive, Suite 400, San Diego, CA 92127-1677; Phone: (858) 699-4367

That by reason thereof, the present beneficiary under such Deed of Trust, has executed and delivered to said Trustee, a written Declaration of Default and Demand for Sale, and has surrendered to said Trustee such Deed of Trust and all documents evidencing obligations secured thereby and has declared and does hereby declare all sums secured thereby immediately due and has elected and does hereby elect to cause the trust property to be sold to satisfy the obligations secured thereby.

AFFIDAVIT OF AUTHORITY ATTACHED

CHICAGO TITLE COMPANY, a California corporation

Teresa M. Drake
Teresa M. Drake, Vice President

Date: September 10, 2018

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

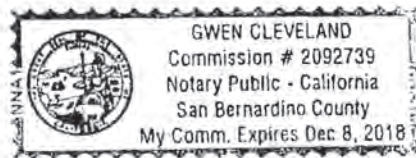
State of California
County of San Bernardino

On 9/10/18 before me, Gwen Cleveland, a Notary Public in and for said county, personally appeared Teresa M. Drake, 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.

Gwen Cleveland
Notary Public in and for said County and State



AFFIDAVIT OF AUTHORITY TO EXERCISE THE POWER OF SALE

NRS § 107.080(2)(C)

T.S. 4224-40

✓ STATE OF California)
) ss:
✓ COUNTY OF San Diego)

The affiant, Robert W. Dziubla, being first duly sworn upon oath, based on my direct, personal knowledge, or personal knowledge that I acquired by a review of the business records of the beneficiary, the successor in interest of the beneficiary or the servicer of the obligation or debt secured by the deed of trust, which business records meet the standards set forth in NRS § 51.135, and under penalty of perjury attests that I am the authorized representative of the beneficiary, of the deed of trust described in the Notice of Breach and Election to Sell Under Deed of Trust to which this affidavit is attached (the "Deed of Trust").

I further attest, and under penalty of perjury, to the following information, as required by NRS § 107.080(2)(c):

- 1. The full name and business address of the current trustee or the current trustee's representative or assignee is:

Chicago Title Company
Foreclosure Department
560 E. Hospitality Lane
San Bernardino, CA 92408
(800) 722-0824

The full name and business address of the current holder of the note secured by the Deed of Trust and the current beneficiary of record of the Deed of Trust is:

✓
*Las Vegas Development Fund, LLC
916 Southwood Blvd, Suite 1G (POB 3003)
Incline Village, NV 89450*

The full name and business address of the current servicer of the obligation or debt secured by the Deed of Trust is:

✓
*NES Financial Corp.
50 W. San Fernando St.
Suite 300
San Jose, CA 95113*



2. The beneficiary, successor in interest of the beneficiary or , trustee of the Deed of Trust, is (i) in actual or constructive possession of the note secured by the Deed of Trust, or (ii) is entitled to enforce the obligation or debt secured by the Deed of Trust.
3. The beneficiary or its successor in interest, the servicer of the obligation or debt secured by the Deed of Trust, or the trustee, or an attorney representing any of those persons, has sent to the obligor or borrower of the obligation or debt secured by the Deed of Trust a written statement of:
 - I. The amount of payment required to make good the deficiency in performance or payment, avoid the exercise of the power of sale and reinstate the terms and conditions of the underlying obligation or debt existing before the deficiency in performance of payment, as of the date of the statement;
 - II. The amount in default;
 - III. The principal amount of the obligation or debt secured by the Deed of Trust;
 - IV. The amount of accrued interest and late charges,
 - V. A good faith estimate of all fees imposed in connection with the exercise of the power of sale; and
 - VI. Contact information for obtaining the most current amounts due and the local or toll-free telephone number as required by NRS 107.080(2)(c)(4).
4. A local or toll-free telephone number that the obligor or borrower of the obligation or debt may call to receive the most current amount due and a recitation of the information contained in this affidavit is:

✓ 858-699-4367

5. The following is information regarding the recorded instrument(s) that conveyed the interest of each beneficiary, including the name of each assignee under each recorded assignment of the deed of trust:

A Deed of Trust dated 10/06/16 and recorded on 10/13/16 as Document No. 860867 executed by Front Sight Management, LLC naming Las Vegas Development Fund LLC, Lender, as Beneficiary.

The beneficiary or its successor in interest of the service of the obligation or debt secured by the deed of trust has instructed and does hereby instruct the current trustee to exercise the power of sold with respect to the property,

Las Vegas Development Fund LLC, a Nevada limited liability company

By: [Signature] Date: Sept. 8, 2018
Name: Robert W. Dziubla
Title: President & CEO

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California

COUNTY OF San Diego

Subscribed and sworn to (or affirmed) before me on this 8th day of September, 2018
by Robert W. Dziubla, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

[Signature]
Signature

(Seal)

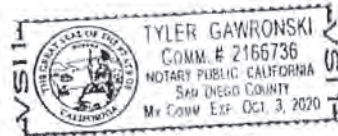


EXHIBIT 28

EXHIBIT 28

Mike Meacher

From: Robert Dziubla [mailto:rdziubla@eb5impactcapital.com]
Sent: Thursday, September 13, 2018 10:09 AM
To: 'Mike Meacher'
Subject: RE: Sudhir Shah visit

Dear Mike,

Thank you for the tour yesterday. Mr. Ramaswami was impressed and has said that he intends to proceed if he can pull together all the funds. As the details for Dr. Shah's visit become clearer, we will keep you apprised.

We of course disagree with your characterizations below.

The problem is not the lack of EB5 funds, which was always a clearly understood market risk and which is why all parties agreed in May 2016 to redo the capital stack so the EB5 funds in escrow could be released to you at your insistent demand. But, as part of that process, however, FS was to use its best efforts to obtain the Senior Debt, which you failed to do even though you had several offers of Senior Debt. It was your knowing and intentional decision NOT to take down the Senior Debt available to you that has led to the serious construction delays that now make it impossible for you to meet the Completion Date.

FS also failed to produce by June 30 the receipts, cancelled checks and other proof of payment that the EB5 funds had been properly invested into the Project. FS claimed that all the records had been burned up in Naish's house fire. That clearly was untrue because when we issued the NOD, FS then somehow, amazingly, was able to produce at least some of the required proof of payment. FS's original failure to produce the required documentation and its subsequent misrepresentations to us about its inability to produce that documentation has caused us to incur tens of thousands of dollars in attorneys' fees – not to mention the endless hours it has taken -- to achieve some understanding of where the EB5 money is being spent. Your actions and misstatements have caused us to doubt everything FS says.

And, to make matters worse, FS has become increasingly belligerent and continues to refuse our demands for compliance with the construction loan, including inter alia redoing the loan agreement as per article 5.27 and our demand for inspection. To the contrary, FS now demands that we give up our contractual rights. That is ridiculous.

On top of all that, you and Naish have been intimidating potential witnesses and threatening our lawyers. Your temerity is breathtaking.

We have almost \$1m in escrow that will be available for release when the remaining I-526 applications get approved. We have \$375k that could be available for distribution if it weren't for FS's continuing defaults, some of which have been partially addressed and others of which remain unresolved. We have two investors in escrow who are partially funded, plus several others, including Mr. Ramaswami, who say they are considering proceeding. That represents several million dollars of EB5 funding that will not be disbursed until all of the open issues are resolved.

We tried to get a resolution moving forward by sending you a pre-negotiation letter. FS then demanded substantive changes even to that. Amazing.

We try to work amicably with FS but FS then lies to us, fails to meet its contractual commitments and engages in thunderous threats. That is not productive.

On Tuesday, the title company recorded the Notice of Default. If FS's reaction to that is filing a lawsuit rather than acting reasonably and living up to its contractual commitments, that is your choice. We prefer not to go that route, but we will not sacrifice the EB5 investors' money and lives while the Project moves at a snail's pace because of your actions and while you continue to mislead us and disregard the requirements of the loan agreement because you seem to find them inconvenient.

Sincerely,

Bob

From: Mike Meacher <meacher@frontsight.com>
Sent: Thursday, September 13, 2018 9:11 AM
To: Robert Dziubla <rdziubla@eb5impactcapital.com>
Subject: Sudhir Shah visit

Bob,

Thanks for bringing out Mr. Ramaswami yesterday. He seemed genuinely interested. I hope he was impressed and decides to invest.

I would be pleased to see Dr Shaw, Sangita and Mr. Doriwala again. They will enjoy seeing all the progress we have made since their last visit. I was planning to be out of town on October 12-14. If October 12th is the only date, I can postpone my departure to later in the morning but we will have to have our tour in the morning between 9 and 11. I must leave the property by 11AM on that day. If they can come on October 11th, I can do it at any time. Let me know.

Please notice this is a private communication and I did not add all the attorneys or any others. Regarding your last sentence (highlighted in yellow below), the ball is really in your court Bob. We have provided everything you have requested and in doing so have proven that we have placed all the funds to proper use per the agreements.

Your demands forced us to spend not hours, but days researching vendor receipts and bank record checks that you now have or will have in the coming days that show you are millions of dollars behind in delivering enough funds to even catch up to what we have already spent on the project, per the terms of the agreements. We also found that you owe us \$36,000.

This entire disagreement could have been avoided and Naish would have continued to look the other way on your lack of delivering funds and he would still be giving you the opportunity to make good on your promises of delivering millions of dollars to the project, but you used a heavy hand. You should have known that such an action on your part would result in Naish hiring a litigator and preparing a lawsuit against you and Jon. The lawsuit was going to be filed the morning you offered a stay to try resolve our disagreements. Your timing was fortuitous, but nothing has changed on our end.

We are not in default and will continue to build the project with or without you.

I think the bigger question is do you want war or peace? It is really up to you at this point because you drew first blood. I suggest you write a letter stating that in the interest of the project, the investors and reestablishing a good working relationship with all parties you are releasing your NOD's. In your letter provide us with the boiler plate template of the draw request form that we have never received. Upon our making the draw request, promptly release whatever funds you are holding. This will essentially remove all the tension. We can then, with all pressure off both sides, sit down as

gentlemen and work out the contradictions in the agreements that have caused the conflicts and that need to be changed due to the lack of timely funding. At this meeting, we can fix anything else that has caused heartburn between the parties involved.

I hope you will concur,

Mike
Meacher@frontsight.com
702-425-6550

EXHIBIT 29

EXHIBIT 29

EB5 IMPACT ADVISORS LLC

Business Entity Information

Status:	Dissolved	File Date:	1/16/2013
Type:	Domestic Limited-Liability Company	Entity Number:	E0019662013-8
Qualifying State:	NV	List of Officers Due:	1/31/2019
Managed By:	Managers	Expiration Date:	
NV Business ID:	NV20131025946	Business License Exp:	1/31/2019

Additional Information

Central Index Key:	
--------------------	--

Registered Agent Information

Name:	ROBERT DZIUBLA	Address 1:	789 TRENT COURT (3003)
Address 2:		City:	INCLINE VILLAGE
State:	NV	Zip Code:	89450
Phone:		Fax:	
Mailing Address 1:	PO BOX 3003	Mailing Address 2:	
Mailing City:	INCLINE VILLAGE	Mailing State:	NV
Mailing Zip Code:	89450-3003		
Agent Type:	Noncommercial Registered Agent		

Financial Information

No Par Share Count:	0	Capital Amount:	\$ 0
No stock records found for this company			

Officers

 Include Inactive Officers

Manager - ROBERT W DZIUBLA

Address 1:	916 SOUTHWOOD BLVD., STE 1G PO BOX 3003	Address 2:	
City:	INCLINE VILLAGE	State:	NV
Zip Code:	89450	Country:	USA
Status:	Historical	Email:	

Manager - ROBERT W DZIUBLA

Address 1:	916 SOUTHWOOD BLVD., STE 1G PO BOX 3003	Address 2:	
City:	INCLINE VILLAGE	State:	NV
Zip Code:	89450	Country:	
Status:	Active	Email:	

Manager - JON D FLEMING

00246

Address 1:	16870 WEST BERNARDO DRIVE, SUITE 433	Address 2:	
City:	SAN DIEGO	State:	CA
Zip Code:	92127	Country:	USA
Status:	Historical	Email:	

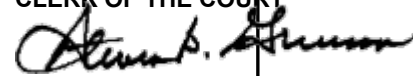
Actions\Amendments

Action Type:	Articles of Organization		
Document Number:	20130023251-09	# of Pages:	1
File Date:	1/16/2013	Effective Date:	
(No notes for this action)			
Action Type:	Initial List		
Document Number:	20130023252-10	# of Pages:	1
File Date:	1/16/2013	Effective Date:	
(No notes for this action)			
Action Type:	Amended List		
Document Number:	20130481378-27	# of Pages:	1
File Date:	7/23/2013	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20140030393-85	# of Pages:	1
File Date:	1/15/2014	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20150046169-14	# of Pages:	1
File Date:	1/30/2015	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20160039264-43	# of Pages:	1
File Date:	1/28/2016	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20170015640-26	# of Pages:	1
File Date:	1/12/2017	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20170538149-40	# of Pages:	1
File Date:	12/21/2017	Effective Date:	
(No notes for this action)			
Action Type:	Dissolution		
Document Number:	20180352029-72	# of Pages:	1
File Date:	8/6/2018	Effective Date:	

EXHIBIT 3

EXHIBIT 3

Electronically Filed
1/23/2020 10:50 AM
Steven D. Grierson
CLERK OF THE COURT



1 **FFCL**
John P. Aldrich, Esq.
2 Nevada Bar No. 6877
Catherine Hernandez, Esq.
3 Nevada Bar No. 8410
ALDRICH LAW FIRM, LTD.
4 7866 West Sahara Avenue
Las Vegas, NV 89117
5 Telephone: (702) 853-5490
Facsimile: (702) 227-1975
6 *Attorneys for Plaintiff/Counterdefendants*

7 **EIGHTH JUDICIAL DISTRICT COURT**

8 **CLARK COUNTY, NEVADA**

9 FRONT SIGHT MANAGEMENT LLC, a
Nevada Limited Liability Company,

10 Plaintiff,

11 vs.

12 LAS VEGAS DEVELOPMENT FUND LLC, a
Nevada Limited Liability Company; et al.,

13 Defendants.
14
15
16

17 AND ALL RELATED COUNTERCLAIMS.
18

CASE NO.: A-18-781084-B
DEPT NO.: 16

FINDINGS OF FACT,
CONCLUSIONS OF LAW, AND
ORDER DENYING DEFENDANT
LAS VEGAS DEVELOPMENT FUND
LLC'S MOTION TO DISSOLVE
TEMPORARY RESTRAINING
ORDER AND TO APPOINT A
RECEIVER

19 This matter having come before the Court on September 20, 2019 and November 26,
20 2019 on Defendant Las Vegas Development Fund LLC's Motion to Dissolve Temporary
21 Restraining Order and to Appoint Receiver, John P. Aldrich, Esq. appearing on behalf of
22 Plaintiff and Kathryn Holbert, Esq. and C. Keith Greer, Esq., appearing on behalf of
23 Defendants, the Court having reviewed the pleadings on file herein, having heard oral argument
24 of the parties through their respective counsel, this Court makes the following Findings of Fact
and Conclusions of Law.

JAN 10 2020

000248

1 Insofar as any conclusion of law is deemed to have been or include a finding of fact,
2 such a finding of fact is hereby included as a factual finding. Insofar as any finding of fact is
3 deemed to have been or to include a conclusion of law such is included as a conclusion of law
4 herein.

5 **FINDINGS OF FACT**

6 The Court makes the following Findings of Fact based on the evidence presented:

7 1. In Section IIB of Defendant/Counterclaimant Las Vegas Development Fund, LLC's
8 ("LVDF") Motion to Dissolve Temporary Restraining Order and Appoint a Receiver,
9 Defendant LVDF asserts thirteen breaches of the Construction Loan Agreement
10 ("CLA"):

- 11 a. Alleged Breach #1: Improper Use of Loan Proceeds – CLA §1.7(e) (Motion,
12 p. 10);
- 13 b. Alleged Breach #2: Failure to Provide Government Approved Plans – CLA
14 §3.2(b) (Motion, p. 10);
- 15 c. Alleged Breach #3: Failure to Timely Complete Construction – CLA §5.1
16 (Motion, p. 10);
- 17 d. Alleged Breach #4: Material Change of Costs, Scope or Timing of Work –
18 CLA §5.2 (Motion, p. 11);
- 19 e. Alleged Breach #5: Refusal to Comply Regarding Senior Debt – CLA §5.27
20 (Motion, p. 11);
- 21 f. Alleged Breach #6: Failure to Provide Monthly Project Costs – CLA §3.2(a)
22 (Motion, p. 11);
- 23
24

- 1 g. Alleged Breach #7: Failure to Notify of Event of Default – CLA §5.10
- 2 (Motion, p. 11);
- 3 h. Alleged Breach #8: Refusal to Allow Inspection of Records – CLA §5.4
- 4 (Motion, p. 12);
- 5 i. Alleged Breach #9: Refusal to Allow Inspection of the Project – CLA §3.3
- 6 (Motion, p. 12);
- 7 j. Alleged Breach #10: Failure to Provide EB-5 Information – CLA §1.7(f)
- 8 (Motion, p. 12);
- 9 k. Alleged Breach #11: Non Payment of Default Interest – CLA §1.2 (Motion, p.
- 10 12);
- 11 l. Alleged Breach #12: Non Payment of Legal Fees – CLA §8.2 (Motion, p. 12);
- 12 and
- 13 m. Alleged Breach #13: Failure to Comply with Applicable Laws (CLA §5.13)
- 14 and Failure to Give Written Notice of Criminal Complaint (CLA §5.14)
- 15 (Motion, p. 13).

16 2. The first allegation of breach focuses on the alleged misuse of loan proceeds by
17 Plaintiff/Counter-Defendant, Front Sight Management, LLC (Front Sight). However,
18 in its Opposition to Defendant/Counter-Claimant LVDF’s Motion to Dissolve the
19 TRO and Appoint a Receiver, Front Sight supplied evidence to establish project cost
20 and expenditures which exceed the loan amounts advanced by LVDF.

21 3. There are four (4) paragraphs of the Construction Loan Agreement that relate to loan
22 proceeds. They are as follows:

1 **Section 1.7 EB-5 Program Requirements.**

2
3 (e) Borrower shall use the proceeds of the Loan solely for the purpose
4 of funding directly, or advancing to Affiliates to pay, the costs of the Project, **in**
5 **accordance with the terms and conditions of this Agreement,** as set forth in the
6 Budge and the Project documents submitted to, and approved by, USCIS.
7

8 **Section 3.7 Use of Loan Proceeds.** Borrower shall use and apply the Loan
9 proceeds **solely to all or any number of the individual Project components in**
10 **accordance with the Budge and also to pay some or all of any or all existing**
11 **indebtedness encumbering the Project pursuant to a Permitted**
12 **Encumbrance. Borrower shall use its best business judgment based upon**
13 **then-current real estate market and availability of other financing resources**
14 **to allocate the proceeds of the Loan in such a manner as to assure the full**
15 **expenditure of the Loan proceeds advanced to Borrower.** Borrower will
16 comply with the requirements of the EB-5 Program and the other EB-5 Program
17 covenants and requirements contained in this Agreement.

18 **Section 4.29 Use of Loan Proceeds.** **The proceeds of the Loan shall be used**
19 **to pay and obtain release of the existing liens on the Land, to pay for or**
20 **reimburse Borrower for soft and hard costs related to the pre-construction,**
21 **development, promotion, construction, development and operation of the**
22 **Project in connection with the FSFTI Facility and the construction,**
23 **development, operation, leasing and sale of the timeshare portion of the**
24 **Project, all as more particularly described on Exhibit F, attached hereto.**
The Loan is made exclusively for business purposes in connection with holding,
developing and financially managing real estate for profit, and none of the
proceeds of the Loan will be used for the personal, family or agricultural purposes
of the Borrower.

Section 5.3 Using Loan Proceeds. Subject to Section 3.2, **Borrower shall**
use the Loan proceeds in its sole discretion to pay, or to reimburse Borrower
for paying, costs and expenses incurred by Borrower in connection with the
pre-construction, promotion, construction, development, operating and
leasing of the Project on the Land and the equipping of the Improvements,
together with the payoff and release of any existing liens and encumbrances
on the Land. Borrower shall take all steps necessary to assure that Loan
proceeds are used by its contractors and subcontractors to pay such costs and
expenses which could otherwise constitute a mechanic's lien claim against the
Project. Within thirty (30) days after the Completion Date, Borrower shall provide
the documentation and supporting accounting records and contract documents
necessary, in Lender's discretion, to demonstrate that between the Closing Date
and the date of delivery of such documentation not less than the total amount of
the Advances has been spent directly or indirectly on the Project substantially in a
form acceptable to Lender for compliance with the EB-5 Program.

(Emphases added.)

4. Exhibit 47 to the Evidentiary Hearing Exhibits, Front Sight's "Response to Notice of
Default dated July 30, 2018," shows project costs and expenditures well in excess of
\$6.3 million LVDF advanced. In Exhibit C to that document, Front Sight provided

1 copies of QuickBooks monthly reports that showed the following Project costs and
 2 expenditures:

TIME PERIOD	TOTAL
October 2015 – December 2015	\$3,387,591.35
January 2016 – December 2016	\$7,466,570.24
January 2017 – December 2017	\$12,454,018.84
	\$23,308,180.43

3
 4
 5
 6 5. Exhibit 48 to the Evidentiary Hearing Exhibits is Front Sight’s “Additional Response
 7 to Notices of Default dated July 31, 2018, and August 24, 2018 and Initial Response
 8 to Notice of Default dated August 28, 2018.” In that exhibit, Front Sight provided to
 9 Defendant Dziubla a multitude of documents showing the following expenses which
 10 were paid by Front Sight between the closing of the loan in October 2016 and June
 11 30, 2017:

EXPENSE CATEGORY	TOTAL
Reimbursable construction costs prior to the closing date of the Construction Loan Agreement	\$994,336.56
Construction costs from the closing date of the Construction Loan Agreement to June 30, 2017	\$1,031,728.10
Class Action lien payoff as of the time of closing of the Construction Loan Agreement	\$551,871.50
Class action lien pay-down prior to the closing date of the Construction Loan Agreement	\$1,860,000.00
Holecek note paydown prior to the closing date of the Construction Loan Agreement	\$6,004,000.00
Holecek note paydown from the closing date of the Construction Loan Agreement to June 30, 2017	\$1,422,000.00
Project legal fees	\$81,551.25
Fees Paid to Chicago Title in connection with original closing	\$9,217.01
EB5 Impact Advisor fees	\$244,730.00
Fees paid to US Capital Partners evidencing efforts to secure “Senior Debt” prior to securing construction line of credit from Morales Construction	\$62,500.00
Project consulting fees	\$82,550.00
	\$12,344,484.42

- 1 6. Adding construction costs prior to closing with construction costs **from closing to**
 2 **June 30, 2017**, plus the class action lien payoff as of the closing date of the CLA,
 3 Front Sight's expenses far exceed the US\$2.625M in EB5 funds delivered on or
 4 before June 30, 2017.
- 5 7. Exhibit 49 to the Evidentiary Hearing Exhibits is Front Sight's "EB-5 Documentation
 6 and Additional Information for the Period **July 1, 2017, through October 31, 2018**
 7 Delivered Pursuant to Section 5.10(e) of the Construction Loan Agreement." In that
 8 exhibit, Front Sight provided to Defendant Dziubla several hundred additional pages
 9 of documents showing the following expenses which were paid by Front Sight:

<u>EXPENSE CATEGORY</u>	<u>TOTAL</u>
Construction costs from June 30, 2017, through and including July 1, 2018	\$2,088,490.00
Holecek note paydown from June 30, 2017, through and including July 1, 2018	\$1,896,000.00
Project legal fees from June 30, 2017, through and including July 1, 2018	\$14,116.00
Construction costs from July 1, 2018, through and including October 30, 2018	\$402,621.00
Holecek note paydown from July 1, 2018, through and including October 30, 2018	\$632,000.00
Project legal fees from July 1, 2018, through and including October 30, 2018	\$6,984.00
Construction costs from September 6, 2016, through and including August 24, 2018 (commercial revolving charge account of Front Sight established with Home Depot)	\$66,173.67
Construction costs from October 11, 2016, through and including July 13, 2018 (charged to the Visa credit card account of Front Sight established with City National Bank)	\$43,212.07
Construction costs from August 30, 2016, through and including February 20, 2018 (charged to the Premier Rewards Gold charge and credit card account of Front Sight established with American Express)	\$92,868.00
	\$5,242,464.74

- 23 8. Based on this uncontroverted evidence, the Court finds Front Sight's expenses on the
 24 Project far exceed the amount of the loan from Defendant LVDF.

1 9. As to the fourth breach alleged by Defendant/Counterclaimant LVDF, the alleged
2 material change in size, scope, and timing of the project, it appears that the size of the
3 classroom was reduced but not the overall size of the facility, and therefore, the Court
4 finds that there is an issue of fact as to this alleged breach of the CLA.

5 10. Regarding the second, third, and fifth through thirteenth alleged breaches, as asserted
6 by Defendant/Counterclaimant LVDF, the parties asserted multiple competing factual
7 positions and made conflicting factual assertions regarding Defendant LVDF's
8 allegations of breach of the CLA. Based on the state of the evidence as of the date of
9 the hearing on the instant Motion, the Court finds that genuine issues of fact remain
10 as to the second, third, and fifth through thirteenth alleged breaches, as asserted by
11 Defendant/Counterclaimant LVDF.

12 **CONCLUSIONS OF LAW AND ORDER**

13 The Court makes the following Conclusions of Law:

14 1. Regarding alleged Breach #1, the Court concludes that Front Sight's expenses on
15 the Project far exceed the amount of the loan from Defendant LVDF has Defendant LVDF's
16 assertion that Front Sight improperly used loan proceeds is without merit, and consequently,
17 LVDF has failed to establish this alleged breach.

18 2. As to the second, third, and fifth through thirteenth alleged breaches, as asserted
19 by Defendant/Counterclaimant LVDF, the Court concludes that LVDF has not established that
20 Plaintiff is in breach of the Construction Loan Agreement, and consequently, LVDF is not
21 entitled to the relief it seeks by this Motion.

22 4. Regarding the fourth alleged breach, pertaining to the reduction in the size of the
23 Patriot Pavilion, because it appears that the size of the classroom was reduced but not the overall
24

1 size of the facility, creating an issue of fact as to this alleged breach, the Court concludes that
2 LVDF has not established that Plaintiff is in breach of the construction Loan Agreement, and
3 consequently, LVDF is not entitled to the relief it seeks by this Motion.

4 **ORDER**

5 **IT IS HEREBY ORDERED** that Defendant Las Vegas Development Fund LLC's
6 Motion to Dissolve Temporary Restraining Order and to Appoint Receiver is DENIED.

7 **IT IS SO ORDERED.**

8 DATED this 22nd day of January, 2020.

9
10 
11 DISTRICT COURT JUDGE
12 

13 Respectfully submitted by:

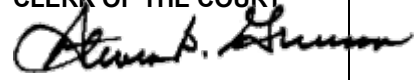
14 **ALDRICH LAW FIRM, LTD.**

15 
16 John P. Aldrich, Esq.
17 Nevada Bar No. 6877
18 Catherine Hernandez, Esq.
19 Nevada Bar No. 8410
20 7866 West Sahara Avenue
21 Las Vegas, Nevada 89117
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24 *Attorneys for Plaintiff*

EXHIBIT 4

EXHIBIT 4

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Steven D. Grierson
CLERK OF THE COURT



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Attorneys for Defendants

14 LAS VEGAS DEVELOPMENT FUND LLC;
EB5 IMPACT CAPITAL REGIONAL CENTER
15 LLC; EB5 IMPACT ADVISORS LLC; ROBERT
W. DZIUBLA; JON FLEMING; and
16 LINDA STANWOOD

DISTRICT COURT

CLARK COUNTY, NEVADA

19 FRONT SIGHT MANAGEMENT LLC, a
20 Nevada Limited Liability Company,

21 Plaintiff,

22 vs.

23 LAS VEGAS DEVELOPMENT FUND LLC, a
24 Nevada Limited Liability Company; et al,

25 Defendants.

Case No. A-18-781084-B
Dept. No. XVI

**DEFENDANTS' ANSWER TO
PLAINTIFF'S SECOND AMENDED
COMPLAINT; AND FIRST AMENDED
COUNTERCLAIM**

26
27 AND ALL RELATED COUNTERCLAIMS.
28

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1 COMES NOW Defendants, LAS VEGAS DEVELOPMENT FUND LLC, EB5 IMPACT
2 CAPITAL REGIONAL CENTER LLC, EB5 IMPACT ADVISORS LLC; ROBERT W. DZIUBLA;
3 JON FLEMING; and LINDA STANWOOD, (collectively "Responding Parties"), by and through
4 their counsel of record, Bailey ♦ Kennedy, and specifically admit, deny, and respond to the
5 allegations of FRONT SIGHT MANAGEMENT, LLC's ("Plaintiff") Second Amended Complaint as
6 follows:

7 1. These responding Defendants lack sufficient information to admit or deny the
8 allegations in Paragraph 1 of Plaintiff's Second Amended Complaint and, therefore, deny the same.

9 2. These responding Defendants admit the allegations in Paragraph 2 of Plaintiff's
10 Second Amended Complaint.

11 3. These responding Defendants admit the allegations in Paragraph 3 of Plaintiff's
12 Second Amended Complaint.

13 4. These responding Defendants admit the allegations in Paragraph 4 of Plaintiff's
14 Second Amended Complaint.

15 5. These responding Defendants admit the allegations in Paragraph 5 of Plaintiff's
16 Second Amended Complaint.

17 6. These responding Defendants admit the allegations in Paragraph 6 of Plaintiff's
18 Second Amended Complaint.

19 7. These responding Defendants deny that Linda Stanwood was an officer of EB5
20 IMPACT CAPITAL RESOURCE CENTER LLC and admit the remainder of the allegations in
21 Paragraph 7 of Plaintiff's Second Amended Complaint.

22 8. These responding Defendants lack sufficient information to admit or deny the
23 allegations in Paragraph 8 of Plaintiff's Second Amended Complaint and, therefore, deny the same.

24 9. These responding Defendants lack sufficient information to admit or deny the
25 allegations in Paragraph 9 of Plaintiff's Second Amended Complaint and, therefore, deny the same.

26 10. These responding Defendants admit that Defendants Dziubla, Fleming, and Stanwood
27 are or were officers of Defendants EB5IA, EB5IC, and LVDF. However, these responding

28 ///

1 Defendants deny the remainder of the allegations in Paragraph 10 of Plaintiff's Second Amended
2 Complaint.

3 **GENERAL ALLEGATIONS**

4 **Inducement of Front Sight to Fund Defendants' EB 5 Raise for the Development and**
5 **Construction of the Front Sight Resort Project in Detrimental Reliance on a Raise of \$75 Million**

6 11. These responding Defendants admit that Defendants and Plaintiff exchanged email
7 correspondence. However, these responding Defendants deny Plaintiffs the remainder of the
8 allegations in Paragraph 11 of Plaintiff's Second Amended Complaint.

9 12. These responding Defendants admit that Defendants and Plaintiff exchanged
10 correspondence. However, these responding Defendants deny the remainder of the allegations in
11 Paragraph 12 of Plaintiff's Second Amended Complaint.

12 13. These responding Defendants admit that Defendants and Plaintiff exchanged
13 correspondence. However, these responding Defendants deny the remainder of the allegations in
14 Paragraph 13 of Plaintiff's Second Amended Complaint.

15 14. These responding Defendants admit that Defendants and Plaintiff exchanged
16 correspondence. However, these responding Defendants deny the remainder of the allegations in
17 Paragraph 14 of Plaintiff's Second Amended Complaint.

18 15. These responding Defendants admit that Defendants and Plaintiff exchanged
19 correspondence. However, these responding Defendants deny the remainder of the allegations in
20 Paragraph 15 of Plaintiff's Second Amended Complaint.

21 16. These responding Defendants admit that Defendants and Plaintiff exchanged
22 correspondence. However, these responding Defendants deny the remainder of the allegations in
23 Paragraph 16 of Plaintiff's Second Amended Complaint.

24 17. These responding Defendants admit that Defendants and Plaintiff exchanged
25 correspondence. However, these responding Defendants deny the remainder of the allegations in
26 Paragraph 17 of Plaintiff's Second Amended Complaint.

27 18. These responding Defendants deny the allegations in Paragraph 18 of Plaintiff's
28 Second Amended Complaint.

1 19. These responding Defendants admit that Defendants and Plaintiff exchanged
2 correspondence. However, these responding Defendants deny the remainder of the allegations in
3 Paragraph 19 of Plaintiff's Second Amended Complaint.

4 20. These responding Defendants admit that Defendants and Plaintiff exchanged
5 correspondence. However, these responding Defendants deny the remainder of the allegations in
6 Paragraph 20 of Plaintiff's Second Amended Complaint.

7 21. These responding Defendants lack sufficient information to admit or deny the
8 allegations in Paragraph 21 of Plaintiff's Second Amended Complaint and, therefore, deny the same

9 22. These responding Defendants admit that Defendant EB5 Impact Advisors LLC and
10 Plaintiff executed an engagement letter dated February 13, 2013. However, these responding
11 Defendants deny the remainder of the allegations in Paragraph 22 of Plaintiff's Second Amended
12 Complaint.

13 23. These responding Defendants admit that Defendant EB5 Impact Advisors LLC and
14 Plaintiff executed an engagement letter dated February 13, 2013. However, these responding
15 Defendants deny the remainder of the allegations in Paragraph 23 of Plaintiff's Second Amended
16 Complaint.

17 24. These responding Defendants admit that Defendant EB5 Impact Advisors LLC and
18 Plaintiff executed an engagement letter dated February 1, 2013. However, these responding
19 Defendants deny the remainder of the allegations in Paragraph 24 of Plaintiff's Second Amended
20 Complaint.

21 25. These responding Defendants admit that Defendant EB5 Impact Advisors LLC and
22 Plaintiff executed an engagement letter dated February 1, 2013. However, these responding
23 Defendants deny the remainder of the allegations in Paragraph 25 of Plaintiff's Second Amended
24 Complaint.

25 26. These responding Defendants admit that Defendants and Plaintiff exchanged
26 correspondence. However, these responding Defendants deny the remainder of the allegations in
27 Paragraph 26 of Plaintiff's Second Amended Complaint.

28 ///

1 27. These responding Defendants admit that the Regional Center Application was filed
2 on or about April 14, 2014 and that the application was approved on or about July 27, 2015, and
3 deny the remaining allegations in Paragraph 27 of Plaintiff's Second Amended Complaint.

4 28. These responding Defendants admit that the application for EB5 Impact Capital
5 Regional Center, LLC was filed on April 15, 2014. However, these responding Defendants deny the
6 remainder of the allegations in Paragraph 28 of Plaintiff's Second Amended Complaint.

7 29. These responding Defendants admit that Defendants and Plaintiff exchanged
8 correspondence. However, these responding Defendants deny the remainder of the allegations in
9 Paragraph 29 of Plaintiff's Second Amended Complaint.

10 30. These responding Defendants admit that the application for EB5 Impact Capital
11 Regional Center, LLC was approved on July 27, 2015. However, these responding Defendants deny
12 the remainder of the allegations in Paragraph 30 of Plaintiff's Second Amended Complaint.

13 31. These responding Defendants admit that Defendants and Plaintiff exchanged
14 correspondence. However, these responding Defendants deny the remainder of the allegations in
15 Paragraph 31 of Plaintiff's Second Amended Complaint.

16 32. These responding Defendants admit that Defendants and Plaintiff exchanged
17 correspondence. However, these responding Defendants deny the remainder of the allegations in
18 Paragraph 32 of Plaintiff's Second Amended Complaint.

19 33. These responding Defendants admit to the existence of a website identified as
20 "eb5impactcapital.com," and deny the allegations in Paragraph 33 of Plaintiff's Second Amended
21 Complaint.

22 34. These responding Defendants admit that Defendants and Plaintiff exchanged
23 correspondence. However, these responding Defendants deny the remainder of the allegations in
24 Paragraph 34 of Plaintiff's Second Amended Complaint.

25 35. These responding Defendants admit that Defendants and Plaintiff exchanged
26 correspondence. However, these responding Defendants deny the remainder of the allegations in
27 Paragraph 35 of Plaintiff's Second Amended Complaint.

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1 36. These responding Defendants admit that Defendants and Plaintiff exchanged
2 correspondence. However, these responding Defendants deny the remainder of the allegations in
3 Paragraph 36 of Plaintiff's Second Amended Complaint.

4 37. These responding Defendants admit that Defendants and Plaintiff exchanged
5 correspondence. However, these responding Defendants deny the remainder of the allegations in
6 Paragraph 37 of Plaintiff's Second Amended Complaint.

7 38. These responding Defendants admit that Defendants and Plaintiff exchanged
8 correspondence. However, these responding Defendants deny the remainder of the allegations in
9 Paragraph 38 of Plaintiff's Second Amended Complaint.

10 39. These responding Defendants admit that Defendants and Plaintiff exchanged
11 correspondence. However, these responding Defendants deny the allegations in Paragraph 39 of
12 Plaintiff's Second Amended Complaint.

13 40. These responding Defendants admit that LVD Fund has loaned Front Sight
14 \$6,375,000 and deny the rest of the allegations in Paragraph 40 of Plaintiff's Second Amended
15 Complaint.

16 41. These responding Defendants admit that Defendants and Plaintiff exchanged
17 correspondence. However, these responding Defendants deny the remainder of the allegations in
18 Paragraph 41 of Plaintiff's Second Amended Complaint.

19 42. These responding Defendants admit that Defendants and Plaintiff exchanged
20 correspondence. However, these responding Defendants deny the remainder of the allegations in
21 Paragraph 42 of Plaintiff's Second Amended Complaint.

22 43. These responding Defendants deny the allegations in Paragraph 43 of Plaintiff's
23 Second Amended Complaint.

24 44. These responding Defendants admit that Defendants and Plaintiff exchanged
25 correspondence. However, these responding Defendants deny the allegations in Paragraph 44 of
26 Plaintiff's Second Amended Complaint.

27 45. These responding Defendants deny the allegations in Paragraph 45 of Plaintiff's
28 Second Amended Complaint.

1 46. These responding Defendants deny the allegations in Paragraph 46 of Plaintiff's
2 Second Amended Complaint.

3 47. These responding Defendants deny the allegations in Paragraph 47 of Plaintiff's
4 Second Amended Complaint.

5 48. These responding Defendants admit that Defendant LVD Fund loaned \$6,375,000 to
6 Plaintiff and deny the remaining allegations in Paragraph 48 of Plaintiff's Second Amended
7 Complaint.

8 49. These responding Defendants admit that Defendant Las Vegas Development Fund
9 served a Notice of Default on July 31, 2018. However, these responding Defendants deny the
10 remainder of the allegations in Paragraph 49 of Plaintiff's Second Amended Complaint.

11 50. These responding Defendants deny the allegations in Paragraph 50 of Plaintiff's
12 Second Amended Complaint.

13 51. These responding Defendants deny the allegations in Paragraph 51 of Plaintiff's
14 Second Amended Complaint.

15 52. These responding Defendants admit that Plaintiff responded to Defendant Las Vegas
16 Development Fund's July 31, 2018 Notice of Default. However, these responding Defendants deny
17 the remainder of the allegations in Paragraph 52 of Plaintiff's Second Amended Complaint.

18 53. These responding Defendants admit that Defendant Las Vegas Development Fund
19 served a second Notice of Default on August 24, 2018. However, these responding Defendants deny
20 the remainder of the allegations in Paragraph 53 of Plaintiff's Second Amended Complaint.

21 54. These responding Defendants deny the allegations in Paragraph 54 of Plaintiff's
22 Second Amended Complaint.

23 55. These responding Defendants admit that Plaintiff responded to Defendant Las Vegas
24 Development Fund's August 24, 2018 Notice of Default. However, these responding Defendants
25 deny the remainder of the allegations in Paragraph 55 of Plaintiff's Second Amended Complaint.

26 56. These responding Defendants admit that Defendant Las Vegas Development Fund
27 served a third Notice of Default on August 28, 2018. However, these responding Defendants deny
28 the remainder of the allegations in Paragraph 56 of Plaintiff's Second Amended Complaint.

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1 57. These responding Defendants admit that Defendants and Plaintiff attempted to
2 resolve the issues regarding Plaintiff's Defaults regarding the Construction Loan Agreement.
3 However, these responding Defendants deny the remainder of the allegations in Paragraph 57 of
4 Plaintiff's Second Amended Complaint.

5 58. These responding Defendants admit that Defendant Las Vegas Development Fund
6 recorded a Notice of Default on September 11, 2018. However, these responding Defendants deny
7 the remainder of the allegations in Paragraph 58 of Plaintiff's Second Amended Complaint.

8 59. These responding Defendants admit that Defendants and Plaintiff exchanged
9 correspondence. However, these responding Defendants deny the allegations in Paragraph 59 of
10 Plaintiff's Second Amended Complaint.

11 60. These responding Defendants deny the allegations in Paragraph 60 of Plaintiff's
12 Second Amended Complaint.

13 61. These responding Defendants admit that a Court order was entered regarding
14 Plaintiff's Petition for Appointment of Receiver and for an Accounting. However, these responding
15 Defendants deny the remainder of the allegations in Paragraph 61 of Plaintiff's Second Amended
16 Complaint.

17 62. These responding Defendants admit they have complied with the Court order which
18 was entered regarding Plaintiff's Petition for Appointment of Receiver and for an Accounting.
19 However, these responding Defendants deny the remainder of the allegations in Paragraph 62 of
20 Plaintiff's Second Amended Complaint.

21 63. These responding Defendants deny the allegations in Paragraph 63 of Plaintiff's
22 Second Amended Complaint.

23 64. These responding Defendants admit Plaintiff is entitled to a \$36,000.00 offset.
24 However, these responding Defendants deny the remainder of the allegations in Paragraph 64 of
25 Plaintiff's Second Amended Complaint.

26 65. These responding Defendants admit Defendant EB5IA has been dissolved.
27 However, these responding Defendants deny the remainder of the allegations in Paragraph 65 of
28 Plaintiff's Second Amended Complaint.

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1 66. These responding Defendants admit Defendant EB5IA has been dissolved.
 2 However, these responding Defendants deny the remainder of the allegations in Paragraph 66 of
 3 Plaintiff's Second Amended Complaint.

4 67. These responding Defendants deny the allegations in Paragraph 67 of Plaintiff's
 5 Second Amended Complaint.

6 68. These responding Defendants deny the allegations in Paragraph 68 of Plaintiff's
 7 Second Amended Complaint.

8 69. These responding Defendants admit Plaintiff wired funds to the wrong accounts on
 9 multiple occasions. However, these responding Defendants deny the remainder of the allegations in
 10 Paragraph 69 of Plaintiff's Second Amended Complaint.

11 70. These responding Defendants admit Plaintiff wired funds to the wrong accounts on
 12 multiple occasions. However, these responding Defendants deny the remainder of the allegations in
 13 Paragraph 70 of Plaintiff's Second Amended Complaint.

14 71. These responding Defendants admit Plaintiff wired funds to the wrong accounts on
 15 multiple occasions. However, these responding Defendants deny the remainder of the allegations in
 16 Paragraph 71 of Plaintiff's Second Amended Complaint.

17 72. These responding Defendants admit Plaintiff wired funds to the wrong accounts on
 18 multiple occasions. However, these responding Defendants deny the remainder of the allegations in
 19 Paragraph 72 of Plaintiff's Second Amended Complaint.

20 73. These responding Defendants deny the allegations in Paragraph 73 of Plaintiff's
 21 Second Amended Complaint.

22 **FIRST CAUSE OF ACTION**
 23 **(Fraud/Intentional Misrepresentation/Concealment Against All Defendants)**

24 74. These responding Defendants repeat and re-allege their responses to each of the
 25 preceding and succeeding paragraphs as though fully set forth herein.

26 75. These responding Defendants deny the allegations in Paragraph 75 of Plaintiff's
 27 Second Amended Complaint.

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1 76. These responding Defendants deny the allegations in Paragraph 76 of Plaintiff's
2 Second Amended Complaint.

3 77. These responding Defendants admit that Defendant Dziubla is married to Defendant
4 Stanwood and that correspondence was exchanged. However, these responding Defendants deny the
5 remainder of the allegations in Paragraph 77 of Plaintiff's Second Amended Complaint.

6 78. These responding Defendants deny the allegations in paragraph 78 of Plaintiff's
7 Second Amended Complaint.

8 79. These responding Defendants deny the allegations in Paragraph 79 of Plaintiff's
9 Second Amended Complaint.

10 80. These responding Defendants deny the allegations in Paragraph 80 of Plaintiff's
11 Second Amended Complaint.

12 81. These responding Defendants deny the allegations in Paragraph 81 of Plaintiff's
13 Second Amended Complaint.

14 82. These responding Defendants deny the allegations in Paragraph 82 of Plaintiff's
15 Second Amended Complaint.

16 83. These responding Defendants deny the allegations in Paragraph 83 of Plaintiff's
17 Second Amended Complaint.

18 84. These responding Defendants deny the allegations in Paragraph 84 of Plaintiff's
19 Second Amended Complaint.

20 **SECOND CAUSE OF ACTION**
21 **(Breach of Fiduciary Duty Against All Defendants)**

22 85-89. Plaintiff's Second Cause of Action has been dismissed as against all Defendants
23 pursuant to this Court's Order filed April 9, 2019.

24 **THIRD CAUSE OF ACTION**
25 **(Conversion Against All Defendants)**

26 90. These responding Defendants repeat and re-allege their responses to each of the
27 preceding and succeeding paragraphs as though fully set forth herein.

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1 91. These responding Defendants deny the allegations in Paragraph 91 of Plaintiff's
2 Second Amended Complaint.

3 92. These responding Defendants deny the allegations in Paragraph 92 of Plaintiff's
4 Second Amended Complaint.

5 93. These responding Defendants deny the allegations in Paragraph 93 of Plaintiff's
6 Second Amended Complaint.

7 94. These responding Defendants deny the allegations in Paragraph 94 of Plaintiff's
8 Second Amended Complaint.

9 **FOURTH CAUSE OF ACTION**
10 **(Civil Conspiracy Against All Defendants)**

11 95. These responding Defendants repeat and re-allege their responses to each of the
12 preceding and succeeding paragraphs as though fully set forth herein.

13 96. These responding Defendants deny the allegations in Paragraph 96 of Plaintiff's
14 Second Amended Complaint.

15 97. These responding Defendants deny the allegations in Paragraph 97 of Plaintiff's
16 Second Amended Complaint.

17 98. These responding Defendants deny the allegations in Paragraph 98 of Plaintiff's
18 Second Amended Complaint.

19 99. These responding Defendants deny the allegations in Paragraph 99 of Plaintiff's
20 Second Amended Complaint.

21 **FIFTH CAUSE OF ACTION**
22 **(Breach of Contract Against All Defendants EB5IA and LVDF)**

23 100. These responding Defendants repeat and re-allege their responses to each of the
24 preceding and succeeding paragraphs as though fully set forth herein.

25 101. These responding Defendants admit the allegations in Paragraph 101 of Plaintiff's
26 Second Amended Complaint.

27 102. These responding Defendants deny the allegations in Paragraph 102 of Plaintiff's
28 Second Amended Complaint.

1 103. These responding Defendants deny the allegations in Paragraph 103 of Plaintiff's
2 Second Amended Complaint.

3 104. These responding Defendants deny the allegations in Paragraph 104 of Plaintiff's
4 Second Amended Complaint.

5 105. These responding Defendants deny the allegations in Paragraph 105 of Plaintiff's
6 Second Amended Complaint.

7 106. These responding Defendants deny the allegations in Paragraph 106 of Plaintiff's
8 Second Amended Complaint.

9 **SIXTH CAUSE OF ACTION**
10 **(Contractual Breach of Implied Covenant of Good Faith and Fair Dealing**
11 **Against the Entity Defendants)**

11 Plaintiff's Sixth Cause of Action has been dismissed as against Defendant EB5IC pursuant to this
12 Court's Order filed April 9, 2019.

13 107. These responding Defendants repeat and re-allege their responses to each of the
14 preceding and succeeding paragraphs as though fully set forth herein.

15 108. These responding Defendants admit the allegations in Paragraph 108 of Plaintiff's
16 Second Amended Complaint.

17 109. These responding Defendants admit the allegations in Paragraph 109 of Plaintiff's
18 Second Amended Complaint.

19 110. These responding Defendants admit the allegations in Paragraph 110 of Plaintiff's
20 Second Amended Complaint.

21 111. These responding Defendants deny the allegations in Paragraph 111 of Plaintiff's
22 Second Amended Complaint.

23 112. These responding Defendants deny the allegations in Paragraph 112 of Plaintiff's
24 Second Amended Complaint.

25 113. These responding Defendants deny the allegations in Paragraph 113 of Plaintiff's
26 Second Amended Complaint.

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SEVENTH CAUSE OF ACTION
**(Tortious Breach of Implied Covenant of Good Faith and Fair Dealing
Against the Entity Defendants)**

114-121. Plaintiff's Seventh Cause of Action has been dismissed as against the Entity Defendants pursuant to this Court's Order filed April 9, 2019.

EIGHTH CAUSE OF ACTION
**(Intentional Interference With Prospective Economic Advantage
Against the Entity Defendants and Defendant Dziubla)**

Plaintiff's Eighth Cause of Action has been dismissed as against the Entity Defendants EB5IC and EB5IA pursuant to this Court's Order filed April 9, 2019. Therefore, Defendants Dziubla and LVD Fund respond as follows:

122. These responding Defendants repeat and re-allege their responses to each of the preceding and succeeding paragraphs as though fully set forth herein.

123. These responding Defendants lack sufficient information to admit or deny the allegations in Paragraph 123 of Plaintiff's Second Amended Complaint and, therefore, deny the same.

124. These responding Defendants deny the allegations in Paragraph 124 of Plaintiff's Second Amended Complaint.

125. These responding Defendants deny the allegations in Paragraph 125 of Plaintiff's Second Amended Complaint.

126. These responding Defendants deny the allegations in Paragraph 126 of Plaintiff's Second Amended Complaint.

127. These responding Defendants deny the allegations in Paragraph 127 of Plaintiff's Second Amended Complaint.

128. These responding Defendants deny the allegations in Paragraph 128 of Plaintiff's Second Amended Complaint.

NINTH CAUSE OF ACTION
(Unjust Enrichment Against All Defendants)

129-135. Plaintiff's Ninth Cause of Action has been dismissed as against all Defendants pursuant to this Court's Order filed April 9, 2019.

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TENTH CAUSE OF ACTION
(Negligent Misrepresentation Against all Defendants)

Plaintiff's Tenth Cause of Action has been dismissed as against Defendants Stanwood, Fleming, EB5IC, and LVDF pursuant to this Court's Order filed April 9, 2019. Therefore, Defendants EB5IA and Dziubla respond as follows:

136. These responding Defendants repeat and re-allege their responses to each of the preceding and succeeding paragraphs as though fully set forth herein.

137. These responding Defendants admit the allegations in Paragraph 137 of Plaintiff's Second Amended Complaint.

138. These responding Defendants deny the allegations in Paragraph 138 of Plaintiff's Second Amended Complaint.

139. These responding Defendants deny the allegations in Paragraph 139 of Plaintiff's Second Amended Complaint.

140. These responding Defendants deny the allegations in Paragraph 140 of Plaintiff's Second Amended Complaint.

141. These responding Defendants deny the allegations in Paragraph 141 of Plaintiff's Second Amended Complaint.

142. These responding Defendants deny the allegations in Paragraph 142 of Plaintiff's Second Amended Complaint.

143. These responding Defendants deny the allegations in Paragraph 143 of Plaintiff's Second Amended Complaint.

144. These responding Defendants deny the allegations in Paragraph 144 of Plaintiff's Second Amended Complaint.

145. These responding Defendants deny the allegations in Paragraph 145 of Plaintiff's Second Amended Complaint.

ELEVENTH CAUSE OF ACTION
(Negligence Against All Defendants)

146-150. Plaintiff's Eleventh's Cause of Action has been dismissed as against all Defendants pursuant to this Court's Order filed April 9, 2019.

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TWELFTH CAUSE OF ACTION
(Alter Ego Against All Defendants)

151-160. Plaintiff's Twelfth Cause of Action has been dismissed as against all Defendants pursuant to this Court's Order filed April 9, 2019.

These responding Defendants, LAS VEGAS DEVELOPMENT FUND LLC; EB5 IMPACT CAPITAL REGIONAL CENTER LLC; EB5 IMPACT ADVISORS LLC, a dissolved Nevada Limited Liability Company; ROBERT W. DZIUBLA; JON FLEMING; and LINDA STANWOOD, by and through their counsel of record, Bailey❖Kennedy, having fully and specifically responded to each and every allegation set forth in Plaintiff's Second Amended Complaint, now assert the following:

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

Plaintiff's Second Amended Complaint fails to state a claim for which relief can be granted as against these responding Defendants.

SECOND AFFIRMATIVE DEFENSE

These responding Defendants generally deny all liability and all allegations of negligence or wrongdoing.

THIRD AFFIRMATIVE DEFENSE

Any allegations or factual matters asserted by Plaintiff that are not specifically admitted are hereby denied.

FOURTH AFFIRMATIVE DEFENSE

The claims referred to in Plaintiff's Second Amended Complaint, and the resulting damage—if any—to Plaintiff, was proximately caused or contributed to by Plaintiff's own negligence and, as such, Plaintiff's negligence was greater than the negligence—if any—of these responding Defendants and therefore, Plaintiff's recovery should be barred or diminished.

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FIFTH AFFIRMATIVE DEFENSE

If Plaintiff has been damaged as alleged, then said damages are the sole, direct, and proximate result of actions and/or inactions of other named parties and/or third parties not presently named herein over which these responding Defendants had no control.

SIXTH AFFIRMATIVE DEFENSE

These responding Defendants reserve the right to assert any and all defenses raised by any other party to this action.

SEVENTH AFFIRMATIVE DEFENSE

These responding Defendants reserve the right to amend their Answer and/or assert additional affirmative defenses based upon discovery as well as an investigation of the facts and circumstances concerning the alleged incident that is the subject of Plaintiff's Amended Complaint.

EIGHTH AFFIRMATIVE DEFENSE

As a separate and distinct affirmative defense, these responding Defendants allege that, to the extent that Plaintiff's Amended Complaint alleges violations of law, those alleged violations of law are the result of the conduct or omissions of persons or entities other than these responding Defendants.

NINTH AFFIRMATIVE DEFENSE

Plaintiff is barred from asserting any claims against these responding Defendants because the alleged damages were the result of the intervening and/or superseding conduct of others.

TENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the doctrine of laches and/or the statute of limitation.

ELEVENTH AFFIRMATIVE DEFENSE

These responding Defendants reserve the right to seek contribution and indemnity in the event that these responding Defendants deem it appropriate to do so.

TWELFTH AFFIRMATIVE DEFENSE

As a separate and distinct affirmative defense, these responding Defendants allege that, before the commencement of this action, these responding Defendants performed, satisfied, and discharged all duties and obligations they may have owed to Plaintiff.

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THIRTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the doctrine of unclean hands.

FOURTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred because Plaintiff was the first party to breach the contract and cannot maintain an action against the Defendants for a subsequent failure to perform.

FIFTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred because the alleged tortious act by Defendants was justified and/or privileged.

SIXTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred because all alleged injuries and damages, if any, were caused by the acts or omissions of Plaintiff.

SEVENTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred because Defendants complied with applicable statutes and with the requirements and regulations of the State of Nevada.

FIRST AMENDED COUNTER CLAIM

1. This First Amended Counterclaim stems from Front Sight's misappropriation and diversion of construction loan proceeds for the personal benefit of its principal, Ignatius Piazza, his wife Jennifer Piazza, and beneficiaries of the VNV Trust Defendants, and Front Sight's breach of multiple material provisions of the Construction Loan Agreement (the "CLA")¹, including its failure to meet the construction schedule, material changes to the Project scope, failure to provide government approved construction plans, failure to obtain Senior Debt, failure to meet its reporting obligations to Lender under the CLA and EB-5 regulations, refusal to give Lender access to its books and records, refusal to allow a site inspection and answer questions by Lender's representatives, failure to pay default interest, further encumbering the Property by selling securities, and failure to pay Lender's legal fees relating to enforcing Borrower to comply with the terms of the CLA. Moreover, Borrower's recent actions of delaying construction, refusing to grant Lender's

¹ "CLA" refers to the Construction Loan Agreement dated October 6, 2016, between Front Sight Management LLC ("Borrower") and Las Vegas Development Fund LLC ("Lender"). (See Dziubla Decl., Ex. 3).

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1 representatives access to the property and concealing its books and records, raise serious questions
2 regarding Front Sight’s continued solvency (which is a required loan covenant) and thus, its ability
3 to complete the Project.

4 2. This First Amended Counterclaim is further based upon Counter Defendants entering
5 into a comprehensive scheme to defraud LVD Fund by falsely representing that Counter Defendant
6 Front Sight had entered into a legitimate and bona fide \$36,000,000 “Loan Agreement –
7 Construction Line of Credit” with Counter Defendant Morales Construction, Inc. (“Morales
8 Construction”), that would have provided sufficient capital to make substantial progress toward
9 completing the project. In reality, the “Loan Agreement” was a complete scam because all of the
10 Counter Defendants knew Morales was not capable of fulfilling its obligation to extend tens of
11 millions of dollars in credit, and none of the Counter Defendants ever intended to perform under the
12 Loan Agreement.

13 **I. PARTIES**

14 3. Counter Claimant LAS VEGAS DEVELOPMENT FUND LLC (hereafter “LVD
15 Fund” or “Lender”) is a Nevada limited liability company with a principal place of business located
16 in Nevada and has an interest and right in the Property through a certain Deed of Trust² that was by
17 and between Front Sight and LVD FUND.

18 4. FRONT SIGHT MANAGEMENT LLC (hereinafter as “Front Sight” or “Borrower”)
19 is a Nevada limited liability company with a principal place of business located in Clark County,
20 Nevada.

21 5. Counter Claimant is informed and believes, and on that basis alleges, Counter
22 Defendant VNV DYNASTY TRUST I is a Nevada statutory trust, Nevada business, family trust, or
23 other irrevocable trust that functions as an entity and that may claim title and ownership interest in
24 the Property. Counter Claimant is informed and believes, and on that basis alleges, Counter

25
26 ² “Deed of Trust” refers to the “Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents, and
27 Fixture Filing,” recorded in the official records of Nye County, Nevada, as “DOC #860867” on October 13, 2016, a copy
28 of which is attached as Exhibit 1, filed herewith, as amended by the “First Amendment to Construction Deed of Trust,
Security Agreement and Fixture Filing,” recorded in the official records of Nye County, Nevada, as “DOC #886510” on
January 12, 2018, a copy of which is provided as Exhibit 2.

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1 Defendant VNV DYNASTY TRUST I was organized and exists under the laws of Nevada and
2 Counter Defendants IGNATIUS A. PIAZZA II and JENNIFER PIAZZA are trustees and/or
3 beneficiaries of the VNV DYNASTY TRUST I.

4 6. Counter Claimant is informed and believes, and on that basis alleges, Counter
5 Defendant VNV DYNASTY TRUST II is a Nevada statutory trust, Nevada business, family trust, or
6 other irrevocable trust that functions as an entity and that may claim title and ownership interest in
7 the Property. Counter Claimant is informed and believes, and on that basis alleges, Counter
8 Defendant VNV DYNASTY TRUST II was organized and exists under the laws of Nevada and
9 Counter Defendants IGNATIUS A. PIAZZA II and JENNIFER PIAZZA are trustees and/or
10 beneficiaries of the VNV DYNASTY TRUST II. (Hereinafter, VNV DYNASTY TRUST I and
11 VNV DYNASTY TRUST II are collectively referred to as the “VNV Trust Defendants” or “Trust
12 Defendants”).

13 7. Counter Claimant is informed and believes, and on that basis alleges, that Counter
14 Defendant IGNATIUS A. PIAZZA II, ("Piazza"), is an individual who is, and at all times relevant
15 hereto was, a resident of Sonoma County, California. Piazza is the managing member, or otherwise
16 in control under another title, of Counter Defendant Front Sight Management, LLC and Trustee
17 and/or beneficiary of VNV Trust Defendants.

18 8. Counter Claimant is informed and believes, and on that basis alleges, that
19 DEFENDANT JENNIFER PIAZZA, is an individual who is, and at all times relevant hereto was, a
20 resident of Sonoma County, California, and is Trustee and/or beneficiary of VNV Trust Defendants.

21 9. Counter Defendant MORALES CONSTRUCTION, INC. (“MORALES
22 CONSTRUCTION”) is a Nevada Corporation and licensed contractor with its principal place of
23 business in Pahrump, Nevada.

24 10. Counter Defendant ALL AMERICAN CONCRETE & MASONRY INC. (“ALL
25 AMERICAN CONCRETE”) is a Nevada Corporation and licensed contractor with its principal
26 place of business in Pahrump, Nevada.

27 11. Counter Defendant TOP RANK BUILDERS INC. (“TOP RANK BUILDERS”) is a
28 Nevada Corporation and licensed contractor with its principal place of business in Pahrump, Nevada.

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1 12. Counter Claimant is informed and believes, and on such basis alleges, that Counter
2 Defendant EFRAIN RENE MORALES-MORENO (“MORALES”) is, and at all times relevant was,
3 a resident of Nye County, Nevada, and the principal and chief executive officer of MORALES
4 CONSTRUCTION, ALL AMERICAN, and TOP RANK.

5 13. Counter Claimant is informed and believes, and on such basis alleges, that Counter
6 Defendant MICHAEL GENE MEACHER (“MEACHER”) is, and at all times relevant, was a
7 resident of Nye County, Nevada, and the Vice President and Chief Operating Officer of Counter
8 Defendant FRONT SIGHT.

9 14. Upon information and belief, each of the Counter Defendants sued herein as ROE
10 Counter Defendants 1 through 10, inclusive, are beneficiaries or trustees of the Trust Defendants and
11 claim an interest in the Property or are responsible in some manner for the events and happenings
12 herein that Counter Claimant seeks to enjoin; that when the true names and capacities of such
13 defendants become known, Counter Claimant will ask leave of this Court to amend this counterclaim
14 to insert the true names, identities, and capacities together with proper charges and allegations.

15 15. Counter Claimant is informed and believes, and on that basis alleges, that Counter
16 Defendants Front Sight and the VNV Trust Defendants are influenced and governed by Counter
17 Defendant Ignatius Piazza, and they are so intertwined with one another as to be factually and
18 legally indistinguishable. As such, the adherence to an LLC, corporate, or trust fiction of separate
19 entities would, under the circumstances, sanction fraud and promote injustice.

20 16. As a result of Front Sight being the alter ego of Counter Defendant Ignatius Piazza,
21 Ignatius Piazza is personally liable for the liabilities of Front Sight regarding the allegations set forth
22 in this Counterclaim.

23 **II. GENERAL ALLEGATIONS**

24 17. The CLA was made to fund construction of the Front Sight Resort & Vacation Club
25 (“FS Resort”) and an expansion of the facilities and infrastructure of the Front Sight Firearms
26 Training Institute (the “Training Facilities”) located on a 550-acre site in Pahrump, Nevada (the
27 “Project”). The CLA dated October 6, 2016 (Exhibit 3) is the operative agreement for purposes of

28 ///

1 determining Front Sight’s obligations as the “Borrower,” and the remedies available to LVD Fund as
2 the “Lender.”

3 18. The “Project” is described as construction of the Front Sight Resort & Vacation Club
4 (“FSRVC”) and an expansion of the facilities and infrastructure of the Front Sight Firearms Training
5 Institute (“FSFTI”) (the “Facilities”) located in a 550 acre site in Pahrump, Nevada. The Facilities
6 will include 102 timeshare residential units, up to 150 luxury timeshare RV pads, an 85,000 square
7 foot restaurant, retail, classroom, and office building (to be known as the Patriot Pavilion) and
8 related infrastructure and amenities, all of which will be located at One Front Sight Road, Pahrump,
9 Nevada 89041.

10 19. All of the loan funds came from foreign citizens participating in the Federal
11 Immigrant Investor Program, known as “EB-5.” The EB 5 Immigrant Investor Program, which is
12 administered by the United States Citizenship and Immigration Services (“USCIS”), provides
13 certain immigrant investors, who can demonstrate that their investments are creating jobs in this
14 country, with a potential avenue to lawful permanent residency in the United States. The program
15 sets aside EB-5 visas for participants who invest in commercial enterprises approved by USCIS,
16 frequently administered by entities called “regional centers.” Each investor is required to invest a
17 minimum of \$500,000 and, through the EB-5 Immigrant Investor Program, is anticipated to receive
18 permanent foreign resident status within the United States assuming compliance with the EB-5
19 program requirements and creation of 10 US jobs per investor. Material departures from the USCIS
20 approved plans for the Project, including delays in construction, and diversion of funds from the
21 Project to general corporate or personal uses, are all significant breaches of the CLA and potentially
22 jeopardize the immigration status of the EB-5 Investors.

23 20. According to the USCIS, the Immigrant Investor Program, also known as “EB-5,”
24 was created to stimulate the U.S. economy through job creation and capital investment from
25 immigrant investors by creating a new commercial enterprise or investing in a troubled business. In
26 this case, the immigrant investors are attempting to gain lawful permanent residence for themselves
27 and their families by participating in a Regional Center Pilot Program, which requires them to make
28 a capital investment of \$500,000, since this region is deemed to be a Targeted Employment Area

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1 ("TEA"), i.e., "a rural area or an area that has experienced high unemployment of at least 150
2 percent of the national average." The new commercial enterprise must create or preserve 10 full time
3 jobs for qualifying U.S. workers within two years (or under certain circumstances, within a
4 reasonable time after the two year period) of the immigrant investor's admission to the United States
5 as a Conditional Permanent Resident (CPR).

6 21. The CLA, as well as the USCIS approved business plan and Confidential Offering
7 Memorandum that comply with both EB-5 legislation and U.S. securities laws and regulations,
8 specifically require that loan proceeds and disbursements be applied toward construction of the
9 Project and the creation of jobs. The CLA also includes a contractually agreed upon construction
10 schedule and construction budget that were specifically approved by the USCIS and must be
11 substantially complied with in order to meet the immigrant investors' obligations under the EB-5
12 Program.

13 22. Section 6.3 of the CLA (Exhibit 3) and Section 7.2(d) of the Deed of Trust (Exhibit 1)
14 specifically authorize Lender to take over and complete construction of the Project in accordance
15 with the USCIS' approved plans and construction schedule in the event of certain defaults which
16 place timely completion of the project in jeopardy.

17 23. Pursuant to the terms of §6.1 of the CLA, each of the following, without limitation,
18 constitutes an Event of Default under the CLA:

19 "(a) Borrower shall default in any payment of principal or interest . . .

20 * * *

21 (c) Borrower shall default in the performance or observance of any
22 agreement, covenant or condition required to be performed or
23 observed by Borrower under the terms of this Agreement, or any
24 other Loan Document, other than a default described elsewhere in this
25 Section . . .

26 * * *

27 (j) A default occurs in the performance of Borrower's obligations in
28 any of Section 5.6, 5.7, 5.8, 5.10, 5.13, 5.16, 5.18, 5.19, 5.22, 5.23 or
5.24, hereof;

* * *

(m) Any failure by Borrower to timely deliver the EB-5 information,

1 which failure continues more than 5 days following notice of such
2 failure from Lender.”

3 24. In the event of default, Lender can, inter alia: suspend the obligation to make further
4 advances of funds (CLA §6.2(b)); foreclose on the Deed of Trust (CLA §6.2(e)); and *“take over and*
5 *complete such construction in accordance with the Plans, with such changes therein as Lender*
6 *may, in its discretion, deem appropriate, all at the risk, cost and expense of Borrower.”* (CLA
7 §6.3). [emphasis added]

8 **BORROWER’S BREACHES AND DEFAULT UNDER THE CLA**

9 **A. Breach Number 1: Improper Use of Loan Proceeds - CLA § 1.7(e)**

10 25. Section 1.7(e) of the CLA provides that “Borrower shall use the proceeds of the Loan
11 solely for the purpose of funding directly, or advancing to Affiliates to pay, the costs of the Project,
12 in accordance with the terms and conditions of this Agreement, as set forth in the Budget and the
13 Project documents submitted to, and approved by, USCIS.” However, in its October 30, 2018
14 prove-up to LVD Fund regarding EB-5 compliance, Front Sight revealed that although it has spent
15 all of the \$6,375,000 in loan proceeds since the initial disbursement in October 2016, only
16 approximately \$2,690,000 of the proceeds were actually spent on construction of the EB-5 project.

17 26. Counter Claimants are informed and believe, and thereon allege, that more than
18 \$3,675,000 of EB-5 loan proceeds have been diverted to fund matters that are not related to
19 completion of the approved EB-5 plan, such as payment of Front Sight’s general overhead expenses,
20 thereby severely prejudicing the EB-5 investors.

21 27. Counter Claimants are informed and believe, and thereon allege, that during the past two
22 years, while Front Sight has been using EB-5 (CLA) loan proceeds to pay its general overhead
23 operating costs, pay off a pre-existing loan for which Ignatius Piazza and Jennifer Piazza are
24 personal guarantors, and disburse multi-million shareholder distributions to Counter Defendants
25 Ignatius Piazza, Jennifer Piazza, and the VNV Trust Defendants.

26 **B. Breach Number 2: Failure to Provide Government Approved Plans-CLA §3.2(b)**

27 28. Section 3.2 (b)(I) of the CLA requires that, prior to the Commencement Date, Front
28 Sight provide LVD Fund with “Plans, in the form previously submitted to Lender, as finally

1 approved for construction by the Project Architect and the applicable Governmental Authority.”
2 (Exhibit 3, pg. 20). The “Commencement Date” for the Project is defined in the First Amendment to
3 Loan Agreement effective July 1, 2017 as “October 6, 2016.” (Exhibit 4). This is to include “a
4 schedule listing all Contractors, and primary contracts relating to the Project having a contract sum
5 in excess of \$250,000 for any such Contractor, and construction contracts, subcontracts and
6 schedules relating to the Project.” (Id. CLA §3.2(b)(ii)). In a letter dated August 28, 2018, Robert
7 Dziubla, on behalf of LVD Fund, gave notice to Front Sight that it was in default for failure to
8 provide construction plans and the related lists of contractors, licenses, agreements, and permits
9 relating to the construction as required under §§3.2(b)(I) and (ii) of the CLA. Front Sight remains in
10 default under these provisions of the CLA.

11 **C. Breach Number 3: Failure to Timely Complete Construction - CLA § 5.1**

12 29. Pursuant to Section 5.1 of the CLA, Front Sight was required to complete
13 construction by the “Completion Date” which is defined as “the date that is no later than thirty-six
14 (36) months from the Commencement Date.”(Exhibit 3 pg. 3). Pursuant to the First Amendment to
15 the Loan Agreement, the “Commencement Date” is defined as “October 4, 2016.” (Exhibit 4, §1).
16 Therefore, construction of the project must be completed on or before October 4, 2019.

17 30. Front Sight has explicitly acknowledged in writing that it is in default of this
18 requirement, warning LVD Fund in a letter dated August 25, 2018 that “. . . the foreclosure killed the
19 project when it was 18 months away from being completed.” Even by Counter Defendant Front
20 Sight’s written projection as of August 25, 2018, the Project would not be completed by the
21 contractual Completion Date of October 4, 2019, i.e., 36 months after the commencement date as
22 stated in the First Amendment to Loan Agreement.

23 31. This is a material event of Default, and it is particularly prejudicial to the EB-5
24 investors who risk losing their EB-5 benefits if the project is not completed in accordance with the
25 schedule approved by the USCIS.

26 **D. Breach Number 4: Material Change of Costs, Scope, or Timing of Work - CLA § 5.2**

27 32. Section 5.2 of the CLA states in pertinent part:

28 ///

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1 “Borrower shall deliver to Lender revised, estimated costs of the
 2 Project, showing changes in or variations from the original
 3 Estimated Construction Cost Statement, as soon as such changes
 4 are known to Borrower. Borrower shall deliver to Lender a revised
 5 construction schedule, if and when any target date set forth therein
 6 has been delayed by twenty (20) consecutive days or more, or
 7 when the aggregate of all such delays equals thirty (30) days or
 8 more. Borrower shall not make or consent to any change or
 9 modification in such Plans, contracts or subcontracts, and no work
 10 shall be performed with respect to any such change or
 11 modification, without the prior written consent of Lender, if (I)
 12 such change or modification would in any material way alter the
 13 design or structure of the Project or change the rentable area
 14 thereof in any way, or increase or decrease the Project cost by
 15 \$250,000 or more (after taking into account cost savings and any
 16 insurance proceeds of Borrower received by Lender) for any single
 17 change or modification, or (ii) the aggregate amount of all changes
 18 and modifications exceeds \$500,000 (after taking into account cost
 19 savings and any insurance proceeds of Borrower received by
 20 Lender). Borrower shall promptly furnish Lender with a copy of all
 21 changes or modifications in the Plans, contracts or subcontracts for
 22 the Project prior to any Advance used to fund such change or
 23 modification whether or not Lender's consent to such change or
 24 modification is required hereby.”

25 33. Front Sight has made multiple material changes to the plans and schedule without
 26 obtaining written consent from LVD Fund, including, inter alia, reducing the size of the “Patriot
 27 Pavilion” from 85,000 square feet, as represented to USCIS, to approximately 25,000 - 30,000
 28 square feet, while also modifying plans to eliminate foundations. Counter Claimants are informed
 and believe, and thereon allege, that this change by Front Sight is a material change in the
 construction plans, in breach of the CLA.

E. Breach Number 5: Refusal to Comply Regarding Senior Debt - CLA § 5.27

34. Under the CLA, Front Sight was required to obtain Senior Debt from a traditional
 construction lender, originally by March 31, 2016 (Exhibit 3 at pg. 11 “Senior Debt” defined), then
 was given an extension to December 31, 2017 (Exhibit 4 at ¶4), and then was given an extension to
 June 30, 2018 (Exhibit 5 at ¶1). To date, Front Sight has not secured Senior Debt that meets the
 requirements of the CLA.

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1 **F. Breach Number 6: Failure to Provide Monthly Project Costs - CLA § 3.2(a)**

2 35. Front Sight has not delivered the required Monthly Evidence of Project Costs. "From
3 and after the date of the first Advance of the Loan, Borrower shall deliver to Lender on a monthly
4 basis evidence of the Project costs funded during the preceding month." (CLA § 3.2(a)). Counter
5 Defendant Front Sight has not delivered a single monthly Project cost report.

6 **G. Breach Number 7: Failure to Notify of Event of Default - CLA § 5.10**

7 36. Section 5.10(d) of the CLA requires the Borrower to notify Lender of the occurrence
8 of an Event of Default. "Within five (5) Business Days after the occurrence of any event actually
9 known to Borrower which constitutes a Default or an Event of Default, notice of such occurrence,
10 together with a detailed statement of the steps being taken to cure such event, and the estimated date,
11 if known, on which such action will be taken." Front Sight has failed to notify LVD Fund of either
12 (1) the existence of certain events of default; or (2) a detailed statement of the steps being taken to
13 cure the event of default.

14 **H. Breach Number 8: Refusal to Allow Inspection of Records - CLA § 5.4**

15 37. Section 5.4 of the CLA provides:

16 **Keeping of Records.** Borrower shall set up and maintain accurate
17 and complete books, accounts and records pertaining to the Project.
18 Borrower will permit representatives of Lender to have reasonable
19 access to and to inspect and copy such books, records and contracts
20 of Borrower and to inspect the Project and to discuss Borrower's
affairs, finances and accounts with any of its principal officers, all at
such times and as often as may reasonably be requested by Lender.

21 38. LVD Fund made a demand to Inspect the Books and Records by Notice of Default
22 and Letter dated July 30, 2018.

23 39. Front Sight explicitly refused to comply with this obligation under the CLA, as stated
24 in the letter from Ignatius Piazza dated August 20, 2018. It states "Borrower is not in breach; thus,
25 there will be no inspections. In the Notice; you have included a "Notice of Inspections" which
26 alleges that "[P]ursuant to articles 3.3 and 5.4 of the CLA, we hereby serve you notice that we and
27 our representatives will inspect the Project and your books and records on Monday, August 27." As
28 set forth above and below herein, we contend that Borrower is not in breach or default of any of its

1 obligations under the Loan Agreement; thus, **Borrower will not authorize any inspections**
2 **whatsoever by Lender or its representatives of the Project or its books and records on the**
3 **proposed date of August 27 [2018], or at any other time.”**

4 40. The right of inspection with advance notice pursuant to §3.3 and §5.4 of the CLA is
5 not contingent on whether there is an Event of Default. Front Sight’s refusal to permit the inspection
6 constitutes a separate Event of Default acknowledged in writing by Front Sight.

7 **I. Breach Number 9: Refusal to Allow Inspection of the Project - CLA § 3.3**

8 41. Section 3.3 of the CLA provides:

9 **Inspections:** Lender and its representatives shall have access to the
10 Project at all reasonable times and shall have the right to enter the
11 Project to conduct such inspections thereof as they shall deem
12 necessary or desirable for the protection of Lender’s interests;
13 provided, however, that for so long as no Event of Default shall have
14 occurred and be continuing, Lender shall provide to borrower prior
15 to the notice of not less than seventy-two (72) hours of any such
16 inspections and such inspection shall be subject to the rights of club
17 members (i.e., owners of timeshare interests) and any tenants under
18 any applicable leases.”

16 42. As discussed in the section above, on July 30, 2018, LVD Fund made a demand to
17 Front Sight for permission to inspect the Project, with more than 72 hours notice, even though
18 Events of Default negated the need for advanced notice. In response, Front Sight explicitly refused
19 to comply with this obligation under the CLA, stating: **“Borrower will not authorize any**
20 **inspections whatsoever by Lender or its representatives of the Project or its books and records**
21 **on the proposed date of August 27 [2018], or at any other time.”**

22 43. This is a material breach of the CLA justifying court intervention because the right of
23 inspection is necessary for Lender to determine, inter alia, appropriate use of loan proceeds,
24 construction progress, and possible impairment of security, which is necessary for Lender to protect
25 its interests.

26 **J. Breach Number 10: Failure to Provide EB-5 Information - CLA § 1.7(f)**

27 44. In order to verify continuing eligibility for participation in the EB-5 Investor Program
28 with the USCIS, Front Sight was required to submit certain EB-5 information on a continuing basis

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1 as a condition of the loan. “Borrower shall submit to Lender the EB-5 Information. Failure of
2 Borrower to use the proceeds of the Loan in accordance with the terms and conditions of this
3 Agreement or to provide the EB-5 Information shall be a default pursuant to Section 6.1.” (Exhibit
4 3). This obligation was further specified in the First Amendment to the CLA requiring “Borrower
5 [to] provide Lender with copies of major contracts, bank statements, receipts, invoices and cancelled
6 checks or credit card statements or other proof of payment reasonably acceptable to Lender that
7 document that Borrower has invested in the Project at least the amount of money as has been
8 disbursed by Lender to Borrower on or before the First Amendment Effective Date.” (Exhibit 4).

9 45. Front Sight has failed to provide the required EB-5 Information. It is necessary to
10 give Lender access to the information needed in order to meet its obligations to its EB-5 investors so
11 the investors don’t lose their investment and their path to citizenship.

12 **K. Breach Number 12: Transferring Assets to Related Parties - CLA § 5.18**

13 46. Section 5.18 of the CLA provides that: “Borrower shall not directly or indirectly,
14 prior to completion of all of the improvements or the Completion Date, (a) make any distribution of
15 money or property to any Related Party, or make or advance to any Related Party, or (b) make any
16 loan or advance to any Related Party, or . . . (d) pay any fees or other compensation . . . to itself or
17 to any Related Party, if any such payment in (a) through (d), inclusive, might adversely affect
18 Borrower’s ability to repay the loan in accordance with its terms . . .”

19 47. In violation of § 5.18, Counter Defendant Ignatius Piazza removed and converted
20 \$ [REDACTED] away from Front Sight in 2016-2017 (\$ [REDACTED] as income to Ignatius Piazza and the
21 VNV Trust Defendants and \$ [REDACTED] in “loans” from Front Sight). Then, in 2017-2018, Ignatius
22 Piazza removed and converted another \$ [REDACTED] out for himself and the VNV Trust Defendants
23 in 2017.

24 48. Counter Claimant LVD Fund is informed and believes that Ignatius Piazza has
25 transferred additional funds from Front Sight to himself, his wife Jennifer Piazza (either directly or
26 indirectly) and the VNV Trust Defendants in violation of §5.18, which have yet to be disclosed.

27 49. Counter Claimants are informed and believe, and thereon allege, that Counter
28 Defendants Ignatius Piazza and Jennifer Piazza—both individually, as Trustees of the VNV Trust

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1 Defendants, and/or as beneficiaries of the VNV Trust Defendants—knew about the source of the
2 transferred funds, and that transferring such funds violated the CLA, and with such knowledge
3 endorsed and aided in the removal of funds from Front Sight, and directly benefitted from the funds
4 through the VNV Trust Defendants and by reduction in debts that Ignatius Piazza and Jennifer
5 Piazza had personally guaranteed.

6 50. Counter Defendants have now diverted out of Front Sight, for their personal benefit,
7 enough capital to have completed the Front Sight Resort Project well within the time constraints
8 approved by the USCIS for the EB-5 Project. By diverting profits generated by Front Sight’s
9 operations to themselves, their trusts, and using EB-5 investor funds to pay Front Sight’s operating
10 expenses and pre-existing loans, Counter Defendants Ignatius Piazza and Jennifer Piazza
11 misappropriated loan proceeds and endangered Front Sight’s solvency.

12 **L. Breach Number 11: Non Payment of Default Interest - CLA § 1.2**

13 51. Section 1.2 of the CLA provides that if there is an Event of Default, interest shall be
14 charged at the “Default Rate.” The “Default Rate” is defined as “the lesser of five percent (5%) per
15 annum in excess of the Loan Rate or the maximum lawful rate of interest which may be charged.”
16 (Exhibit 3, CLA, pg. 4, “Default Rate Defined.”) Because Front Sight is in default under multiple
17 provisions of the CLA as detailed above, the Default Rate provisions of Section 1.2 were properly
18 triggered.

19 52. Front Sight has failed and refused to pay the Default Rate despite the demand
20 therefore. As a result of failing to pay default interest rates, **Front Sight is in monetary default**
21 **under the terms of the CLA.**

22 **M. Breach Number 12: Non Payment of Legal Fees - CLA § 8.2**

23 53. Section 8.2(a) of the CLA provides that “Borrower agrees to pay and reimburse
24 Lender upon demand for all reasonable expenses paid or incurred by Lender (including reasonable
25 fees and expenses of legal counsel) in connection with the collection and enforcement of the Loan
26 Documents, or any of them.” This obligation was specifically reaffirmed in ¶7 of the First
27 Amendment to the Loan Agreement (Exhibit 4), with respect to failure to provide the EB-5
28 Information. LVD Fund has incurred legal fees in connection with the Notices of Default and has

1 made demand of payment therefore from Front Sight. To date, Front Sight has refused to pay such
2 fees and this constitutes a monetary default under §6.1(b) of the CLA. LVD Fund has also incurred
3 attorneys’ fees and costs in excess of \$625,000 in defense of this action and pursuing its rights and
4 remedies under the CLA and Deed of Trust, for which Front Sight is contractually liable.

5 **N. Breach Number 13: Wrongfully Encumbering the Property.**

6 54. Section 5.7 of the CLA provides that “[w]ithout the prior written consent of Lender,
7 Borrower shall not voluntarily or involuntarily agree to, cause, suffer or permit any sale,
8 conveyance, lease, mortgage, grant, lien, encumbrance, security interest, pledge, assignment or
9 transfer of: (a) the Project or any part or portion thereof, or (b) any ownership interest in Borrower,
10 direct or indirect, legal or equitable (including the issuance, sale, redemption, or repurchase of any
11 such interest, the distribution of treasury stock, or the payment of any indebtedness owed to
12 Borrower by any managers, subsidiaries, Affiliates or owners of equity interests or debentures).”

13 55. In breach of this provision of the CLA, Counter Defendants Front Sight and Ignatius
14 Piazza have been selling, and continue to sell, “credits,” “points,” “memberships,” “certificates,” and
15 other instruments and products, including the sale of unregistered securities, that create contingent
16 liabilities for Counter Defendant Front Sight and/or include the current or contingent rights to
17 convert said instruments directly or indirectly into ownership interests in Counter Defendant Front
18 Sight or the Project.

19 56. As a result of the multiple breaches outlined above, on January 4, 2019, LVD Fund
20 filed the “Notice of Breach, Default and Election to Sell Under the Deed of Trust” with the Nye
21 County Recorder (DOC #905512, attached hereto as Exhibit 6).

22 57. Counter Defendant Front Sight thereafter has failed to correct any of the previously
23 cited breaches and Events of Default under the CLA, and has further breached the CLA by failing to
24 provide Counter Claimant LVD Fund with financial statements within 75 days of the end of calendar
25 year 2018, as identified in § 5.10 of the CLA, despite Counter Claimant making the demand for said
26 financial statements by letter dated March 25, 2019.

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Material Misrepresentations Regarding the Morales Construction Line of Credit

1
2 58. By October 2017, Front Sight was in breach of the CLA. Front Sight had failed to
3 timely obtain Senior Debt and provide LVD Fund with the EB5 documentation required under the
4 CLA. Thereafter, Front Sight concocted a scheme to further defraud LVD Fund and to convince
5 LVD Fund to continue working with Front Sight to fund the project.

6 59. Specifically, in or about October 2017, Counter Defendants Front Sight, Piazza,
7 Meacher, Morales, and the Morales Entities (i.e., Morales Construction, All American Concrete and
8 Top Rank Builders) entered into a comprehensive scheme to further defraud LVD Fund. The
9 scheme involved Front Sight and the Morales Entities entering into a fictitious \$36 million loan
10 agreement to give the false appearance that Front Sight had access to enough credit to complete the
11 Project.

12 60. Counter Defendants carried out the fraudulent scheme with the intent that LVD Fund
13 would rely on this false appearance of access to credit and believe that the credit would in fact be
14 utilized for construction of the Project. Counter Defendants further intended that the fictitious loan
15 agreement would give LVD Fund a false sense of security so that it would release funds it was
16 withholding from Front Sight (pursuant to §3.1 of the CLA), and facilitate continued solicitation of
17 additional EB-5 investors by using the loan agreement to give an appearance that Front Sight was
18 putting more money into construction than it really was.

19 61. In furtherance of the fraudulent scheme, on October 31, 2017, Front Sight entered
20 into the purported “Loan Agreement – Construction Line of Credit” (“Loan Agreement”) with the
21 Morales Entities. (*See* Exhibit 8). The Loan Agreement was executed by Counter Defendant
22 Morales. Per the terms of the Loan Agreement, the Morales Entities were to provide Front Sight
23 with up to \$36,000,000 of credit to be applied towards completing the Project.

24 62. Counter Defendants Front Sight, Piazza, Meacher, Morales, and the Morales Entities
25 caused this “Loan Agreement” to be executed with no intent to ever utilize the credit line, and with
26 knowledge that the Morales Entities were not capable of extending or carrying the amount of credit
27 purportedly available under the agreement’s terms.

28 ///

1 63. On October 31, 2017, Meacher represented to LVD Fund that:

2 “Attached please find fully executed documents between Front Sight
3 Management and our three primary contractors. This Construction
4 Line of Credit and associated Promissory Note extends to Front Sight
up to \$36,000,000 in construction credit pursuant to the terms of the
agreements . . .

5 These documents and the attached construction line of credit along
6 with the upcoming Letter of Commitment from USCP **should jump**
7 **start the marketing in both China and India. Please release the**
8 **funds for the investor you now hold** and give me the vehicle by
9 which we send the funds for Dr. Shah’s marketing road show that we
10 promised with his next closing. Also light a fire under David and
Kyle. Get them to put some serious effort to close the 26 investors in
China who are currently looking for another project. **There are now**
no excuse [sic] for not closing more of these EB-5 investors.
(Emphasis added)

11 64. Counter Claimant is informed and believes, and thereon alleges, that in return for the
12 Morales Entities entering into the fraudulent Loan Agreement, Front Sight agreed to contract with
13 the Morales Entities to perform construction work on the Project. Morales, as the owner of the
14 Morales Entities, personally benefitted from the profit generated by the millions of dollars received
15 from Front Sight.

16 65. Rather than the construction funding coming from the Morales Entities pursuant to
17 the Loan Agreement, the Counter Defendants agreed that the funds were to come solely from LVD
18 Fund. The Loan Agreement was simply a ruse to lull LVD Fund into soliciting more EB-5 funds,
19 with the intent that the false appearance of Front Sight having a \$36 million line of credit would
20 result in a greater number of EB-5 investors coming forward.

21 **FIRST CAUSE OF ACTION**

22 **Fraud by Front Sight, Morales, Piazza, Meacher, Morales, and the Morales Entities**

23 67. Counter Claimant repeats and realleges each and every allegation contained in
24 paragraphs 1 through 66 of this Counterclaim as though set forth fully herein at length.

25 68. When Counter Defendants made the misrepresentations set forth above, they knew
26 them to be false.

27 69. Counter Defendants made the misrepresentations knowing that Counter Claimant and
28 members of the Class would rely on said misrepresentations.

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1 70. LVD Fund did in fact rely on said misrepresentations to its detriment. Had LVD Fund
2 known the true facts, it would not have released the funds it was holding pursuant to §3.1 of the
3 CLA and would not have solicited additional EB-5 investors for the Front Sight Project.

4 71. As a direct and proximate result of the fraud and intentional misrepresentations made
5 by the Counter Defendants, Counter Claimant LVD Fund has sustained damages well in excess of
6 the fifteen thousand dollar (\$15,000) jurisdictional limit of this court.

7 72. The conduct of Counter Defendants, and each of them, as described herein, was
8 malicious, oppressive, and fraudulent under NRS 42.005, entitling Counter Claimant to an award of
9 punitive damages.

10 73. As a result of Counter Defendants’ actions, Counter Claimant has been required to
11 retain the services of an attorney in order to pursue this claim against said Counter Defendants, and
12 each of them, and is therefore entitled to be compensated for any and all costs incurred in the
13 prosecution of this action, including without limitation, any and all reasonable costs and attorney’s
14 fees.

15 74. LVD Fund also is entitled to attorney’s fees under Section 8.2 of the Construction
16 Loan Agreement for enforcement of the contract.

17 **SECOND CAUSE OF ACTION**
18 **Fraudulent Transfers – NRS §§ 112.180 and 112.190**
19 **Against Front Sight, VNV Dynasty Trust I and VNV Dynasty Trust II**

20 75. Counter Claimant repeats and realleges each and every allegation contained in
21 paragraphs 1 through 74 of this Counterclaim as though set forth fully herein at length.

22 76. Pursuant to the CLA § 5.18, Front Sight was prohibited from making certain related
23 party transactions or transfers if such transfers would impair the ability of Front Sight to repay the
24 construction loan under the CLA.

25 77. Despite being insolvent at year end 2016, Front Sight made an undocumented “loan
26 to shareholder” of in excess of \$ [REDACTED] in FY 2016.

27 78. The “loan to shareholder” was in fact a disguised distribution of over \$ [REDACTED] for
28 the benefit of the shareholder.

1 79. From the date of closing of the CLA to the end of 2016, Front Sight made additional
2 transfers to, or for the benefit of, Piazza in the approximate amount of \$ [REDACTED], all at a time when
3 Front Sight was insolvent.

4 80. Front Sight made additional transfers to, or for the benefit of, Piazza in the
5 approximate amount of \$ [REDACTED] in 2017, all at a time when Front Sight was insolvent.

6 81. Front Sight made additional transfers to, or for the benefit of, Piazza in the
7 approximate amount of \$ [REDACTED] in 2018, all at a time when Front Sight was insolvent.

8 82. Front Sight made additional transfers to, or for the benefit of, Piazza in the
9 approximate amount of \$ [REDACTED] in the first three quarters of 2019, all at a time when Front Sight
10 was insolvent.

11 83. The above transactions were made with actual intent to hinder, delay, or defraud LVD
12 Fund.

13 84. Front Sight engaged in the above transactions without receiving reasonably
14 equivalent value in exchange for the transfer at a time when: (1) Front Sight was engaged in a
15 transaction (the CLA and the Project) for which the remaining assets of Front Sight were
16 unreasonably small in relation to the transaction; and (2) in which Front Sight intended to incur, or
17 reasonably should have believed it was incurring, debts that were beyond the ability of Front Sight to
18 pay when due. NRS 112.180.

19 85. The above transactions were: (a) to an insider; (b) the insider retained possession or
20 control of the transferred funds; (c) the transfers were unconsented to by LVD Fund despite the
21 obligations of CLA § 5.18; (d) the transfers were made shortly after Front Sight incurred a
22 substantial debt pursuant to the CLA; and (e) Front Sight was insolvent at the time the transfers were
23 made. NRS 112.180.

24 86. The above transfers are fraudulent transfers as to LVD Fund because they were made
25 after the obligation to LVD Fund was incurred and they were made without receiving a reasonably
26 equivalent value in exchange for the transfer or obligation and Front Sight was insolvent at the time
27 the transfers were made. NRS 112.190.

28 ///

1 87. The above transfers are further fraudulent transfers as to LVD Fund because the
2 obligation to LVD Fund was incurred before the transfers were made and the transfers were to an
3 insider at a time when Front Sight was insolvent, and the insider (Piazza) knew that Front Sight was
4 insolvent.

5 88. Pursuant to NRS 112.210, LVD Fund seeks: (a) avoidance of the transfers and loan to
6 shareholder; (b) an attachment or garnishment against the asset transferred or other property of the
7 transferee pursuant to NRS 31.010 to 31.460, inclusive, and (c) subject to applicable principles of
8 equity and in accordance with applicable rules of civil procedure: (1) an injunction against further
9 disposition by the debtor or a transferee, or both, of the assets transferred or of other property; (2)
10 appointment of a receiver to take charge of the assets transferred or of other property of the
11 transferee; or (3) any other relief the circumstances may require.

12 **THIRD CAUSE OF ACTION**
13 **Intentional Interference with Contractual Relationships Against Ignatius Piazza,**
14 **Jennifer Piazza, and VNV Trust Defendants.**

15 89. Counter Claimant repeats and realleges each and every allegation contained in
16 paragraphs 1 through 88 of this Counterclaim as though set forth fully herein at length.

17 90. Front Sight and LVD Fund entered into a written Construction Loan Agreement (Ex.
18 3), along with a First Amendment in July 2017 (Ex. 4), and a Second Amendment in February 2018.
19 (Ex. 5).

20 91. Counter Defendants had knowledge of the valid contract or had reason to know of its
21 existence;

22 92. These Counter Defendants committed intentional acts intended or designed to disrupt
23 the contractual relationship or to cause the contracting party to breach the contract, including but not
24 limited to, inducing Front Sight to improperly use funds for the personal benefit of Counter
25 Defendants Ignatius Piazza, Jennifer Piazza, and VNV Trust Defendants.

26 93. Front Sight did in fact breach the contract as stated specifically above.

27 94. The breach was caused by the wrongful and unjustified conduct.

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1 95. As a direct and proximate result of Counter Defendants’ intentional acts to induce
2 Front Sight to breach the CLA, Counter Claimant sustained damages in the amount to be proven at
3 trial.

4 96. As a result of Counter Defendants’ actions, Counter Claimant has been required to
5 retain the services of an attorney in order to pursue this claim against said Counter Defendants, and
6 each of them, and is therefore entitled to be compensated for any and all costs incurred in the
7 prosecution of this action, including without limitation, any and all reasonable costs and attorney’s
8 fees.

9 **FOURTH CAUSE OF ACTION**
10 **Conversion Against Front Sight, Ignatius Piazza and Jennifer Piazza**

11 97. Counter Claimant repeats and realleges each and every allegation contained in
12 paragraphs 1 through 96 of this Counterclaim as though set forth fully herein at length.

13 98. Through these Counter Defendants’ conduct described above, Counter Defendants
14 obtained Counter Claimants’ property and have wrongfully asserted dominion over Counter
15 Claimant’s property; to wit: misappropriating and spending the loan proceeds under the CLA for
16 purposes other than that for which it was intended.

17 99. Counter Defendants’ wrongful conduct was in denial of, inconsistent with, and in
18 defiance of Counter Claimant’s rights and title to its money and/or property.

19 100. As a result of Counter Defendants’ actions, Counter Claimant has been required to
20 retain the services of an attorney in order to pursue this claim against said Counter Defendants, and
21 each of them, and is therefore entitled to be compensated for any and all costs incurred in the
22 prosecution of this action, including without limitation, any and all reasonable costs and attorney’s
23 fees.

24 **FIFTH CAUSE OF ACTION**
25 **Civil Conspiracy Against All Counter Defendants**

26 101. Counter Claimant repeats and realleges each and every allegation contained in
27 paragraphs 1 through 100 of this Counterclaim as though set forth fully herein at length.

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1 102. As set forth above, Counter Defendants Ignatius Piazza and Jennifer Piazza, both in
2 their individual capacity and in their capacity as Trustees and/or beneficiaries of the VNV Trust
3 Defendants, acted together in concert, in their individual capacities, to accomplish their unlawful
4 objectives for the purpose of harming Counter Claimant.

5 103. While acting in their individual capacities and in their capacity as Trustees and/or
6 beneficiaries of the VNV Trust Defendants, Ignatius Piazza and Jennifer Piazza conspired with Front
7 Sight and the VNV Trust Defendants, using Front Sight and VNV Trust Defendants to achieve their
8 unlawful objective of diverting monies from Front Sight that were needed to maintain Front Sight's
9 solvency and its ability to meet its obligations under the CLA regarding timely completion of the
10 Project and repayment of the loan, for their own individual advantage and benefit.

11 104. As a direct and proximate result of the Counter Defendants' acts, Counter Claimant
12 has been damaged in an amount to be proven at trial.

13 105. Counter Defendants' conduct was malicious, oppressive, and fraudulent under NRS
14 42.005, entitling Counter Claimant to an award of punitive damages.

15 106. As a result of Counter Defendants' actions, Counter Claimant has been required to
16 retain the services of an attorney in order to pursue this claim against said Counter Defendants, and
17 each of them, and is therefore entitled to be compensated for any and all costs incurred in the
18 prosecution of this action, including without limitation, any and all reasonable costs and attorney's
19 fees.

20 107. Based on Counter Defendants' conduct and the inequitable result of allowing the
21 transferred funds to remain in control of Counter Defendants, a constructive trust should be placed
22 on all monies transferred from Front Sight to the VNV Trust Defendants, as prayed for below.

23 **SIXTH CAUSE OF ACTION**
24 **Judicial Foreclosure Against Front Sight**

25 108. Counter Claimant repeats and realleges each and every allegation contained in
26 paragraphs 1 through 107 of this Counterclaim as though set forth fully herein at length.

27 109. In July 2017, Counter Defendant Front Sight for good and valuable consideration
28 executed and delivered the original Promissory Note to LVD Fund. On November 14, 2017, Counter

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1 Defendant Front Sight executed and delivered the Amended and Restated Promissory Note to LVD
2 Fund. (Exhibit 7).

3 110. To secure the Note, on October 13, 2016, Counter Claimant LVD Fund recorded a
4 Deed of Trust titled “Construction Deed of Trust, Security Agreement, Assignment of Leases and
5 Rents, and Fixture Filing,” in the official records of Nye County, Nevada, as “DOC #860867.”
6 (Exhibit 1). On January 12, 2018, the “First Amendment to Construction Deed of Trust, Security
7 Agreement and Fixture Filing,” was recorded in the official records of Nye County, Nevada, as
8 “DOC #886510.” (Exhibit 2).

9 111. Counter Claimant LVD Fund is the owner and the holder of the note for value and has
10 performed all obligation under the Promissory Note.

11 112. The encumbered Property is now owned by and in possession of Counter Defendant
12 Front Sight.

13 113. Counter Defendants have breached the Deed of Trust as discussed in detail above,
14 which include but are not limited to: improper use of loan proceeds; failure to provide government
15 approved plans; material delays in construction; material changes to cost, scope, and timing of the
16 construction; refusal to comply with regarding Senior Debt; failure to provide monthly project costs;
17 failure to notify Lender of events of default; refusal to allow Lender to inspect books and records;
18 diverting Front Sight assets out of Front Sight for the benefit the individual Counter Defendants;
19 refusal to allow site inspections; failure to give Lender annual financial statements; and failure to
20 provide EB5 documentation.

21 114. As of January 4, 2019 there remained due and owing under the Note approximately
22 \$345,787.24 (excluding principal) as described in the Notice of Breach and Election to Sell Under
23 the Deed of Trust. (Exhibit 6). Counter Defendants reserve the right to amend this Counterclaim up
24 to the time of trial to include any additional amounts which become due and remain unpaid as a
25 result of additional damages caused by Counter Defendants.

26 115. Counter Claimant is entitled to an order directing a foreclosure sale in the subject
27 Property to abrogate any and all interest or claims that Counter Defendants might have in the subject
28 Property.

1 116. As a result of Counter Defendants’ actions, Counter Claimant has been required to
2 retain the services of an attorney in order to pursue this claim against said Counter Defendants, and
3 each of them, and is therefore entitled to be compensated for any and all costs incurred in the
4 prosecution of this action, including without limitation, any and all reasonable costs and attorney’s
5 fees.

6 **SEVENTH CAUSE OF ACTION**
7 **Waste Against Front Sight, Ignatius Piazza, and the VNV Trust Defendants**

8 117. Counter Claimant repeats and realleges each and every allegation contained in
9 paragraphs 1 through 116 of this Counterclaim as though set forth fully herein at length.

10 118. Counter Claimant LVD Fund (Lender) has a lien encumbering the subject Property.

11 119. Counter Defendant Front Sight (Borrower) has possession of the Property.

12 120. Waste was committed to the property in bad faith, impairing its value, including but
13 not limited to improperly using funds earmarked for development of the Property for the personal
14 benefit of Counter Defendants Ignatius Piazza, Jennifer Piazza, and the VNV Trust Defendants;
15 selling unregistered securities which create substantial legal and financial liability to Front Sight,
16 misappropriating Front Sight’s assets for the personal benefit of Ignatius and Jennifer Piazza and
17 other beneficiaries of the VNV Trust Defendants, and selling various instruments which include
18 rights to Front Sight’s resort property for highly reduced rates which further encumbers the Property,
19 either directly or indirectly.

20 121. As a direct and proximate result of the waste committed by Counter Defendants,
21 Counter Claimant has been injured in an amount to be proven at trial.

22 122. Counter Claimant is entitled to treble damages under NRS 40.150.

23 123. Counter Defendants’ conduct was malicious, oppressive, and fraudulent under NRS
24 42.005, entitling Counter Claimant to an award of punitive damages.

25 124. As a result of Counter Defendants’ actions, Counter Claimant has been required to
26 retain the services of an attorney in order to pursue this claim against said Counter Defendants, and
27 each of them, and is therefore entitled to be compensated for any and all costs incurred in the

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1 prosecution of this action, including without limitation, any and all reasonable costs and attorney’s
2 fees.

3 **PRAYER FOR RELIEF**

4 WHEREFORE, all material allegations of Plaintiff’s Second Amended Complaint having
5 been denied, affirmative defenses having been stated, and counterclaims asserted, these responding
6 Defendants now pray as follows:

7 1. That Plaintiff take nothing by way of its Second Amended Complaint on file herein
8 and that the same be dismissed with prejudice;

9 2. For Judgment in favor of Counter Claimants against Counter Defendants, and each of
10 them, in an amount in excess of Fifteen Thousand Dollars (\$15,000.00), subject to proof at trial;

11 3 For appointment of a receiver over Counter Defendant Front Sight;

12 4. For an accounting from Counter Defendant Front Sight from October 6, 2016
13 forward, of any and all money paid and received, from all sources;

14 5. For an accounting from the Counter Defendant VNV Trusts from October 6, 2016
15 forward, of any and all money received from Counter Defendant Front Sight, and for all money
16 distributed by the Counter Defendant Trusts since October 6, 2016.

17 6. For imposition of a constructive trust over the money transferred by Counter
18 Defendant Front Sight to the VNV Trust Defendants in violation of Section 5.18 of the CLA,
19 because the retention of said funds by the Counter Defendant Trusts against Counter Claimant LVD
20 Fund’s interests would be inequitable, and a constructive trust is essential to the effectuation of
21 justice, and that restrictions be placed on such funds that limit their use to paying for the costs and
22 expenses relating to completion of the Project.

23 7. For injunctive relief pursuant to NRS 33.010 or as otherwise permitted by law or
24 equity to enjoin Counter Defendant Front Sight from engaging in acts that further encumber
25 the Property and increase Counter Defendant Front Sight’s actual or contingent liabilities in
26 violation of the CLA, including the sale of “credits,” “points,” “memberships,” “certificates,” or any
27 other instruments or products, including the sale of unregistered securities, that create contingent
28 liabilities for Counter Defendant Front Sight and/or include the current or contingent right to convert

1 said instruments directly or indirectly into ownership interests in Counter Defendant Front Sight or
2 the Project.

3 8. For punitive damages pursuant to NRS 42.005.

4 9. For disgorgement of the funds misappropriated by Counter Defendant Front Sight and
5 distributed to the other Counter Defendants;

6 10. For attorneys' fees and cost of suit incurred herein; and

7 11. For such other and further relief as the Court may deem just and proper.

8 DATED this 4th day of June, 2020.

9 BAILEY ❖ KENNEDY

10
11 By: /s/ Andrea M. Champion
12 JOHN R. BAILEY
13 JOSHUA M. DICKEY
14 ANDREA M. CHAMPION

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CERTIFICATE OF SERVICE

I certify that I am an employee of BAILEY ❖ KENNEDY and that on the 4th day of June, 2020, service of the foregoing **DEFENDANTS’ ANSWER TO PLAINTIFF’S SECOND AMENDED COMPLAINT; AND FIRST AMENDED COUNTERCLAIM** was made by mandatory electronic service through the Eighth Judicial District Court’s electronic filing system and/or by depositing a true and correct copy in the U.S. Mail, first class postage prepaid, and addressed to the following at their last known address:

JOHN P. ALDRICH
CATHERINE HERNANDEZ
ALDRICH LAW FIRM, LTD.
7866 West Sahara Avenue
Las Vegas, Nevada 89117

Email:
jaldrich@johnaldrichlawfirm.com
Attorneys for Plaintiff
FRONT SIGHT MANAGEMENT
LLC

/s/ Josephine Baltazar
Employee of BAILEY ❖ KENNEDY

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EXHIBIT 1

DOC #860867

Official Records Nye County NV
Deborah Beatty - Recorder
10/13/2016 08:32:24 AM
Requested By: CHICAGO TIMESHARE ES
Recorded By: tc RPTT:\$0
Recording Fee: \$51.00
Non Conformity Fee: \$25.00
Page 1 of 38

RECORDING REQUESTED BY:)
AFTER RECORDING, RETURN TO:)

LAS VEGAS DEVELOPMENT FUND LLC
C70 EB5 Impact Capital
PO BOX 3003
Incline Village, NV 89450

APN
045-481-05
045-481-06

57285-NBCL/93090176-426

Space above this line for Recorder's use

CONSTRUCTION DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS, AND FIXTURE FILING

This Document serves as a Fixture Filing under the Uniform Commercial Code, as amended from time to time, covers goods that are or become fixtures on the land, and is to be filed in the real property records of Nye County, Nevada.

THIS CONSTRUCTION DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS, AND FIXTURE FILING (the "Deed of Trust") is made and entered into effective as of October 06, 2016 by FRONT SIGHT MANAGEMENT, LLC, a Nevada limited liability company ("Grantor"), whose address is 1 Front Sight Road, Pahrump, Nevada 89061, to Chicago Title Company ("Trustee") whose address is 725 S. Figueroa Street, Suite 200, Los Angeles, California 90017, for the benefit of Las Vegas Development Fund LLC, a Nevada limited liability company ("Lender"), as beneficiary, whose address is P.O. Box 3003, 916 Southwood Blvd., Suite 1G, Incline Village, Nevada 89450.

To secure the full and timely payment of the secured indebtedness (as hereinafter defined), and in further consideration of the premises and for the purposes herein recited, and to secure the payment, performance and observance by Grantor of the covenants and conditions contained herein, in the Note (as hereinafter defined) and in all other agreements, documents and instruments (the "Other Documents") now or hereafter governing, securing, or guaranteeing the Loan (as hereinafter defined) evidenced by the Note (the Note, this Deed of Trust and the Other Documents being sometimes hereinafter collectively referred to as the "Loan Documents"), Grantor GRANTS, BARGAINS, SELLS, ASSIGNS and CONVEYS unto Trustee, in trust, for the benefit of Lender, WITH POWER OF SALE, AND RIGHT OF ALL ENTRY and possession of the following described land, real property interests, buildings, improvements, fixtures and other personal property:

(a) All that tract or parcel of land and other real property interests in Nye County, Nevada, more particularly described in Exhibit A attached hereto and made a part hereof (the "Land"), and all buildings and improvements of every kind and description now or hereafter erected or placed on the Land (the "Improvements"), and all right, title and interest of Grantor, now owned or hereafter acquired, in and to (i) all streets, roads, alleys, easements, rights-of-way, licenses, rights of ingress and egress, vehicle parking rights and public places, existing or

proposed, abutting, adjacent, used in connection with or pertaining to the Land or the Improvements; (ii) any strips or gores between the Land and abutting or adjacent property; and (iii) all options to purchase the Land or the Improvements or any portion thereof or interest therein, and any greater estate in the Land or the Improvements, including any and all water and water rights up to two hundred (200) acre-feet only per year, timber, crops and mineral interests on or pertaining to the Land;

(b) All materials intended for construction, reconstruction, alteration and repair of the Improvements, all of which materials shall be deemed to be included within the premises hereby conveyed immediately upon the delivery thereof to the Land, and all fixtures and articles of personal property now or hereafter owned by Grantor and attached to or contained in and used in connection with the aforesaid Land and Improvements, including, but not limited to, all furniture, furnishings, apparatus, machinery, equipment, motors, elevators, fittings, radiators, ranges, refrigerators, awnings, shades, screens, blinds, carpeting, office equipment and other furnishings and all plumbing, heating, lighting, cooking, laundry, ventilating, refrigerating, incinerating, air conditioning and sprinkler equipment, telephone systems, televisions and television systems, computer systems and fixtures and appurtenances thereto and all renewals or replacements thereof or articles in substitution thereof, whether or not the same are or shall be attached to the Land and Improvements in any manner, but specifically excluding any and all firearms and related ammunition inventory owned or held by Grantor on the Land (the "Accessories");

(c) All (i) plans and specifications for the Improvements; (ii) Grantor's rights, but not liability for any breach by Grantor, under all commitments, insurance policies, contracts and agreements for the design, development, construction, operation or inspection of the Improvements and other contracts related to the Land, Improvements and Accessories or the operation thereof and related to the sale of any Land comprising the Improvements; (iii) deposits (including, but not limited to, Grantor's rights in tenants' security deposits, deposits with respect to utility services to the Land and Improvements, and any deposits or reserves hereunder or under any other Loan Document for taxes, insurance or otherwise), rebates or refunds of impact fees or other taxes, assessments or charges, money, accounts, instruments, documents, notes and chattel paper arising from or by virtue of any transactions related to the Land, Improvements and Accessories, and any account or deposit account from which Grantor may from time to time authorize Lender to debit and/or credit payments due with respect to the Loan; (iv) permits, licenses, franchises, certificates, development rights, commitments and rights for utilities, and other rights and privileges obtained in connection with the Land, Improvements and Accessories; (v) leases, rents, royalties, bonuses, issues, profits, revenues and other benefits of the Land, Improvements and Accessories; (vi) engineering, accounting, title, legal and other technical or business data concerning the Land, Improvements and Accessories which are in the possession of Grantor or in which Grantor can otherwise grant a security interest; (vii) all lists and contact information concerning then current members of the Front Sight Vacation Club and Resort, and all booklets, brochures and advertising materials for current members of the Front Sight Vacation Club and Resort.

(d) All (i) proceeds (cash or non-cash) of or arising from all or any portion of the properties, rights, titles and interests referred to in paragraphs (a), (b) and (c) above, including, but not limited to, proceeds of any sale, lease or other disposition thereof, proceeds of each policy of insurance relating thereto (including premium refunds), proceeds of the taking thereof or of any

rights appurtenant thereto, including change of grade of streets, curb cuts or other rights of access, by condemnation, eminent domain or transfer in lieu thereof for public or quasi-public use under any law, and proceeds arising out of any damage thereto; and (ii) other interests of every kind and character which Grantor now has or hereafter acquires in, to or for the benefit of the properties, rights, titles and interests referred to in paragraphs (a), (b) and (c) above and all property used or useful in connection therewith, including, but not limited to, rights of ingress and egress and remainders, reversions and reversionary rights or interests;

TO HAVE AND TO HOLD the foregoing rights, interests and properties, and all rights, estates, powers and privileges appurtenant thereto (collectively, the "Property") unto Trustee, its successors in trust, forever, with power of sale, and Grantor does hereby bind itself, its successors, and assigns, to WARRANT AND FOREVER DEFEND the title to the Property unto Trustee against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Grantor, as debtor, hereby grants to Lender, as secured party, a security interest in all of the property described in paragraphs (a), (b), (c) and (d) above which constitutes personal property or fixtures (collectively, the "Collateral") to secure the obligations of Grantor under the Note and the other Loan Documents. This Deed of Trust constitutes a security agreement under the Uniform Commercial Code, as amended from time to time, in effect in the state in which the Land is situated, or under the Uniform Commercial Code in force in any other state to the extent the same is applicable law, and Lender shall have all of the rights of a secured party thereunder in addition to its right hereunder or otherwise. This Deed of Trust may secure an obligation incurred for the construction of an improvement on the Land and as such constitutes a "construction mortgage" under the Uniform Commercial Code, as amended from time to time, in effect in the state in which the Land is situated.

Grantor covenants, represents and agrees to and with Trustee and Lender as follows:

ARTICLE I **The Loan**

1.1 Loan. The indebtedness secured by this Deed of Trust is the result of a loan in the original principal amount of up to Seventy-Five Million Dollars \$75,000,000 (the "Loan") provided by Lender to Grantor. The Loan is evidenced by (a) that certain Construction Loan Agreement (together with any extensions, revisions, modifications or amendments hereafter made, the "Loan Agreement"), of even date herewith, by and between Grantor and Lender, and (b) that certain Promissory Note executed by Grantor of even date herewith, payable to the order of Lender in the maximum original principal amount of the Loan (together with any extensions, revisions, modifications or amendments hereafter made, the "Note").

1.2 Use of Loan Proceeds. The Loan evidenced by the Note is solely for business and commercial purposes, and is not for personal, family, household or agricultural purposes. The Property forms no part of any property owned, used or claimed by Grantor as a residence or business homestead and is not exempt from forced sale under the laws of the state in which the Property is situated. Grantor hereby disclaims and renounces each and every claim to all or any part of the Property as a homestead.

1.3 Payment of Note. Grantor will pay principal and interest on the Loan in accordance with the Loan Documents, including the Loan Agreement, the Note and this Deed of Trust.

1.4 Amount Secured. This Deed of Trust secures and enforces the payment and performance of the Note and the other Loan Documents, and all indebtedness, liabilities, duties, covenants, promises and other obligations, whether joint or several, direct or indirect, fixed or contingent, liquidated or unliquidated, and the cost of collection of all such amounts, owed by Grantor to Lender now or hereafter incurred or arising pursuant to or permitted by the provisions of the Note, this Deed of Trust or any other Loan Document. This Deed of Trust also secures all present and future loan disbursements (future advances) made by Lender under the Note (it being contemplated by Grantor and Lender that such future indebtedness may be incurred), plus interest thereon, all charges and expenses of collection incurred by Lender, including court costs and reasonable attorneys' fees, and all other sums from time to time owing to Lender by Grantor under the Loan Documents. The indebtedness referred to in this Section 1.4 is hereinafter sometimes referred to as the "secured indebtedness" or the "indebtedness secured hereby".

1.5 Defined Terms. All capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Note, the terms and provisions of which are incorporated herein by reference, or if such capitalized term is not defined in the Note, the capitalized term shall have the meaning assigned to it in the Loan Agreement.

1.6 Subordination to Senior Debt. Lender agrees that this Deed of Trust shall be subordinated to the Senior Debt and to other Permitted Encumbrances, as such terms are defined in the Loan Agreement, and that such subordination of this Deed of Trust to the Senior Debt and other Permitted Encumbrances shall be in accordance with the applicable provisions of the Loan Agreement.

ARTICLE II

Release

If and when Grantor has paid and performed all of the secured indebtedness, and no further advances are to be made under the Note, Trustee, upon request by Lender, will provide a reconveyance of the Property from the lien of this Deed of Trust and termination statements for filed financing statements, if any, to Grantor. Grantor shall be responsible for the recordation of such reconveyance and the payment of any recording and filing costs. Upon the recording of such reconveyance and the filing of such termination statements, the absolute assignment of rents set forth below shall automatically terminate and become null and void.

ARTICLE III

Grantor's Representations and Warranties

Grantor represents and warrants to Lender that:

3.1 Organization. Grantor (a) is a limited liability company duly organized with a legal status separate from its affiliates, validly existing, and in good standing under the laws of the state of its formation or existence, and (b) has complied with all conditions prerequisite to its doing business in the state in which the Land is situated.

3.2 Authority; Power to Carry on Business; Licenses. Grantor has all requisite power and authority to execute and deliver the Loan Documents to which it is a party, to receive the Loan, to grant and convey the security interests contemplated under this Deed of Trust and to perform its obligations under the Note, this Deed of Trust, the other Loan Documents, and all such action has been duly and validly authorized by all necessary limited liability company proceedings on its part. Grantor has all requisite power and authority to own and operate its properties and to carry on its business as now conducted and as presently planned to be conducted. Grantor has all licenses, permits, consents and governmental approvals or authorizations necessary to carry on its business as now conducted or as presently planned to be conducted.

3.3 Execution and Binding Effect. The Loan Documents to which Grantor is a party have been duly and validly executed and delivered by Grantor and constitute legal, valid and binding obligations of Grantor, enforceable in accordance with their terms.

3.4 Authorizations and Filings. No authorization, consent, approval, license, exemption or other action by, and no registration, qualification, designation, declaration or filing with, any Governmental Authority is or will be necessary or advisable in connection with the execution and delivery of the Note, this Deed of Trust and the other Loan Documents, the consummation of the transactions contemplated herein or therein, or the performance of or compliance by Grantor with the terms and conditions herein or therein.

3.5 Execution and Delivery. Neither the execution and delivery of the Note, this Deed of Trust or the other Loan Documents and the consummation of the transactions herein or therein contemplated, nor performance of or compliance with the terms and conditions hereof or thereof will (a) violate any applicable law, (b) conflict with or result in a breach of or a default under the organizational documents of Grantor, (c) conflict with or result in a breach of or a default under any agreement or instrument to which Grantor is a party or by which it or any of its properties (now owned or acquired in the future) may be subject or bound, or (d) result in the creation or imposition of any lien or encumbrance upon any property (owned or leased) of Grantor (other than the liens created by this Deed of Trust or the other Loan Documents).

3.6 Title to Property. Grantor represents and warrants that it has good and indefeasible title to the Land and Improvements (and any fixtures) in fee simple and has title to any appurtenant easements and interests described above and has the right to convey and encumber the same, that title to such property is free and clear of all liens, encumbrances and claims whatsoever except for (a) the Permitted Encumbrances, (b) the liens and security interests evidenced by this Deed of Trust, (c) statutory liens for real estate taxes and assessments on the Property which are not yet delinquent or due and payable, (d) other liens and security interests (if any) in favor of Lender, and (e) the matters set forth in Schedule B of the final mortgagee title policy insuring this Deed of Trust, as approved by Lender, and that it will warrant and defend the title to such property against the claims of all persons or parties. As to the Collateral, Grantor represents and warrants that it has title to such property, free and clear of all liens, encumbrances, and claims whatsoever except for the liens and security interests (if any) in favor of the lender of the Senior Debt and the Permitted Encumbrances, that it has the right to convey and encumber such property and that it will warrant and defend title to such property against the claims of all persons or parties.

3.7 Financial Information. Any financial information provided by Grantor to Lender as of the date hereof is accurate and complete and has been prepared in accordance with generally accepted accounting principles consistently applied.

3.8 Adequate Access. The Land has adequate rights of access to public road and rights of way, as shown in the survey(s) furnished to Lender.

3.9 Utilities. All utility services necessary for the development of the Land and the Property are available at the boundaries of the Land, including electric and natural gas facilities, telephone service, water supply, storm and sanitary sewer facilities.

3.10 Zoning. The current and anticipated use of the Land complies with all applicable zoning ordinances, regulations and restrictive covenants affecting the Land without the existence of any variance, non-complying use, nonconforming use or other special exception, all use restrictions of any Governmental Authority having jurisdiction have been satisfied, and no violation of any law or regulation exists with respect thereto.

3.11 Endangered Species and Historical Sites Disclosure. There are no threatened or endangered species or their habitat affecting the Property, and there are no cemeteries, burial grounds, or archeological or historical sites on the Property.

3.12 Jurisdictional Wetlands or Waters of the U.S. There are no jurisdictional wetlands or "waters of the U.S." located on any part of the Property.

3.13 Special Assessment Districts and Other Reimbursement Obligations. The Property is not located in a utility district, flood control district or other special assessment district, except for the Grantor-disclosed drainage channels that go across the Land and are considered "flood zone areas" on which areas no construction is contemplated or planned. There are no special assessments, special taxes, pro-rata or other reimbursement obligations applicable to the Property.

3.14 Property Disclosure. Grantor has fully disclosed the existence, presence or applicability to the Property of the following: existing gas or oil wells and applicable municipal set-back requirements; special use permits; development permits, plans and plats; existing water wells and confirmation of water rights; drainage channels considered "flood zone areas" on or near which no construction is contemplated or planned; any water features and/or dams located on or adjacent to the Property; wetlands or other environmental permits; and any other licenses, permits or approvals necessary for the ownership or operation of the Property.

3.15 Foreign Person Disclosure. Grantor is not a "foreign person" within the meaning of the Internal Revenue Code, as amended, Sections 1445 and 7701 or the regulations promulgated thereunder.

3.16 OFAC Disclosure. Neither Grantor nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC"), of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive

order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities.

3.17 No Material Adverse Change. Since the date of the most recent financial statements provided by Grantor to Lender, there has been no material adverse change in the financial condition, business or properties of Grantor.

3.18 No Event of Default; Compliance with Instruments. No event has occurred and is continuing, and no condition exists, which constitutes an Event of Default (as hereinafter defined) or with the passage of time would constitute an Event of Default. Grantor is not in violation of any term of its organizational documents. Grantor is not in violation of any agreement or instrument to which it is a party or by which it or any of its properties (now owned or hereafter acquired) may be subject or bound.

3.19 Litigation. There is no pending, contemplated or, to Grantor's knowledge, threatened action, suit or proceeding by or before any Governmental Authority against or affecting Grantor or the Property or any portion thereof.

3.20 Laws. Grantor is not in violation of any law, which violation is reasonably likely to have a material adverse effect on the financial condition, business or properties of Grantor.

3.21 Accurate and Complete Disclosure. No representation or warranty made by Grantor under this Deed of Trust or under the other Loan Documents and no statement made by Grantor in any financial statement, certificate, report, exhibit or document furnished by Grantor to Lender pursuant to or in connection with the Note, this Deed of Trust or the other Loan Documents is false or misleading in any material respect (including by omission of material information necessary to make such representation, warranty or statement not misleading). Grantor is not aware of any facts which have not been disclosed to Lender in writing by or on behalf of Grantor which would be reasonably likely to have a material adverse effect on the financial condition, business or properties of Grantor. The representations and warranties set forth herein are to survive the delivery of the Loan Documents and the making of the Loan.

ARTICLE IV **Affirmative Covenants**

Grantor covenants to Lender as follows:

4.1 Preservation of Existence and Franchises. Grantor, and each signatory to this Deed of Trust that signs on Grantor's behalf, will preserve and keep in full force and effect its existence (separate and apart from its affiliates), good standing, rights, franchises, trade names, trademarks and other associated goodwill whether existing at common law or as a federal or state registration.

4.2 Compliance with Licensing Bodies. Grantor shall maintain all certificates of compliance and authority and licenses that are necessary or required by any Governmental Authority or licensing authority having jurisdiction over Grantor or the Property for the current and anticipated use or operation of the Property.

4.3 INTENTIONALLY OMITTED.

4.4 Other Taxes, Utilities and Liens. (a) Grantor shall pay or cause to be paid, when and as due, all real and personal property taxes, assessments, water rates, dues, charges, fines and impositions of every nature whatsoever imposed, levied or assessed or to be imposed, levied or assessed upon or against the Property or any part thereof, or upon the interest of Lender in the Property, as well as all income taxes, assessments and other governmental charges lawfully levied and imposed by the United States of America or any state, county, municipality, assessment district, or other taxing authority upon Grantor or in respect of the Property or any part thereof, or any charge which, if unpaid, might become a lien or charge upon the Property prior to or equal to the lien of this Deed of Trust for any amounts secured hereby or would have priority or equality with this Deed of Trust in distribution of the proceeds of any foreclosure sale of the Property or any part thereof; provided, however, Grantor shall have the right to contest any such taxes, assessments, rates, dues, charges, fine or impositions if the execution or other enforcement of any lien or charge upon the Property is and continues to be effectively stayed or bonded in a manner satisfactory to Lender, the validity and amount of such taxes, assessments, rates, dues, charges, fines or impositions are being actively contested in good faith and by appropriate lawful proceedings and such liens or charges do not, in the aggregate, materially detract from the value of the Property or materially impair the use thereof and the operation of Grantor's business.

(b) Grantor shall promptly pay or cause to be paid all charges by utility companies, whether public or private, for electricity, gas, water, sewer and other utilities.

(c) Grantor shall promptly pay or cause to be paid and will not suffer any mechanics, laborer's, statutory or other lien which might or could be prior to or equal to the lien of this Deed of Trust to be created or to remain outstanding upon any of the Property; provided, however, such a lien may be filed against the Property if the execution or other enforcement of any such lien is and continues to be effectively stayed or bonded in a manner satisfactory to Lender for the full amount thereof, the validity and amount of the lien secured thereby are being actively contested in good faith and by appropriate lawful proceedings and such liens do not, in the aggregate, materially detract from the value of the Property or materially impair the use thereof and the operation of Grantor's business.

4.5 Reimbursement. Grantor agrees that if it shall fail to pay or cause to be paid when due any tax, assessment or charge levied or assessed against the Property, any utility charge, whether public or private, or any insurance premium, or if it shall fail to procure the insurance coverage and the delivery of the insurance certificates required hereunder, or if it shall fail to pay any other charge or fee required hereunder, then Lender, at its option and in addition to any other rights or remedies set forth herein, may (but shall have no obligation to) pay or procure the same. Grantor shall reimburse Lender upon demand for any sums of money paid by Lender pursuant to this Section 4.5, together with interest on each such payment at the rate set forth in the Note. All such sums so expended by Lender, and the interest thereon, shall become part of the secured indebtedness.

4.6 Further Assurances. Grantor agrees to execute and deliver to Lender, concurrently with the execution of this Deed of Trust and upon the request of Lender from time to time hereafter,

all financing statements, control agreements and other documents required to perfect and maintain the security interests created hereby.

4.7 Fees and Expenses. Grantor shall pay or reimburse Lender and Trustee for all reasonable attorneys' fees, costs and expenses incurred by Lender or the Trustee in any action, legal proceeding or dispute of any kind which affects the Loan, the interest created herein, the Property or the Collateral, including but not limited to, any foreclosure of this Deed of Trust, enforcement of payment of the Note and other secured indebtedness, any condemnation action involving the Property, any bankruptcy proceeding or any action to protect the security hereof or to enforce Lender's rights and remedies hereunder. Any such amounts paid by Lender or Trustee shall be due and payable upon demand and shall become part of the secured indebtedness.

4.8 Maintenance of Property. Grantor shall maintain the Property in good condition and repair, reasonable wear and tear excepted.

4.9 Compliance with Applicable Laws. Grantor shall comply with all applicable laws including, without limitation, all laws applicable to the use of the Property; provided, however, that Grantor shall have the ability to contest any alleged failure to conform to or comply with such laws so long as such obligations shall be contested by appropriate proceedings pursued in good faith and any penalties or other adverse effect of its nonperformance shall be stayed or otherwise not in effect. Grantor will do, or cause to be done, all such things as may be required by law in order fully to protect the security and all rights of Lender under this Deed of Trust. Grantor shall not cause or permit the lien of this Deed of Trust to be impaired in any way.

4.10 Inspection. Grantor shall permit Lender, or its agents, at any and all reasonable times, to enter and pass through or over the Property for the purpose of appraising, inspecting or evaluating the same at Lender's cost and expense, provided that any such appraisal, inspection or evaluation does not unreasonably interfere with or adversely affect Grantor's operations and shall otherwise be in accordance with the provisions of Section 3.3 of the Loan Agreement.

4.11 Releases and Waivers. Grantor agrees that no release by Lender of any of Grantor's successors in title from liability on the secured indebtedness, no release by Lender of any portion of the Property or the Collateral, no subordination of lien, no forbearance on the part of Lender to collect on the secured indebtedness or any part thereof, no waiver of any right granted or remedy available to Lender, and no action taken or not taken by Lender shall in any way diminish Grantor's obligation to Lender or have the effect of releasing Grantor, or any successor to Grantor, from full responsibility to Lender for the complete discharge of each and every of Grantor's obligations hereunder or under the Note, any other Loan Document or any other secured indebtedness.

4.12 Insurance. Grantor shall, at all times until the Note and all other sums due from Grantor to Lender have been fully repaid, maintain, or cause to be maintained, in full force and effect (and shall furnish to Lender copies of), property insurance, liability insurance and workers compensation insurance that are consistent with policies issued from a reputable carrier in Southern Nevada for businesses such as that operated by Borrower. Borrower shall not take any action that would void or otherwise impair any coverages required hereby or that would result in any denial or limitation of such coverages.

4.13 Condemnation. In the event that any or all of the Property shall be condemned and taken under the power of eminent domain, Grantor shall give immediate written notice to Lender and Lender shall have the right to receive and collect all damages awarded by reason of such taking, and the right to such damages hereby is assigned to Lender who shall have the discretion to apply the amount so received, or any part thereof, to the indebtedness secured hereby and if payable in installments, applied in the inverse order of maturity of such installments, or to any alteration, repair or restoration of the Property by Grantor.

4.14 Condemnation and Insurance Proceeds.

(a) Assignment to Lender. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of or damage or injury to the Property, or any part of it, or for conveyance in lieu of condemnation, are assigned to and shall be paid to Lender, who shall hold them in a non-interest-bearing general account regardless of whether Lender's security is impaired. All causes of action, whether accrued before or after the date of this Deed of Trust, of all types for damages or injury to the Property or any part of it, or in connection with any transaction financed by funds lent to Grantor by Lender and secured by this Deed of Trust, or in connection with or affecting the Property or any part of it, including, without limitation, causes of action arising in tort or contract or in equity, are assigned to Lender as additional security, and the proceeds shall be paid to Lender. Lender, at its option may appear in and prosecute in its own name any action or proceeding to enforce any such cause of action and may make any compromise or settlement of such action. Grantor shall notify Lender in writing immediately on obtaining knowledge of any casualty damage to the Property or damage in any other manner in excess of Ten Thousand Dollars (\$10,000) or knowledge of the institution of any proceeding relating to condemnation or other taking of or damage or injury to all or any portion of the Property. Lender, in its sole and absolute discretion, may participate in any such proceedings and may join Grantor in adjusting any loss covered by insurance. Grantor covenants and agrees with Lender, at Lender's request, to make, execute and deliver at Grantor's expense, any and all assignments and other instruments sufficient for the purpose of assigning the aforesaid award or awards, causes of action, or claims of damages or proceeds to Lender free, clear, and discharged of any and all encumbrances of any kind or nature;

(b) Insurance Payments. All compensation, awards, proceeds, damages, claims, insurance recoveries, rights of action, and payments that Grantor may receive or to which Lender may become entitled with respect to the Property if any damage or injury occurs to the Property, other than by a partial condemnation or other partial taking of the Property, shall be paid over to Lender and shall be applied first toward reimbursement of all costs and expenses of Lender in connection with their recovery and disbursement, and shall then be applied as follows:

(i) Lender shall consent to the application of such payments to the restoration of the Property so damaged only if Grantor has met all the following conditions (a breach of one of which shall constitute a default under this Deed of Trust, the Note, and any other Loan Documents): (1) no Event of Default exists under any of the terms, covenants, and conditions of the Loan Documents; (2) all

then-existing Leases affected in any way by such damage will continue in full force and effect; (3) the insurance or award proceeds, plus any sums that Grantor may contribute for such purpose, shall be sufficient to fully restore and rebuild the Property under then current Government Requirements (defined below); and (4) all restoration of the Improvements so damaged or destroyed shall be made with reasonable promptness and shall be of a value at least equal to the value of the Improvements so damaged or destroyed before any such damage or destruction; or

(ii) If fewer than all conditions (1) through (4) in Section 4.14(b)(i) are satisfied, then such payments shall be applied in the sole and absolute discretion of Lender (1) to the payment or prepayment with any applicable prepayment premium, of any secured indebtedness in such order as Lender may determine, or (2) to the reimbursement of Grantor's expenses incurred in the rebuilding and restoration of the Property. If Lender elects under this Section 4.14(b)(ii) to make any funds available to restore the Property, then all of conditions Section 4.14(b)(i) shall apply, except for such conditions that Lender, in its sole and absolute discretion, may waive.

(iii) "Governmental Requirements" shall mean any and all laws, statutes, codes, ordinances, regulations, enactments, decrees, judgments and orders of any Governmental Authority.

(iv) Material Loss Not Covered. If any material part of the Property is damaged or destroyed and the loss, measured by the replacement cost of the Improvements according to then-current Government Requirements, is not adequately covered by insurance proceeds collected or in the process of collection, Grantor shall deposit with Lender, within ten (10) days after Lender's request, the amount of the loss not so covered.

(c) Total Condemnation Payments. All compensation, awards, proceeds, damages, claims, insurance recoveries, rights of action, and payments the Grantor may receive or to which Grantor may become entitled with respect to the Property in the event of a total condemnation or other total taking of the Property shall be paid over to Lender and shall be applied first to reimbursement of all Lender's costs and expenses in connection with their recovery, and shall then be applied to the payment of any indebtedness secured hereby by such order as Lender may determine, until the secured indebtedness has been paid and satisfied in full. Any surplus remaining after payment and satisfaction of the indebtedness secured by this Deed of Trust shall be paid to Grantor as its interest may then appear.

(d) Partial Condemnation Payments. All compensation, awards, proceeds, damages, claims, insurance recoveries, rights of action and payments ("funds") that Grantor may receive or to which Grantor may become entitled with respect to the Property in the event of a partial condemnation or other partial taking of the Property, unless Grantor and Lender otherwise agree in writing, shall be divided into two portions, one equal to the principal balance of the Note at the time of receipt of such funds and the other equal to the amount by which such funds exceed the principal balance of the Note at the time of receipt

of such funds. The first such portion shall be applied to the indebtedness secured hereby, whether or not then due, including but not limited to principal, accrued interest, and advances and in such order or combination as Lender may determine, with the balance of the funds paid to Grantor. Any dispute as to the fair market value of the Property shall be settled by arbitration in accordance with the Real Estate Valuation Arbitration Rules of the American Arbitration Association.

(e) No Cure of Waiver of Default. Any application of such amounts or any portion of it to any secured indebtedness shall not be construed to cure or waive any Event of Default or notice of default under this Deed of Trust or invalidate any act done under any such default or notice.

4.15 Use of Property. (a) Grantor shall use or permit the Property to be used solely for the purpose of operating the Front Sight Firearms Training Institute and the Front Sight Resort and Vacation Club complex, and Grantor shall not use or permit the use of the Property for any other principal use without Lender's prior written consent. Grantor shall not use or permit the use of the Property or any part thereof for any other purpose which in the reasonable opinion of Lender would adversely affect the then value or character of the Property or any part thereof.

(b) Grantor shall not suffer or permit the Property or any portion thereof to be used by the public, as such, without restriction or in such manner as might reasonably tend to impair Grantor's title to the Property or any portion thereof, or in such manner as might reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Property or any portion thereof.

4.16 Taxes on Note and Deed of Trust. Grantor shall promptly pay all income, franchise and other taxes owing by Grantor and any stamp, documentary, recordation and transfer taxes or other taxes (unless such payment by Grantor is prohibited by law) which may be required to be paid with respect to the Note, this Deed of Trust or any other instrument evidencing or securing any of the secured indebtedness. In the event of the enactment after this date of any law of any Governmental Authority applicable to Lender, the Note, the Property or this Deed of Trust deducting from the value of property for the purpose of taxation any lien or security interest thereon, or imposing upon Lender the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Grantor, or changing in any way the laws relating to the taxation of deeds of trust or mortgages or security agreements or debts secured by deeds of trust or mortgages or security agreements or the interest of the mortgagee or secured party in the property covered thereby, or the manner of collection of such taxes, so as to affect this Deed of Trust or the indebtedness secured hereby or Lender, then, and in any such event, Grantor, upon demand by Lender, shall pay such taxes, assessments, charges or liens, or reimburse Lender therefore.

4.17 Authorization to File Financing Statements; Power of Attorney. Grantor hereby authorizes Lender at any time and from time to time to file and authenticate any initial financing statements, amendments thereto and continuation statements with or without signature of Grantor as authorized by applicable law, as applicable to all or any part of the Collateral. For purposes of such filings, Grantor agrees to furnish any information requested by Lender promptly upon Lender's request. Grantor also ratifies its authorization for Lender to have filed any initial

financing statements, amendments thereto or continuation statements, if filed prior to the date of this Deed of Trust. Grantor hereby irrevocably constitutes and appoints Lender and any officer or agent of Lender, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and the stead of Grantor or in the name of Grantor to execute in the name of Grantor or authenticate any such documents and otherwise to carry out the purposes of this Section 4.17, to the extent that the authorization above by Grantor is not sufficient. To the extent permitted by law, Grantor hereby ratifies all acts said attorneys-in-fact have lawfully done in the past or shall lawfully do or cause to be done in the future by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

4.18 INTENTIONALLY OMITTED.

4.19 Indemnification. (a) GRANTOR SHALL INDEMNIFY AND HOLD HARMLESS LENDER AND TRUSTEE FROM AND AGAINST, AND REIMBURSE THEM ON DEMAND FOR, ANY AND ALL INDEMNIFIED MATTERS (AS HEREINAFTER DEFINED), IN ALL CASES WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF LENDER OR TRUSTEE. FOR PURPOSES OF THIS SECTION 4.19, THE TERMS "LENDER" AND "TRUSTEE" SHALL INCLUDE THE DIRECTORS, OFFICERS, PARTNERS, EMPLOYEES AND AGENTS OF LENDER AND TRUSTEE, RESPECTIVELY, AND ANY PERSONS OWNED OR CONTROLLED BY, OWNING OR CONTROLLING, OR UNDER COMMON CONTROL OR AFFILIATED WITH LENDER OR TRUSTEE, RESPECTIVELY. WITHOUT LIMITATION, THE FOREGOING INDEMNITIES SHALL APPLY TO EACH INDEMNIFIED PERSON WITH RESPECT TO MATTERS WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF THE NEGLIGENCE OF SUCH (AND/OR ANY OTHER) INDEMNIFIED PERSON. HOWEVER, SUCH INDEMNITIES SHALL NOT APPLY TO A PARTICULAR INDEMNIFIED PERSON TO THE EXTENT THAT THE SUBJECT OF THE INDEMNIFICATION IS CAUSED BY OR ARISES OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THAT INDEMNIFIED PERSON. ANY AMOUNT TO BE PAID UNDER THIS SECTION 4.19 BY GRANTOR TO LENDER AND/OR TRUSTEE SHALL BE A DEMAND OBLIGATION OWING BY GRANTOR (WHICH GRANTOR HEREBY PROMISES TO PAY) TO LENDER AND/OR TRUSTEE PURSUANT TO THIS DEED OF TRUST. NOTHING IN THIS SECTION 4.19, ELSEWHERE IN THIS DEED OF TRUST OR IN ANY OTHER LOAN DOCUMENT SHALL LIMIT OR IMPAIR ANY RIGHTS OR REMEDIES OF LENDER AND/OR TRUSTEE (INCLUDING WITHOUT LIMITATION ANY RIGHTS OF CONTRIBUTION OR INDEMNIFICATION) AGAINST GRANTOR OR ANY OTHER PERSON UNDER ANY OTHER PROVISION OF THIS DEED OF TRUST, ANY OTHER LOAN DOCUMENT, ANY OTHER AGREEMENT OR ANY APPLICABLE FEDERAL, STATE OR LOCAL LAW, STATUTE, ORDINANCE, CODE, RULE, REGULATION, LICENSE, PERMIT, ORDER OR DECREE.

(b) As used herein, the term "Indemnified Matters" means any and all claims, demands, liabilities (including strict liability), losses, damages (including consequential damages), causes of action, judgments, penalties, fines, costs and expenses (including without limitation, reasonable fees and expenses of attorneys and other professional consultants and experts, and of the investigation and defense of any claim, whether or not

such claim is ultimately defeated, and the settlement of any claim or judgment including all value paid or given in settlement) of every kind, known or unknown, foreseeable or unforeseeable, which may be imposed upon, asserted against or incurred or paid by Lender and/or Trustee at any time and from time to time, whenever imposed, asserted or incurred, because of, resulting from, in connection with, or arising out of any transaction, act, omission, event or circumstance in any way connected with the Property or with this Deed of Trust or any other Loan Document, including but not limited to any bodily injury or death or property damage occurring in or upon or in the vicinity of the Property through any cause whatsoever at any time on or before the Release Date (as hereinafter defined), any act performed or omitted to be performed hereunder or under any other Loan Document, any breach by Grantor of any representation, warranty, covenant, agreement or condition contained in this Deed of Trust or in any other Loan Document or any Event of Default, except to the extent caused by the gross negligence or intentional misconduct of Lender, its agents, employees and/or representatives. The term "Release Date" as used herein means the earlier of the following two dates: (i) the date on which the indebtedness and obligations secured hereby have been paid and performed in full and this Deed of Trust has been fully reconveyed and released, or (ii) the date on which the lien of this Deed of Trust is fully and finally foreclosed or a conveyance by deed in lieu of such foreclosure is fully and finally effective, and possession of the Property has been given to the purchaser or grantee free of occupancy and claims to occupancy by Grantor and Grantor's heirs, devisees, representatives, successors and assigns; provided, that if such payment, performance, release, foreclosure or conveyance is challenged, in bankruptcy proceedings or otherwise, then the Release Date shall be deemed not to have occurred until such challenge is rejected, dismissed or withdrawn with prejudice. The indemnities in this Section 4.19 shall not terminate upon the Release Date or upon the release, foreclosure or other termination of this Deed of Trust but will survive the Release Date, foreclosure of this Deed of Trust or conveyance in lieu of foreclosure, the repayment of the secured indebtedness, the discharge and release of this Deed of Trust and the other Loan Documents, any bankruptcy or other debtor relief proceeding, and any other event whatsoever.

4.20 Payment of Costs. Grantor shall (a) pay all reasonable legal fees incurred by Lender in connection with the preparation of the Loan Documents (including any amendments thereto or consents, releases, or waivers granted thereunder); (b) reimburse Lender, promptly upon demand, for all amounts expended, advanced, or incurred by Lender to satisfy any obligation of Grantor under the Loan Documents, which amounts shall include all court costs, reasonable attorneys' fees (including, without limitation, for trial, appeal, or other proceedings), fees of auditors and accountants and other investigation expenses reasonably incurred by Lender in connection with any such matters; and (c) pay any and all other costs and expenses of performing or complying with any and all of the obligations under the Note, this Deed of Trust and under the other Loan Documents. All of the foregoing listed fees, costs and expenses are collectively called herein, the "Expenses." Except to the extent that the Expenses are included within the definition of "indebtedness secured hereby," the payment of such Expenses shall not be credited, in any way and to any extent, against any installment on or portion of the indebtedness secured hereby.

ARTICLE V Negative Covenants

Grantor covenants to Lender as follows:

5.1 Liens. Grantor shall not at any time create, incur, assume or permit to exist any lien or encumbrance on or against the Property or agree to become liable to do so, except for (a) the Permitted Encumbrances, (b) the liens and security interests evidenced by this Deed of Trust, (c) statutory liens for real estate taxes and assessments on the Property which are not yet delinquent, (d) other liens and security interests (if any) in favor of Lender, and (e) the matters set forth in Schedule B of the final mortgagee title policy insuring this Deed of Trust as approved by Lender.

5.2 Indebtedness. With respect to the Property, Grantor shall not at any time, create, incur, assume or suffer to exist any indebtedness, except (a) the indebtedness under the Permitted Encumbrances, (b) indebtedness under the Note or any other Loan Document or any other document, instrument or agreement between Grantor and Lender, and (c) current accounts payable, accrued expenses and other expenses arising out of transactions (other than borrowing) in the ordinary course of business.

5.3 Guaranties and Contingent Liabilities. Grantor shall not at any time directly or indirectly become or be liable in respect of any guaranty or contingent obligation, or assume, guarantee, become surety for, endorse or otherwise agree, become or remain directly or contingently liable upon or with respect to any obligation or liability of any person or entity (other than Grantor), except (i) by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, or (ii) by indemnity agreements given by Grantor to a title insurance company or a bonding company in connection with any project being constructed or sold by Grantor, including the Project.

5.4 Loans and Investments. Grantor shall not at any time make or suffer to remain outstanding any loan or advance to, or purchase, acquire, or own any stock, bonds, notes or securities of, or any partnership interest (whether general or limited) in, or any other interest in, or make any capital contribution or loan to, any person or entity (other than Grantor), or agree, become or remain liable to do any of the foregoing.

5.5 INTENTIONALLY OMITTED.

5.6 Self-Dealing. Grantor shall not enter into or carry out any transaction (including, without limitation, purchasing property or services from or selling property or services to) with any Affiliate (as hereinafter defined) except (a) officers, managers, members, employees and affiliates of Grantor may render services to Grantor for compensation at the same rates generally paid by companies engaged in the same or similar businesses for the same or similar services; and (b) Grantor may enter into and carry out other transactions with Affiliates if in the ordinary course of business, pursuant to the reasonable requirements of Grantor's business upon terms that are fair and reasonable and no less favorable to Grantor than Grantor would obtain in a comparable arm's-length transaction. "Affiliate" means, with respect to any individual or entity (each, a "Person"), another Person that directly, or indirectly through one or more intermediaries, Controls or is

Controlled by or is under common Control with the Person specified. “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” or “Controlled” have meanings correlative thereto.

5.7 Disposition of Property. Except in connection with the obligations with respect to the Senior Debt and related agreements, Grantor shall not (a) sell, convey, pledge, assign, lease, abandon or otherwise transfer or dispose of, voluntarily or involuntarily (any of the foregoing being referred to in this Section 5.7 as a transaction and any set of related transactions constituting but a single transaction), all or any portion of the Property or any interest therein or enter into any agreement to do so, or (b) subdivide the Property, submit the Property, or any portion thereof, to condominium or other multiple form of ownership, or dedicate any portion of the Property to public ownership. Lender hereby consents to Grantor taking actions to secure the Senior Debt as such transactions are reasonably necessary for the development of the Project, including the time share units and the RV resort, as provided in the Loan Agreement and the Budget.

5.8 Ownership and Control. Grantor shall not cause or permit any change in the ownership (whether direct or indirect) of Grantor from that in existence on the date hereof.

5.9 Merger; Consolidation; Business Acquisitions. Grantor shall not merge or agree to merge with or into or consolidate with any other person or entity. Grantor shall not form any subsidiaries or acquire any material portion of the stock, other equity interests or assets or business of any other person or entity.

5.10 Change in Zoning; Easements; Restrictions. Grantor shall not seek or acquiesce in any annexation of the Property or any zoning reclassification of all or any portion of the Land or Property or grant or consent to any easement, dedication, plat, or restriction (or allow any easement to become enforceable by prescription), or any amendment or modification thereof, covering all or any portion of the Land or Property, without Lender’s prior written consent. Lender hereby agrees that it will not unreasonably withhold or delay consent to Grantor taking actions that would otherwise violate the foregoing provisions so long as such transactions are reasonably necessary for the development of the Project, including the time share units and the RV resort as provided in the Loan Agreement and the Budget.

5.11 Drilling. Grantor shall not, without Lender’s prior written consent, permit any drilling or exploration for, or extraction, removal, or production of, any minerals from, the surface or subsurface of the Land regardless of the depth thereof or the method of mining or extraction therefrom.

5.12 Waste; Alterations. Grantor shall not commit or permit any waste or impairment of the Property and shall not (subject to the provisions of Sections 4.8 and 4.9 hereof), without Lender’s prior written consent, which consent shall not be unreasonably delayed or withheld, make or permit to be made any alterations or additions to the Property of a material nature other than those alterations and additions consisting of the Improvements that shall constitute the accommodations and other facilities of the project known as the Front Sight Resort and Vacation Club. Subject to the foregoing and in no way constituting a waiver thereof, in the event Lender

were to give such consent, then any alterations or additions to the Property would be at Grantor's sole cost and expense.

ARTICLE VI Events of Default

6.1 Events of Default. An "Event of Default" means the occurrence or existence of one or more of the following events or conditions (whatever the reason for such Event of Default and whether voluntary, involuntary or effected by operation of law):

(a) Grantor defaults in any payment of principal or interest on the Loan by the date due according to the terms of the Loan Agreement or of the Note, and such default remains uncured for a period of ten (10) days after the payment became due; provided, however, that there is no cure period for payments due on the Maturity Date; or

(b) Grantor defaults in the payment of undisputed fees or other amounts payable to or on behalf of Lender pursuant to the Note, this Deed of Trust or under any other Loan Documents, other than as described in Section 6.1(a) above, and such default continues unremedied for a period of ten (10) days after notice thereof from Lender to Grantor; or

(c) Grantor defaults in the performance or observance of any agreement, covenant or condition required to be performed or observed by Grantor under the terms of this Deed of Trust, or any other Loan Document, other than a default described elsewhere in this Section, and such default continues unremedied for a period of thirty (30) days after notice from Lender to Grantor thereof provided that, if cure cannot reasonably be effected within such 30-day period, such failure shall not be an event of default hereunder so long as Grantor promptly (in any event, within ten (10) days after such notice of default from Lender) commences cure, and thereafter diligently (in any event, within ninety (90) days after receipt of such notice of default from Lender) prosecutes such cure to completion; and provided further, that notwithstanding the 30-day cure period or extended cure period described above in this subparagraph (c), if a different notice or cure period is specified under any Loan Document or under any provision of the Loan Documents as to any such failure or breach, the specific Loan Document or provision shall control, and Grantor shall have no more time to cure the failure or breach than is allowed under the specific Loan Document or provision as to such failure or breach; or

(d) Any representation or warranty made by Grantor in this Agreement or by Grantor or an Affiliate, if made in connection with the Loan, in any of the other Loan Documents, or in any certificate or document furnished under the terms of this Agreement or in connection with the Loan, shall be untrue or incomplete in any material respect when made or deemed made or restated hereunder unless such representation or warranty was not known by Grantor to be untrue or incomplete at the time made and such representation or warranty is corrected by Grantor and disclosed by Grantor to Lender; or

(e) Lender's security interest or lien under this Deed of Trust is or shall become unperfected or invalid; or

(f) Grantor defaults under any term, covenant or condition of any of the Note or of any of the other Loan Documents to which Grantor is a party, other than a default described elsewhere in this Section, after the expiration of any notice or grace period, if any, provided therein;

(g) Work on the Project, once commenced, shall be substantially abandoned, or shall, by reason of Grantor's fault, be unreasonably delayed or discontinued for a period of fifteen (15) consecutive days, or construction shall be delayed for any reason whatsoever to the extent that Completion cannot, in the reasonable judgment of Lender, be accomplished prior to the Completion Date;

(h) Any of Grantor, or any Related Party who is a party to any of the Loan Documents, shall file a petition for bankruptcy; or shall apply for, consent to or permit the appointment of a receiver, custodian, trustee or liquidator for it or any of its property or assets; or shall generally fail to, or admit in writing its inability to, pay its debts as they mature; or shall make a general assignment for the benefit of creditors or shall be adjudicated bankrupt or insolvent; or shall take other similar action for the benefit or protection of its creditors; or shall give notice to any governmental body of insolvency or of pending insolvency or suspension of operations; or shall file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors, or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, rearrangement, dissolution, liquidation or other similar debtor relief law or statute; or shall file an answer admitting the material allegations of a petition filed against it in any proceeding under any such law or statute; or shall be dissolved, liquidated, terminated or merged; or shall effect a plan or other arrangement with creditors; or a trustee, receiver, liquidator or custodian shall be appointed for it or for any of its property or assets and shall not be discharged within ninety (90) days after the date of his appointment; or a petition in involuntary bankruptcy or similar proceedings is filed against it and is not dismissed within ninety (90) days after the date of its filing; or

(i) Lender determines that the remaining undisbursed Loan proceeds, together with the proceeds of any Senior Debt, are insufficient to fully pay all of the then-unpaid costs of the Project and the estimated expenses of completion (including the Interest Reserve), and Grantor fails to either (i) deposit with Lender, within three (3) Business Days following demand, sufficient funds to permit Lender to pay said excess costs as the same become payable or (ii) pay said excess costs directly and deliver to Lender unconditional mechanics' lien waivers therefor (or paid receipts for non-lienable items), at Lender's option; or

(j) except to the extent otherwise permitted pursuant to the terms and conditions of the Loan Agreement or this Deed of Trust, the sale, lease, transfer or further encumbrance (whether by operation of law or otherwise) (and whether at one time or in or pursuant to a series of events) of (A) the Property or any part thereof or any interest therein, or (B) more than forty-nine percent (49%) in the aggregate of any direct or indirect ownership interest in Grantor; or

(k) A default occurs with respect to the Senior Debt and remains uncured after the expiration of any applicable notice or grace period; or

(l) A default occurs in the performance of Grantor's obligations in any of Section 5.6, 5.7, 5.8, 5.10, 5.13, 5.16, 5.18, 5.19, 5.22, 5.23 or 5.24, of the Loan Agreement;

(m) The General Contract is terminated by either party thereto or either party thereto shall fail to perform its obligations (after any applicable notice and cure period) under the General Contract; or

(n) Any uncured default by Grantor occurs and remains uncured under the Management Agreement; or

(o) Any failure by Grantor to timely deliver the EB-5 information, which failure continues more than five (5) business days following notice of such failure by Lender.

6.2 Remedies of Lender. Upon the occurrence of an Event of Default, unless such Event of Default is subsequently waived in writing by Lender, Lender may, without notice and without prejudice to any other right or remedy Lender may have, exercise from time to time any of the rights and remedies available under the Note, this Deed of Trust or any other Loan Document or under applicable law.

ARTICLE VII Rights and Remedies

7.1 Acceleration of Loan. Upon the occurrence of an uncured Event of Default specified in Section 6.1 hereof, the entire unpaid balance of the indebtedness secured hereby (including all accrued interest and all other sums secured hereby) shall, at the option of Lender, become immediately due and payable without notice, demand, presentment, notice of nonpayment or nonperformance, protest, notice of protest, notice of intent to accelerate, notice of acceleration, or any other notice or any other action, all of which are hereby waived by Grantor and all other parties obligated in any manner whatsoever on the indebtedness secured hereby. If an uncured Event of Default specified in Subsection (h) of Section 6.1 hereof occurs and continues or exists, the entire unpaid balance of the indebtedness secured hereby (including all accrued interest and all other sums secured hereby) shall automatically become immediately due and payable without notice, demand, presentment, notice of nonpayment or nonperformance, protest, notice of protest, notice of intent to accelerate, notice of acceleration, or any other notice or any other action, all of which are hereby waived by Grantor and all other parties obligated in any manner whatsoever on the indebtedness secured hereby. The failure to exercise any remedy available to the Lender shall not be deemed to be a waiver of any rights or remedies of the Lender under the Loan Documents, at law or in equity.

7.2 Foreclosure – Power of Sale. Upon the occurrence of any uncured Event of Default, Lender may request Trustee to proceed with foreclosure under the power of sale which is hereby conferred, such foreclosure to be accomplished in accordance with the following provisions:

(a) Foreclosure; Power of Sale. Trustee, if and as directed by Lender, shall have all of the rights and may exercise all of the powers set forth in applicable law of the

State of Nevada. Trustee may sell the Property in its entirety or in parcels, and by one or by several sales, as deemed appropriate by Trustee in its sole and absolute discretion. If Trustee chooses to have more than one foreclosure sale, Trustee may cause the foreclosure sales to be held simultaneously or successively, on the same day, or on such different days and at such different times as Trustee may elect. Trustee shall receive and apply the proceeds from the sale of the Property, or any portion thereof, in accordance with Nevada law. Before any foreclosure sale, Lender or Trustee shall give such notice of default and election to sell as may be required by law. After the lapse of such time as may then be required by law following the recordation of such notice of default, and notice of sale having been given as then required by law, Trustee shall sell the property being sold at a public auction to be held at the time and place specified in the notice of sale. Neither Trustee nor Lender shall have any obligation to make demand on Grantor before any foreclosure sale. From time to time in accordance with then-applicable law, Trustee may, and in any event at Lender's request shall, postpone any foreclosure sale by public announcement at the time and place noticed for that sale. At any foreclosure sale, Trustee shall sell to the highest bidder at public auction for cash in lawful money of the United States (or cash equivalents acceptable to Trustee to the extent permitted by applicable law), payable at the time of sale. Trustee shall execute and deliver to the purchaser(s) a deed or deeds conveying the property being sold without any covenant or warranty whatsoever, expressed or implied. The recitals in any such deed of any matters of fact, including any facts bearing upon the regularity or validity of any foreclosure sale, shall be conclusive proof of their truthfulness. Any such deed shall be conclusive against all persons as to the facts recited therein. Any Person, including Trustee or Lender, may purchase at such sale, and any bid by Lender may be, in whole or in part, in the form of cancellation of all or any part of the Obligations.

(b) Judicial Action. Lender and Trustee, if and as directed by Lender, shall have the right to bring an action in any court of competent jurisdiction for foreclosure of this Deed of Trust a deficiency judgment as provided by law, or for specific enforcement of any of the covenants or agreements of this Deed of Trust.

(c) Collection of Rents. Upon the occurrence of an Event of Default, the license granted to Grantor to collect the Rents (defined below) shall be automatically and immediately revoked, without further notice to or demand upon Grantor. Lender may, but shall not be obligated to, exercise any or all of the rights and remedies provided in Nevada Law and perform any or all obligations of the landlord under any or all of the Leases (defined below), and Lender may, but shall not be obligated to, exercise and enforce any or all of Grantor's rights under the Leases. Without limiting the generality of the foregoing, Lender may notify the tenants under the Leases that all Rents are to be paid to Lender, and following such notice all Rents shall be paid directly to Lender and not to Grantor or any other Person other than as directed by Lender, it being understood that a demand by Lender on any tenant under a Lease for the payment of Rent shall be sufficient to warrant payment by such tenant of Rent to Lender without the necessity of further consent by Grantor. Grantor hereby irrevocably authorizes and directs the tenants under the Leases to pay all Rents to Lender instead of to Grantor, upon receipt of written notice from Lender, without the necessity of any inquiry of Grantor and without the necessity of determining the existence or non-existence of an Event of Default. Grantor hereby appoints Lender as

Grantor's attorney-in-fact with full power of substitution, which appointment shall take effect upon the occurrence of an Event of Default and is coupled with an interest and is irrevocable prior to the full and final payment and performance of the indebtedness secured hereby, in Grantor's name or in Lender's name: (i) to endorse all checks and other instruments received in payment of Rents and to deposit the same in any account selected by Lender; (ii) to give receipts and releases in relation thereto; (iii) to institute, prosecute and/or settle actions for the recovery of Rents; (iv) to modify the terms of any Leases including terms relating to the Rents payable thereunder; (v) to cancel any Leases; (vi) to enter into new Leases; and (vii) to do all other acts and things with respect to the Leases and Rents which Lender may deem necessary or desirable to protect the security for the secured indebtedness. Any Rents received shall be applied first to pay all of Lender's costs and expenses and next in reduction of the other secured indebtedness. Grantor shall pay, on demand, to Lender, the amount of any deficiency between (1) the Rents received by Lender, and (2) all Expenses incurred together with interest thereon as provided in this Deed of Trust and the other Loan Documents.

(d) Taking Possession or Control of the Property. As a matter of right without regard to the adequacy of the security, and to the extent permitted by law without notice to Grantor, Lender shall be entitled, upon application to a court of competent jurisdiction, to the immediate appointment of a receiver for all or any part of the Property and the Rents, whether such receivership may be incidental to a proposed sale of the Property or otherwise, and Grantor hereby consents to the appointment of such a receiver and agrees that such receiver shall have all of the rights and powers granted to Lender pursuant to Section 7.2(c). In addition, to the extent permitted by law, and with or without the appointment of a receiver, or an application therefor, Lender may (i) enter upon, and take possession of (and Grantor shall surrender actual possession of), the Property or any part thereof, without notice to Grantor and without bringing any legal action or proceeding, or, if necessary by force, legal proceedings, ejectment or otherwise, and (ii) remove and exclude Grantor and its agents and employees therefrom.

(e) Management of the Property. Upon obtaining possession of the Property or upon the appointment of a receiver as described in Section 7.2(d), Lender, Trustee or the receiver, as the case may be, may, at its sole option, (i) make all necessary or proper repairs and additions to or upon the Property, (ii) operate, maintain, control, make secure and preserve the Property, and (iii) complete the construction of any unfinished Improvements on the Property and, in connection therewith, continue any and all outstanding contracts for the erection and completion of such Improvements and make and enter into any further contracts which may be necessary, either in their or its own name or in the name of Grantor (the costs of completing such Improvements shall be Expenses secured by this Deed of Trust and shall accrue interest as provided in the Note). Lender, Trustee or such receiver shall be under no liability for, or by reason of, any such taking of possession, entry, holding, removal, maintaining, operation or management, except for Lender's, Trustee's or Receiver's negligence, gross negligence or willful misconduct. The exercise of the remedies provided in this Section shall not cure or waive any Event of Default, and the enforcement of such remedies, once commenced, shall continue for so long as Lender shall elect, notwithstanding the fact that the exercise of such remedies may have, for a time, cured the original Event of Default.

(f) Cooperation of Grantor. Grantor agrees to cooperate fully with Lender's management of the Property, including, without limitation, providing full access to the Property and all collateral.

(f) Uniform Commercial Code. Lender may proceed under the Uniform Commercial Code as to all or any part of the Collateral, and in conjunction therewith may exercise all of the rights, remedies and powers of a secured creditor under the Uniform Commercial Code. Upon the occurrence of any uncured Event of Default, Grantor shall assemble all of the Collateral and make the same available within the Improvements or at such other location required by Lender. Any notification required by the Uniform Commercial Code shall be deemed reasonably and properly given if sent in accordance with the notice provisions of this Deed of Trust at least ten (10) days before any sale or other disposition of the Collateral. Disposition of the Collateral shall be deemed commercially reasonable if made pursuant to a public sale advertised at least twice in a newspaper of general circulation in the community where the Property is located. It shall be deemed commercially reasonable for the Trustee to dispose of the Collateral without giving any warranties as to the Collateral and specifically disclaiming all disposition warranties. Alternatively, Lender may choose to dispose of some or all of the Property, in any combination consisting of both Collateral and Real Property, in one sale to be held in accordance with the law and procedures applicable to real property, as permitted by Article 9 of the Uniform Commercial Code. Grantor agrees that such a sale of Collateral together with Real Property constitutes a commercially reasonable sale of the Collateral.

(g) Application of Proceeds. Unless otherwise provided by applicable law, all proceeds from the sale of the Property or any part thereof pursuant to the rights and remedies set forth in this Article VII and any other proceeds received by Lender from the exercise of any of its other rights and remedies hereunder or under the other Loan Documents shall be applied first to pay all Expenses and next in reduction of the other secured indebtedness, in such manner and order as Lender may elect.

(h) Other Remedies. Lender shall have the right from time to time to protect, exercise and enforce any legal or equitable remedy against Grantor provided under the Loan Documents or by applicable laws.

7.3 Remedies Cumulative. All remedies provided in this Deed of Trust, in the Note and in the other Loan Documents are cumulative and may, at the election of Lender, be exercised alternatively, successively, or in any manner and are in addition to any other rights provided by law.

7.4 Suits to Protect the Property. Lender and Trustee shall have power (a) to institute and maintain such suits and proceedings as they may deem expedient to prevent any impairment of the Property or the Collateral by any acts which may be unlawful or any violation of this Deed of Trust, (b) to preserve or protect their interest in the Property and the Collateral, and (c) to restrain the enforcement of or compliance with any legislation or other Governmental Requirement, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with, such Governmental Requirement, rule or order would impair the security hereunder or be prejudicial to the interest of Lender.

ARTICLE VIII Waivers

8.1 Waiver of Certain Rights. To the full extent permitted by applicable law, Grantor agrees that Grantor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, extension or redemption, homestead, moratorium, reinstatement, marshaling or forbearance, and Grantor, for Grantor, Grantor's heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming any interest in the Property, to the extent permitted by applicable law, hereby waives and releases all rights of redemption, valuation, appraisal, stay of execution, notice of intention to mature or declare due the whole of the secured indebtedness, and all rights to a marshaling of assets of Grantor, including the Property, or to a sale in inverse order of alienation in the event of foreclosure of the liens and/or security interests hereby created. Grantor shall not have or assert any right under any statute or rule of law pertaining to the marshaling of assets, sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents, or other matters whatsoever to defeat, reduce or affect the right of Lender under the terms of this Deed of Trust to a sale of the Property for the collection of the secured indebtedness without any prior or different resort for collection, or the right of Lender under the terms of this Deed of Trust to the payment of the secured indebtedness out of the proceeds of sale of the Property in preference to every other claimant whatsoever except for the Senior Debt. Grantor waives any right or remedy which Grantor may have or be able to assert pursuant to any provision of Nevada law, including, but not limited to, the rights or remedies pertaining to the rights and remedies of sureties. If any law referred to in this Section 8.1 and now in force, of which Grantor or Grantor's heirs, devisees, representatives, successors or assigns or any other persons claiming any interest in the Property might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section 8.1.

8.2 Waivers and Agreements Regarding Remedies. To the fullest extent permitted by applicable law, Grantor hereby waives any right to bring or utilize any defense, counterclaim or setoff, other than one which denies the existence or sufficiency of the facts upon which any foreclosure action is grounded. If any defense, counterclaim or setoff, other than one permitted by the preceding clause, is timely raised in a foreclosure action, such defense, counterclaim or setoff shall be dismissed. If such defense, counterclaim or setoff is based on a claim which could be tried in an action for money damages, such claim may be brought in a separate action which shall not thereafter be consolidated with the foreclosure action. The bringing of such separate action for money damages shall not be deemed to afford any grounds for staying the foreclosure action.

ARTICLE IX Environmental Warranties, Representations, Covenants and Indemnification Provisions

9.1 Definitions. As used in this Article IX, the following definitions shall apply:

(a) Environmental Activity. The existence, use, storage, Release, threatened Release, generation, processing, abatement, removal, or disposal of any Hazardous Substance on, to, or from the Property or the handling, transportation, treatment, or disposal of any Hazardous Substance arranged by or on behalf of any Indemnitor.

(b) Environmental Claims. Any and all governmental and third-party actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigations, proceedings, consent orders, or consent agreements relating in any way to the presence or Use of any Hazardous Substance on the Property or the Release or threatened Release of any Hazardous Substance to or from the Property or the violation of any Environmental Requirement or any Environmental Permit applicable to the Property or which otherwise relate to any Environmental Activity, including, without limitation, (i) those of or brought by any Governmental Authority for enforcement, cleanup, removal, response, remedial, or other actions or damages pursuant to any applicable Environmental Requirement, and (ii) those of or brought by any third party seeking damages, contribution, indemnification, cost recovery, compensation, or injunctive relief arising in connection with any Environmental Requirement, any Hazardous Substance or from any alleged injury or threat of injury to property, human health, or the environment resulting or allegedly resulting from any Environmental Activity.

(c) Environmental Damages. All claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability), encumbrances, liens, costs, and expenses imposed upon, incurred by, or imposed any party in connection with or arising from (i) any Environmental Activity, (ii) any Environmental Claim, (iii) all costs and expenses of investigation and defense of any Environmental Claim, whether or not such Environmental Claim is ultimately defeated, or (iv) any good faith settlement or agreed judgment, including, without limitation, reasonable attorneys' fees, disbursements, and consultants' fees incurred as a result of an Environmental Claim or a violation of any Environmental Requirement pertaining to any Indemnitor or the Property (regardless of whether the existence or alleged existence of such Hazardous Substance or the violation or alleged violation of such Environmental Requirement arose prior to any Indemnitor's Use of such Property). "Environmental Damages" shall also include, without limitation, (A) damages for personal injury or injury to property or natural resources occurring upon or off of the Property, (B) fees incurred for the services of attorneys, consultants, contractors, experts, and laboratories, and all other costs incurred in connection with the investigation of the presence or alleged presence of Hazardous Substances on, about, or under the Property, the removal or remediation of any Hazardous Substances, or the violation or alleged violation of any Environmental Requirements, including, without limitation, costs and expenses for the preparation of any feasibility studies or reports or the performance of any cleanup, remediation, removal, response, abatement, containment, closure, restoration, or monitoring work required by any Governmental Authority or necessary in defense of any Environmental Claim, (C) reasonable attorneys' fees, costs, and expenses incurred in enforcing this Article IX or collecting any sums due hereunder, (D) liability to any third person or Governmental Authority to indemnify such person or entity for costs expended in connection with the items referenced above, and (E) diminution in the value of the Property.

(d) Environmental Laws. All federal, state or local laws, statutes, rules, regulations, ordinances, permits, licenses and determinations of any Governmental Authority having jurisdiction over any Indemnitor, the Property, or any user or occupant of the Property, and relating to health, industrial hygiene and/or the environment, now existing or hereafter in effect, including, without limitation, the Comprehensive

Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601, et seq.) (“CERCLA”), the Solid Waste Disposal Act, as amended (42 U.S.C. § 6901, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. § 1801, et seq.), the Clean Air Act, as amended (42 U.S.C. § 7401, et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. § 1251, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. § 2601, et seq.), the Safe Drinking Water Act, as amended (42 U.S.C. § 300f, et seq.), the Atomic Energy Act, as amended (42 U.S.C. § 2014, et seq.), the Federal Insecticide, Fungicide and Rodenticide Act, as amended (7 U.S.C. § 136, et seq.), the Oil Pollution Act of 1990, as amended (33 U.S.C. § 2701, et seq.), the Emergency Planning and Community Right-to-Know Act of 1986, as amended (42 U.S.C. § 11001, et seq.), the Occupational Safety and Health Act, as amended (29 U.S.C. § 651, et seq.), and the Endangered Species Act, and any corresponding state laws, statutes, regulations or ordinances.

(e) Environmental Permits. All permits, approvals, identification numbers, licenses, and other authorizations required under any applicable Environmental Requirement.

(f) Environmental Requirements. All Environmental Laws and all rules, regulations, guidelines, standards, orders, decrees, permits, licenses, concessions, and franchises promulgated pursuant thereto, and/or other restrictions or requirements of any Governmental Authority relating to health, industrial hygiene and/or the environment, and all applicable judicial, regulatory, or administrative decisions, decrees, judgments, or orders thereunder, as may be amended from time to time.

(g) Governmental Authority. Any governmental authority (federal, state, county, district, municipal, city or otherwise), including, without limitation, the United States of America, any state of the United States of America, and any subdivision of any of the foregoing, and any agency, department, commission, board, office, authority, instrumentality, bureau, or court now or hereafter in effect, having jurisdiction over the Property, or over any Indemnitor or any occupant or user of the Property, or any of their respective businesses, operations, assets, or properties.

(h) Hazardous Substance. Any substance, product, material, element, compound, chemical or waste, whether solid, liquid or gaseous (i) the presence or Release of which requires reporting, investigation, or remediation under any Environmental Requirement, (ii) which is defined, listed, classified or regulated as a “hazardous waste,” “hazardous substance,” “extremely hazardous waste,” “restricted hazardous waste,” “hazardous material,” “toxic substance,” “regulated substance,” or other similar or related term under or in any Environmental Requirement, (iii) which is toxic, radioactive, or otherwise classified as hazardous or toxic and is or becomes regulated by any Governmental Authority as a threat to human health or the environment, (iv) the presence of which on or about the Property causes or threatens to cause a nuisance upon the Property or to adjacent property, (v) the presence of which on adjacent properties could constitute a trespass by any Indemnitor, (vi) which is asbestos, (vii) which is polychlorinated biphenyls, (viii) which contains petroleum or any petroleum-derived product,

(ix) underground storage tanks, whether empty, filled or partially filled with any substance, or (x) any radioactive materials, urea formaldehyde foam insulation, or radon.

(i) Indemnitees. Lender, any assignee of Lender with respect to all or any portion of the Loan, and all of their respective subsidiaries, affiliates, shareholders, partners, members, directors, officers, agents, attorneys, and employees, and their respective successors and assigns, and "Indemnitee" means any one of the Indemnitees.

(j) Indemnitors. Grantor and its successors and assigns.

(k) Release. Any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, seeping, migrating, dumping, or disposing into the environment (including the abandonment or discarding of barrels, containers, drums, tanks or other closed receptacles containing any Hazardous Substance).

(l) Use. Use, ownership, development, construction, maintenance, management, operation, or occupancy (of the Property).

9.2 INDEMNIFICATION. GRANTOR HEREBY ASSUMES LIABILITY FOR, AND HEREBY AGREES TO AND SHALL INDEMNIFY, DEFEND (AT TRIAL AND APPELLATE LEVELS, ADMINISTRATIVE PROCEEDINGS AND ARBITRATIONS, WITH ATTORNEYS, CONSULTANTS AND EXPERTS ACCEPTABLE TO LENDER), SAVE, AND HOLD HARMLESS EACH INDEMNITEE FROM AND AGAINST ANY AND ALL ENVIRONMENTAL DAMAGES AND ENVIRONMENTAL CLAIMS IMPOSED UPON, ASSERTED OR AWARDED AGAINST OR INCURRED BY THE PROPERTY OR ANY INDEMNITEE, UNLESS, AND TO THE EXTENT, SUCH ENVIRONMENTAL DAMAGES OR ENVIRONMENTAL CLAIMS ARE FINALLY DETERMINED TO HAVE ARISEN SOLELY AND DIRECTLY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF INDEMNITEES. THIS OBLIGATION SHALL INCLUDE ANY CLAIMS RESULTING FROM THE NEGLIGENCE OR ALLEGED NEGLIGENCE OF ANY INDEMNITEE. THIS OBLIGATION SHALL INCLUDE, WITHOUT LIMITATION, (I) THE BURDEN OF DEFENDING ALL CLAIMS, SUITS, AND ADMINISTRATIVE PROCEEDINGS (WITH COUNSEL REASONABLY APPROVED BY INDEMNITEES), EVEN IF SUCH CLAIMS, SUITS, OR PROCEEDINGS ARE GROUNDLESS, FALSE, FRAUDULENT, OR FRIVOLOUS, AND CONDUCTING ALL NEGOTIATIONS OF ANY DESCRIPTION, (II) PAYING AND DISCHARGING, WHEN AND AS THE SAME SHALL BECOME DUE, ANY AND ALL JUDGMENTS, PENALTIES, OR OTHER SUMS DUE AGAINST ANY INDEMNITEE, (III) PAYING AND DISCHARGING, WHEN AND AS THE SAME SHALL BECOME DUE, ALL COSTS OF REMOVAL AND/OR REMEDIATION OF ANY KIND, AND PROMPTLY DISPOSING OF SUCH HAZARDOUS SUBSTANCES (WHETHER OR NOT SUCH HAZARDOUS SUBSTANCE MAY BE LEGALLY ALLOWED TO REMAIN UPON, ABOUT, OR BENEATH THE PROPERTY IF REMOVAL OR REMEDIATION IS, IN LENDER'S DISCRETION, PRUDENT), (IV) PAYING AND DISCHARGING, WHEN AND AS THE SAME SHALL BECOME DUE, ALL COSTS OF DETERMINING WHETHER THE PROPERTY IS IN COMPLIANCE, AND PROMPTLY CAUSING THE PROPERTY TO BE IN COMPLIANCE, WITH ALL APPLICABLE ENVIRONMENTAL

REQUIREMENTS, (V) PAYING AND DISCHARGING, WHEN AND AS THE SAME SHALL BECOME DUE, ALL COSTS ASSOCIATED WITH CLAIMS FOR DAMAGES TO PERSONS, PROPERTY, OR NATURAL RESOURCES, AND (VI) PAYING AND DISCHARGING, WHEN AND AS THE SAME SHALL BECOME DUE, INDEMNITEES' REASONABLE ATTORNEYS' FEES, CONSULTANTS' FEES, AND COURT COSTS. ANY INDEMNITEE, AT ITS EXPENSE (OR AT GRANTOR'S EXPENSE IF GRANTOR'S COUNSEL OR INDEMNITEE REASONABLY BELIEVES A CONFLICT EXISTS IN DUAL REPRESENTATION), MAY EMPLOY ADDITIONAL COUNSEL OF ITS CHOICE TO ASSOCIATE WITH COUNSEL EMPLOYED BY GRANTOR; AND, IF AN EVENT OF DEFAULT EXISTS, ANY INDEMNITEE MAY IN GOOD FAITH SETTLE ANY CLAIM (INCLUDING ANY ENVIRONMENTAL CLAIM) AGAINST IT, WHETHER OR NOT SUBJECT TO INDEMNIFICATION HEREUNDER, WITHOUT THE CONSENT OR JOINDER OF GRANTOR OR ANY OTHER PARTY.

9.3 SURVIVAL. THIS ARTICLE IX, INCLUDING THE INDEMNITY CONTAINED HEREIN, SHALL SURVIVE THE RELEASE OF THE LIEN OF THIS DEED OF TRUST OR THE EXTINGUISHMENT OF THE LIEN BY FORECLOSURE OR ACTION IN LIEU THEREOF.

9.4 Rights Under Environmental Requirements and Other Rights. Nothing in this Deed of Trust or in any other Loan Document shall limit or impair any claims, rights or remedies of Lender or any other Indemnitee against Grantor or any other person under any Environmental Requirement or otherwise at law or in equity, including any claims for fraud, misrepresentation, waste or breach of contract other than this Deed of Trust, and any rights of contribution or indemnification. In addition to any other rights or remedies Lender may have under this Deed of Trust or the other Loan Documents, at law or in equity, upon any breach or default by Grantor under this Deed of Trust, Lender may pursue any remedies available to it under Nevada Law. Without limiting any of the remedies provided herein or in the other Loan Documents, Grantor acknowledges and agrees that the provisions of this Article IX are environmental provisions, made by Grantor relating to the real property security, and that Grantor's failure to comply with the terms of this Deed of Trust is a breach of contract such that Lender shall have the remedies provided under Nevada Law for the recovery of damages and for the enforcement thereof. Lender's action for the recovery of damages or enforcement of this Deed of Trust shall not constitute an action within the meaning of any provision of law limiting the right to a deficiency or a deficiency judgment.

ARTICLE X

Assignment of Leases and Rents

10.1 Absolute Assignment. In order to provide a source of future payment of the secured indebtedness, Grantor hereby absolutely and unconditionally grants, transfers, conveys, sells, sets over and assigns to Lender all of Grantor's right, title and interest now existing and hereafter arising in and to the leases, subleases, concessions, licenses, franchises, occupancy agreements, tenancies, subtenancies and other agreements, either oral or written, now existing and hereafter arising which affect the units constituting the Front Sight Resort and Vacation Club, together with any and all security deposits, guaranties of the lessees' or tenants' obligations (including any and all security therefor), and other security under any such leases, subleases, concessions, licenses,

franchises, occupancy agreements, tenancies, subtenancies and other agreements, and all supporting obligations, letters of credit (whether tangible or electronic) and letter of credit rights guaranteeing or supporting any of the foregoing (all of the foregoing, and any and all extensions, modifications and renewals thereof, shall be referred to, collectively, as (the "Leases"), and hereby gives to and confers upon Lender the right to collect all the income, rents, issues, profits, royalties and proceeds from the Leases and any business conducted at the Front Sight Resort and Vacation Club Units (but specifically excluding any income, rents, issues, profits, royalties and proceeds from any Leases and any other business conducted by or on behalf of FSFTI) and any and all prepaid rent and security deposits thereunder (collectively, the "Rents"). The term "Rents" includes, but is not limited to, all minimum rents, additional rents, percentage rents, deficiency rents, common area maintenance charges, lease termination payments, refunds of any type, prepayment of rents, settlements of litigation, settlements of past due rents, and liquidated damages following default, and all proceeds payable under any policy of insurance covering loss of rents, together with any and all rights and claims of any kind that Grantor may have against any tenant under the Leases or any other occupant of the units constituting the Front Sight Resort and Vacation Club. This Deed of Trust is intended by Lender and Grantor to create and shall be construed to create an absolute unconditional and presently effective assignment to Lender of all of Grantor's right, title and interest in and to the Leases and the Rents and shall not be deemed merely to create a security interest therein for the payment of any indebtedness or the performance of any obligations under the Loan Documents. Grantor irrevocably appoints Lender its true and lawful attorney at the option of Lender at any time to demand, receive and enforce payment, to give receipts, releases and satisfactions and to sue, either in the name of Grantor or in the name of Lender, for all such Rents and apply the same to the secured indebtedness.

10.2 Revocable License to Collect. Notwithstanding the foregoing assignment of Rents, so long as no Event of Default remains uncured, Grantor shall have a revocable license, to collect all Rents, and to retain any portion thereof not required to pay the expenses of the Property or the obligations secured thereby. Upon any Event of Default, Grantor's license to collect and retain Rents shall terminate automatically and without the necessity for any notice.

10.3 Collection and Application of Rents by Lender. While any Event of Default remains uncured, (a) Lender may at any time, without notice, in person, by agent or by court-appointed receiver, and without regard to the adequacy of any security for the secured indebtedness, enter upon any portion of the Property and/or, with or without taking possession thereof, in its own name sue for or otherwise collect Rents (including past due amounts); and (b) without demand by Lender, Grantor shall promptly deliver to Lender all prepaid rents, deposits relating to Leases or Rents, and all other Rents then held by or thereafter collected by Grantor whether prior to or during the continuance of any Event of Default. Any Rents collected by or delivered to Lender may be applied by Lender against the secured indebtedness, less all Expenses, including reasonable attorneys' fees and disbursements, in such order as Lender shall determine in its sole and absolute discretion. No application of Rents against any secured indebtedness or other action taken by Lender under this Article X shall be deemed or construed to cure or waive any Event of Default, or to invalidate any other action taken in response to such Event of Default, or to make Lender a mortgagee-in-possession of the Property. In no event shall the assignment of Rents or Leases cause the secured indebtedness to be reduced by an amount greater than the Rents actually received by Lender and applied by Lender to the secured indebtedness, whether before, during or after (1) an Event of Default or (2) a suspension or revocation of the license granted to Grantor in this

Article X with regard to the Rents. Grantor and Lender specifically intend that the assignment of Rents and Leases contained in this Deed of Trust is not intended to result in a pro tanto reduction of the secured indebtedness, nor is it intended to constitute a payment of, or with respect to, the secured indebtedness, and, therefore, Grantor and Lender specifically intend that the secured indebtedness shall not be reduced by the value of the Rents and Leases assigned hereby. Such reduction shall occur only if, and to the extent that, Lender actually receives Rents and applies such Rents to the secured indebtedness. Grantor agrees that the value of the license granted with regard to the Rents equals the value of the absolute assignment of Rents to Lender.

10.4 Direction to Tenants. Grantor hereby irrevocably authorizes and directs the tenants under all Leases to pay all amounts owing to Grantor thereunder to Lender following receipt of any written notice from Lender that states that an Event of Default remains uncured and that all such amounts are to be paid to Lender. Grantor further authorizes and directs all such tenants to pay all such amounts to Lender without any right or obligation to inquire as to the validity of Lender's notice and regardless of the fact that Grantor has notified any such tenants that Lender's notice is invalid or has directed any such tenants not to pay such amounts to Lender.

10.5 Termination. The assignment contained in this Article X will terminate upon the full reconveyance of this Deed of Trust.

ARTICLE XI General Conditions

11.1 Concerning the Trustee.

(a) Trustee. Trustee shall be deemed to have accepted the terms of this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee shall not be obligated to notify any party to this Deed of Trust of any pending sale under any other deed of trust or of any action or proceeding in which Grantor, Lender, or Trustee is a party, unless such sale relates to or reasonably might affect the Property, this Deed of Trust, Lender's security for the payment and performance of the secured indebtedness, or the rights or powers of Lender or Trustee under the Loan Documents, or unless such action or proceeding has been instituted by Trustee against the Property, Grantor, or Lender.

(b) Power of Trustee to Reconvey or Consent. At any time, without liability and without notice to Grantor, on Lender's written request and presentation of the Note and this Deed of Trust to Trustee for endorsement, and without altering or affecting (i) the personal liability of Grantor or any other person for the payment of the secured indebtedness, or (ii) the lien of this Deed of Trust on the remainder of the Property as security for the repayment of the full amount of the secured indebtedness then or later secured by this Deed of Trust, (iii) or any right or power of Lender or Trustee with respect to the remainder of the Property, Trustee may (1) reconvey or release any part of the Property from the lien of this Deed of Trust; (2) approve the preparation or filing of any map or plat of the Property; (3) join in the granting of any easement burdening the Property; or (4) enter into any extension or subordination agreement affecting the Property or the lien of this Deed of Trust.

(c) Substitution of Trustee. Lender, at Lender's option, may from time to time, by written instrument, substitute a successor or successors to any Trustee named in or acting under this Deed of Trust, which instrument, when executed and acknowledged by Lender and recorded in the office of the Recorder of the county or counties in which the Property is located, shall constitute conclusive proof of the proper substitution of such successor Trustee or Trustees. The successor Trustee or Trustees shall, without conveyance from the predecessor Trustee, succeed to all right, title, estate, powers, and duties of such predecessor Trustee, including, without limitation, the power to reconvey the Property. To be effective, the instrument must contain the names of the original Grantor, Trustee, and Lender under this Deed of Trust, the book and page or instrument or document number at which, and the county in which, this Deed of Trust is recorded, and the name and address of the substitute Trustee. If any notice of default has been recorded under this Deed of Trust, this power of substitution cannot be exercised until all costs, fees, and expenses of the then acting Trustee have been paid. On such payment, the then acting Trustee shall endorse receipt of the payment on the instrument of substitution. The procedure provided in this paragraph for substitution of Trustees is not exclusive of other provisions for substitution provided by applicable law.

(d) No Representation by Trustee or Lender. By accepting or approving anything required to be observed, performed, or fulfilled or to be given to Trustee or Lender pursuant to the Loan Documents, including without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, neither Trustee nor Lender shall be deemed to have warranted, consented to, or affirmed the sufficiency, legality, effectiveness, or legal effect of the same, or of any term, provision, or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty or affirmation with respect thereto by Trustee or Lender.

(e) No Liability of Trustee. Trustee shall not be liable for any error of judgment or act done by Trustee in good faith, or be otherwise responsible or accountable under any circumstances whatsoever (including Trustee's negligence), except for Trustee's gross negligence or willful misconduct. Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by Trustee hereunder, believed by Trustee in good faith to be genuine. All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by law), and Trustee shall be under no liability for interest on any moneys received by Trustee hereunder. Grantor hereby ratifies and confirms any and all acts which the herein named Trustee or its successor or successors, substitute or substitutes, in this trust, shall do lawfully by virtue hereof. **Grantor will reimburse Trustee for, and indemnify and save Trustee harmless against, any and all liability and expenses which may be incurred by Trustee (including as a result of Trustee's negligence) in the performance of its duties.** The foregoing indemnity shall not terminate upon discharge of the secured indebtedness or foreclosure, or release or other termination, of this Deed of Trust.

11.2 Number and Gender. Words in the singular used herein shall be deemed to include the plural and words in the plural shall be deemed to include the singular, unless in each instance the context requires otherwise; and words of any gender shall be deemed to include the masculine, feminine and neuter.

11.3 Notices. All notices or other communications required or permitted to be given pursuant to this Deed of Trust shall be in writing and shall be considered as properly given (a) if mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested; (b) by delivering same in person to the intended addressee; (c) by delivery to a reputable independent third party commercial delivery service for same day or next day delivery and providing for evidence of receipt at the office of the intended addressee; or (d) by facsimile to the addressee with evidence of receipt at the addressee's facsimile number, if any. Notice so mailed shall be effective three (3) days after its deposit with the United States Postal Service or any successor thereto; notice given by personal delivery shall be effective only if and when received by the addressee; notice sent by such a commercial delivery service shall be effective upon delivery to the recipient (if sent for same day delivery) or the first business day following delivery to such commercial delivery service (if for next day delivery); and notice given by other means shall be effective only if and when received at the office or designated place or machine of the intended addressee. For purposes of notice, the addresses of the parties shall be as set forth herein; provided, however, that either party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of ten (10) days' prior written notice to the other party in the manner set forth herein.

Grantor hereby requests that a copy of any notice of default and any notice of sale hereunder be mailed to Grantor at the address set forth on the first page of this Deed of Trust. That address is also the mailing address of Grantor as debtor under the UCC. Lender's address given on the first page of this Deed of Trust is the address for Lender as secured party under the UCC.

11.4 Invalidation of Provisions. Invalidation of any one or more of the provisions of this Deed of Trust shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

11.5 Headings. The captions and headings herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of this Deed of Trust or the intent of any provision hereof.

11.6 GOVERNING LAW AND VENUE. THIS DEED OF TRUST SHALL BE GOVERNED BY, AND CONSTRUED, APPLIED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEVADA AND APPLICABLE LAWS OF THE UNITED STATES OF AMERICA, WITHOUT REGARD TO CONFLICTS OF LAW. GRANTOR AGREES THAT THIS DEED OF TRUST IS PERFORMABLE IN NYE COUNTY, NEVADA. GRANTOR STIPULATES THAT CLARK COUNTY, NEVADA, IS PROPER VENUE FOR ANY ACTION OR PROCEEDING INVOLVING THIS AGREEMENT, TO THE EXCLUSION OF ALL OTHER VENUES. GRANTOR WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED UNDER THIS DEED OF TRUST, AND

CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT.

11.7 No Third-Party Beneficiary. Grantor and Lender acknowledge that this Deed of Trust is made solely for the benefit of the parties hereto and their respective successors and assigns, and no third party should or may assume that any third-party beneficiary rights are extended or created hereby.

11.8 Successors and Assigns. The terms, provisions, covenants and conditions hereof shall be binding upon Grantor, and the heirs, devisees, representatives, successors and assigns of Grantor (and all references in this Deed of Trust to Grantor shall be deemed to include all such heirs, devisees, representatives, successors and assigns of Grantor), and shall inure to the benefit of Trustee and Lender and shall constitute covenants running with the Land. Lender may, from time to time and without notice to Grantor, assign, participate or otherwise transfer all or any portion of the Loan secured hereby, the Note, this Deed of Trust (and the lien created hereby) and the other Loan Documents (and Lender's rights and interests thereunder), in whole or in part, and the term "Lender" shall include Lender's successors and assigns and any subsequent holder(s) of the Note secured hereby or any assignee or transferee thereof whether by operation of law or otherwise.

11.9 No Usury Intended. Grantor and Lender intend to comply strictly with applicable usury laws. All agreements between Grantor and Lender, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of the disbursement of the principal amount of the Loan, demand, prepayment or acceleration of the maturity of the Note or otherwise, shall the interest contracted for, charged, received, paid or agreed to be paid to Lender (including any other compensation, however denominated, held or deemed to be interest) exceed the maximum amount of interest permitted under applicable federal and Nevada law that may be contracted for, charged, received, paid or agreed to be paid to Lender (including any compensation, however denominated, held or deemed to be interest) (the "Maximum Lawful Rate"). If, from any circumstance whatsoever, interest (and any compensation, however denominated, held or deemed to be interest) would otherwise be payable to Lender in excess of the Maximum Lawful Rate, the interest and any such other compensation payable or paid to Lender shall be reduced to the Maximum Lawful Rate; and if from any circumstance Lender shall ever receive interest or anything of value deemed interest by applicable law in excess of the Maximum Lawful Rate, an amount equal to any such excessive interest shall be applied to the reduction of the principal of the Note and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance of the Note, such excess shall be refunded to Grantor. All interest (including any other compensation, however denominated, held or deemed to be interest) paid or agreed to be paid to Lender shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread in equal parts through the full stated term of the Note, including renewals or forbearance periods, so that the rate or amount of interest on the Note shall not exceed the Maximum Lawful Rate; and in the event the Note is paid in full by Grantor prior to the end of the full stated term of the Note and the interest (including any other compensation, however denominated, held or deemed to be interest) received for the actual period of the existence of the Note exceeds the Maximum Lawful Rate, Lender shall refund to Grantor the amount of the excess or shall credit the amount of the excess against amounts owing under the Note. Grantor hereby agrees that as a condition precedent to any claim seeking usury penalties against Lender,

Grantor will provide written notice to Lender, advising Lender in reasonable detail of the nature and amount of the violation, and Lender shall have sixty (60) days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to Grantor or crediting such excess interest against the Note and/or any other indebtedness then owing by Grantor to Lender.

11.10 WAIVER OF JURY TRIAL. AS A SPECIFICALLY BARGAINED INDUCEMENT FOR LENDER TO MAKE THE LOAN TO GRANTOR, TO THE FULLEST EXTENT NOW OR HEREAFTER PERMITTED BY LAW, GRANTOR AND LENDER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY GRANTOR OR LENDER AGAINST THE OTHER TO ENFORCE THIS DEED OF TRUST, TO COLLECT DAMAGES FOR THE BREACH OF THIS DEED OF TRUST, OR WHICH IN ANY OTHER WAY ARISE OUT OF, ARE CONNECTED TO OR ARE RELATED TO THIS DEED OF TRUST. ANY SUCH ACTION SHALL BE TRIED BY THE JUDGE WITHOUT A JURY.

11.11 ENTIRE AGREEMENT. THE NOTE, THIS DEED OF TRUST AND THE OTHER LOAN DOCUMENTS CONTAIN THE FINAL, ENTIRE AGREEMENT BETWEEN THE PARTIES HERETO RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND ALL PRIOR AGREEMENTS, WHETHER WRITTEN OR ORAL, RELATIVE HERETO AND THERETO WHICH ARE NOT CONTAINED HEREIN OR THEREIN ARE SUPERSEDED AND TERMINATED HEREBY. THE NOTE, THIS DEED OF TRUST AND THE LOAN DOCUMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. EXCEPT AS INCORPORATED IN WRITING INTO THE LOAN DOCUMENTS, THERE ARE NO REPRESENTATIONS, UNDERSTANDINGS, STIPULATIONS, AGREEMENTS OR PROMISES, ORAL OR WRITTEN, WITH RESPECT TO THE MATTERS ADDRESSED IN THE LOAN DOCUMENTS.

11.12 No Waiver by Lender or Trustee. No course of dealing or conduct by or among Lender, Trustee and Grantor shall be effective to amend, modify or change any provisions of this Deed of Trust or the other Loan Documents. No failure or delay by Lender or Trustee to insist upon the strict performance of any term, covenant or agreement of this Deed of Trust or of any of the other Loan Documents, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, covenant or agreement or of any such breach, or preclude Lender or Trustee from exercising any such right, power or remedy at any later time or times. By accepting payment after the due date of any of the secured indebtedness, neither Lender nor Trustee shall be deemed to waive the right either to require prompt payment when due of all other secured indebtedness, or to declare an Event of Default for failure to make prompt payment of any such other secured indebtedness. Neither Grantor nor any other person now or hereafter obligated for the payment of the whole or any part of the secured indebtedness shall be relieved of such liability by reason of (a) the failure of Lender to comply with any request of Grantor or of any other Person to take action to foreclose this Deed of Trust or otherwise enforce any of the provisions of this Deed of Trust, or (b) any agreement or stipulation between any subsequent owner or owners of the Property and Lender, or (c) Lender's extending the time of payment or modifying the terms of this Deed of Trust or any of the other Loan Documents without first having obtained the consent of Grantor or such other Person. Regardless of consideration,

and without the necessity for any notice to or consent by the holder of any subordinate Lien on the Property, Lender may release any Person at any time liable for any of the secured indebtedness or any part of the security for the Obligations and may extend the time of payment or otherwise modify the terms of this Deed of Trust or any of the other Loan Documents without in any way impairing or affecting the lien of this Deed of Trust or the priority of this Deed of Trust over any subordinate lien. The holder of any subordinate Lien shall have no right to terminate any Lease regardless of whether or not such Lease is subordinate to this Deed of Trust. Lender may resort to the security or collateral described in this Deed of Trust or any of the other Loan Documents in such order and manner as Lender may elect in its sole discretion.

11.13 Attorneys' Fees; Expenses. Grantor shall reimburse Lender for all attorneys' fees and expenses, and all other costs and expenses, arising from and after the date hereof, incurred by Lender in connection with the enforcement of Lender's rights under this Agreement and each of the other Loan Documents, including, without limitation, attorneys' fees and expenses and other costs and expenses for trial, appellate proceedings, out-of-court negotiations, workouts and settlements, and for enforcement of rights under any state or federal statute, including, without limitation, attorneys' fees, costs and expenses incurred in bankruptcy and insolvency proceedings such as (but not limited to) in connection with seeking relief from stay in a bankruptcy proceeding. The term "expenses," as used in the preceding sentence, includes any expenses incurred by Lender in connection with any of the out-of-court, state, federal or bankruptcy proceedings referenced above, including but not limited to the fees and expenses of any appraisers, consultants and expert witnesses retained or consulted by Lender in connection with any of those proceedings. Lender shall also be entitled to its attorneys' fees, costs and expenses incurred in any post-judgment proceedings to collect and enforce the judgment. Grantor will upon demand pay to Lender the amount of any and all expenses, including the fees and expenses of its counsel and of any experts and agents, which Lender may incur in connection with (a) the administration of this Agreement, (b) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Property, (c) the exercise or enforcement of any of the rights of Lender hereunder, and/or (d) the failure by Grantor to perform or observe any of the provisions hereof. This provision is separate and severable and shall survive the merger of this Agreement into any judgment on this Agreement.

11.14 INDEMNIFICATION. GRANTOR HEREBY ACKNOWLEDGES AND AGREES THAT THIS DEED OF TRUST CONTAINS CERTAIN INDEMNIFICATION PROVISIONS, INCLUDING, BUT NOT LIMITED TO, SECTIONS 4.19, 9.2 and 11.1 HEREOF WHICH MAY, IN CERTAIN INSTANCES, INCLUDE INDEMNIFICATION BY GRANTOR OR OTHERS AGAINST LENDER'S OR TRUSTEE'S OWN NEGLIGENCE.

11.15 Subrogation. Lender shall be subrogated, for further security, to the lien, although released of record, of any and all encumbrances paid out of the proceeds of the loan evidenced by the Loan Documents.


[SIGNATURE PAGE FOLLOWS]

EXECUTED effective as of the date first above written.

GRANTOR:

FRONT SIGHT MANAGEMENT, LLC
a Nevada limited liability company

By:



Ignatius Piazza, Manager

STATE OF CALIFORNIA)
) SS
COUNTY OF _____)

On _____, before me, _____, Notary Public,
personally appeared Ignatius Piazza, Manager, Front Sight Management, LLC, a Nevada limited
liability company, 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.

(Signature)

[Seal]

****Please See Attach****
 California Acknowledgment
 California Jurat

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California
COUNTY OF San Francisco

On OCT 06, 2016 before me, P. Fakeri,
a Notary Public in and for said County and State,
personally appeared, Ignatius Piazza

X X X, 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.

Signature: [Handwritten Signature]



(Notary Seal)

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1:

A TRACT OF LAND BEING A PORTION OF TRACT 38, OF THE FRACTION TOWNSHIP 22 SOUTH, RANGE 54 EAST, M.D.M. AS SHOWN BY THE INDEPENDENT RE-SURVEY AND SURVEY WITH TRACT SEGREGATION FILED WITH THE BUREAU OF LAND MANAGEMENT ON MAY 10, 1935, ALL SITUATED IN NYE COUNTY, NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH BOUNDARY CORNER OF THE MOST EASTERLY BOUNDARY LINE OF SAID TRACT 38, BEING THE CORNER KNOWN AS "AP11" OF TRACT 38 AS SHOWN BY SAID BUREAU OF LAND MANAGEMENT SURVEY;
THENCE ALONG THE BOUNDARY LINES OF SAID TRACT 38 ON THE FOLLOWING THREE (3) COURSES: 1) SOUTH 89° 55' 56" WEST, 1318.50 FEET;
THENCE 2) NORTH 00° 48' 15" WEST, 1309.00 FEET;
THENCE 3) NORTH 89° 19' 08" WEST, 1310.94 FEET;
THENCE SOUTH 07° 25' 58" WEST, 864.51 FEET; SOUTH 51° 50' 25" EAST, 540.22 FEET;
THENCE SOUTH 85° 06' 44" EAST, 391.56 FEET; SOUTH 44° 07' 13" EAST, 886.99 FEET;
THENCE SOUTH 32° 07' 51" EAST, 909.73 FEET TO A POINT ON THE BOUNDARY LINE OF SAID TRACT 38;
THENCE SOUTH 89° 59' 28" EAST ALONG SAID BOUNDARY LINE OF TRACT 38, 861.95 FEET; THENCE NORTH 00° 48' 57" WEST ALONG SAID BOUNDARY LINE OF TRACT 38, 1308.90 FEET TO THE POINT OF BEGINNING.

MORE COMMONLY KNOW AS: LOT 1 PER RECORD OF SURVEY FOR BOUNDARY LINE ADJUSTMENT MAP, FILE NUMBER 645836, RECORDED DECEMBER 28, 2005.

NOTE: THE ABOVE METES AND BOUNDS DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN DOCUMENT RECORDED DECEMBER 28, 2005 AS INSTRUMENT NO. 645837, OF OFFICIAL RECORDS, NYE COUNTY, NEVADA.

PARCEL 2:

A TRACT OF LAND BEING A PORTION OF TRACT 38, OF THE FRACTION TOWNSHIP 22 SOUTH, RANGE 54 EAST, M.D.M. AS SHOWN BY THE INDEPENDENT RE-SURVEY AND SURVEY WITH TRACT SEGREGATION FILED WITH THE BUREAU OF LAND MANAGEMENT ON MAY 10, 1935, ALL SITUATED IN NYE COUNTY, NEVADA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH BOUNDARY CORNER OF THE MOST EASTERLY BOUNDARY LINE OF SAID TRACT 38, BEING THE CORNER KNOWN AS "AP11" OF TRACT 38 AS SHOWN BY SAID BUREAU OF LAND MANAGEMENT SURVEY;
THENCE ALONG THE BOUNDARY LINES OF SAID TRACT 38 ON THE FOLLOWING THREE (3) COURSES: 1) SOUTH 89° 55' 56" WEST, 1318.50 FEET TO "AP12" OF SAID TRACT 38;
THENCE 2) NORTH 00° 48' 15" WEST, 1309.00 FEET TO "AP13" OF SAID TRACT 38;
THENCE 3) NORTH 89° 19' 08" WEST, 1310.94 FEET TO THE POINT OF BEGINNING OF THE
TRACT OF LAND DESCRIBED HEREIN;
THENCE SOUTH 07° 25' 58" WEST, 864.51 FEET; SOUTH 51° 50' 25" EAST, 540.22 FEET;
THENCE SOUTH 85° 06' 44" EAST, 391.56 FEET; SOUTH 44° 07' 13" EAST, 886.99 FEET;
THENCE SOUTH 32° 07' 51" EAST, 909.73 FEET TO A POINT ON THE BOUNDARY LINE OF SAID TRACT 38;
THENCE ALONG SAID BOUNDARY LINE OF TRACT 38 ON THE FOLLOWING ELEVEN (11)
COURSES: 1) NORTH 89° 59' 28" WEST, 456.95 FEET;
THENCE 2) SOUTH 00° 19' 21" EAST, 2632.07 FEET;
THENCE 3) NORTH 89° 43' 00" WEST, 2650.49 FEET;
THENCE 4) NORTH 00° 00' 22" WEST, 2637.91 FEET;
THENCE 5) NORTH 89° 33' 52" WEST, 2645.16 FEET;
THENCE 6) NORTH 00° 21' 41" EAST, 2638.39 FEET;
THENCE 7) SOUTH 89° 18' 43" EAST, 1308.09 FEET;
THENCE 8) NORTH 01° 14' 10" EAST, 1318.86 FEET;
THENCE 9) SOUTH 88° 49' 59" EAST, 1266.00 FEET;
THENCE 10) SOUTH 00° 32' 57" EAST, 1307.62 FEET;
THENCE 11) SOUTH 89° 19' 08" EAST, 1302.28 FEET TO THE POINT OF BEGINNING.

MORE COMMONLY KNOW AS: LOT 2 PER RECORD OF SURVEY FOR BOUNDARY LINE ADJUSTMENT MAP, FILE NUMBER 645836, RECORDED DECEMBER 28, 2005.

NOTE: THE ABOVE METES AND BOUNDS DESCRIPTION PREVIOUSLY APPEARED IN THAT CERTAIN DOCUMENT RECORDED DECEMBER 28, 2005 AS INSTRUMENT NO. 645838 OF NYE COUNTY, NEVADA.

End of Legal Description

EXHIBIT 2

DOC #886510

Official Records Nye County NV
Deborah Beatty - Recorder
01/12/2018 01:26:10 PM
Requested By: FNTG NCS (LAS VEGAS)
Recorded By: MJ RPTT:\$0
Recording Fee: \$35.00
Non Conformity Fee: \$
Page 1 of 6

APP 045-481-05 and OK
RECORDING REQUESTED BY:)
AFTER RECORDING, RETURN TO:)
ROBERT DZIUBLA
LAS VEGAS DEVELOPMENT FUND, LLC
916 SOUTHWOOD BLVD., SUITE 1G
INCLINE VILLAGE, NV 89450

Space above this line for Recorder's use

FIRST AMENDMENT TO CONSTRUCTION DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING

This Document serves as a Fixture Filing under the Uniform Commercial Code, as amended from time to time, covers goods that are or become fixtures on the land, and is to be filed in the real property records of Nye County, Nevada.

THIS FIRST AMENDMENT TO CONSTRUCTION DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING (this "First Amendment") is made and entered into effective as of July 1, 2017 (the "Effective Date") by FRONT SIGHT MANAGEMENT, LLC, a Nevada limited liability company ("Grantor"), whose address is 1 Front Sight Road, Pahrump, Nevada 89061, to Chicago Title Company ("Trustee") whose address is 725 S. Figueroa Street, Suite 200, Los Angeles, California 90017, for the benefit of Las Vegas Development Fund LLC, a Nevada limited liability company ("Lender"), as beneficiary, whose address is P.O. Box 3003, 916 Southwood Blvd., Suite 1G, Incline Village, Nevada 89450. Lender and Grantor and their respective permitted successors and assigns are sometimes referred to in this First Amendment individually as a "Party" and collectively as the "Parties".

RECITALS

A. Lender and Borrower entered into that certain Construction Loan Agreement dated as of October 4, 2016 (the "Original Loan Agreement"). Pursuant to the Original Loan Agreement, Borrower executed a Promissory Note dated October 6, 2016 (the "Original Note") and a Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated October 6, 2016 and recorded under Document #860867 on October 13, 2016 in the Official Records of Nye County, Nevada (the "Original Deed of Trust"). The Original Loan Agreement was amended by a First Amendment to Loan Agreement effective as of July 1, 2017 (the Original Loan Agreement as modified by such amendment is referred to collectively as the "Loan Agreement") and the Original Note was replaced and superseded by an Amended and Restated Promissory Note effective as of July 1, 2017 (the "Promissory Note"). The Original Deed of Trust as amended by this First Amendment to Deed of Trust is referred to herein as the "Deed of Trust".

TWD

**THIS IS BEING RECORDED AT THE REQUEST OF
CHICAGO TITLE AS AN ACCOMMODATION ONLY
WITH NO LIABILITY.**

**Signed In
Counterpart**

ADA 045-481-05 and c/k
RECORDING REQUESTED BY:)
AFTER RECORDING, RETURN TO:)

ROBERT DZIUBLA
LAS VEGAS DEVELOPMENT FUND, LLC
916 SOUTHWOOD BLVD., SUITE 1G
INCLINE VILLAGE, NV 89450

Space above this line for Recorder's use

FIRST AMENDMENT TO CONSTRUCTION DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING

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TWD

THIS IS BEING RECORDED AT THE REQUEST OF
CHICAGO TITLE AS AN ACCOMMODATION ONLY
WITH NO LIABILITY

**Signed in
Counterpart**

B. The Parties desire to amend the Original Deed of Trust to modify the rights and obligations of the Parties as further set forth below.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing Recitals, which are hereby incorporated into the operative provisions of this First Amendment by this reference, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties amend the Original Deed of Trust as follows:

1. **Defined Terms.** Initially capitalized terms not defined herein shall have the respective meanings assigned to such terms in the Original Deed of Trust.

2. **Amendment and Restatement of Article I of the Original Deed of Trust.** Article 1 of the Original Deed of Trust is hereby amended and restated from and after the Effective Date as follows:

“ARTICLE I The Loan

1. **Loan.** The indebtedness secured by this Deed of Trust is the result of a loan in the original principal amount of up to Fifty Million Dollars \$50,000,000 (the “Loan”) provided by Lender to Grantor. The Loan is evidenced by (a) that certain Construction Loan Agreement dated October 6, 2016, by and between Grantor and Lender, as amended by that certain First Amendment to Loan Agreement (as amended, together with any further extensions, revisions, modifications or amendments thereto, the “Loan Agreement”), dated as of the Effective Date, by and between Grantor and Lender, and (b) that certain Amended and Restated Promissory Note executed dated as of the Effective Date, by Grantor, payable to the order of Lender in the maximum original principal amount of the Loan (together with any extensions, revisions, modifications or amendments hereafter made, the “Note”).”

3. **Agreement Ratified.** Except as specifically amended or modified herein, each and every term, covenant, and condition of the Deed of Trust as amended is hereby ratified and shall remain in full force and effect.

4. **Governing Law.** This instrument shall be interpreted and construed in accordance with the laws of the State of Nevada.

5. **Binding Agreement.** This First Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

6. **Counterparts.** This First Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

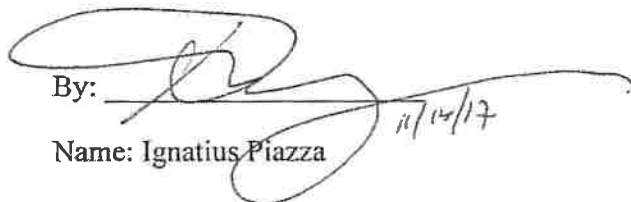
[SIGNATURES APPEAR ON FOLLOWING PAGE]



IN WITNESS WHEREOF, Lender and Borrower have signed this First Amendment as of the First Amendment Effective Date.

BORROWER:

FRONT SIGHT MANAGEMENT, LLC,
A Nevada Limited Liability Company

By: 
Name: Ignatius Piazza *11/14/17*
Title: Manager

LENDER:

LAS VEGAS DEVELOPMENT FUND, LLC,
A Nevada Limited Liability Company

By: 
Name: Robert Dziubka
Title: President & CEO

PLEASE SEE ATTACHED
CALIFORNIA ALL-PURPOSE
ACKNOWLEDGEMENT FORM

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

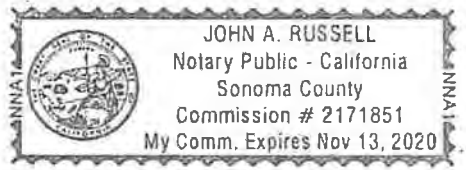
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Sonoma.

On Nov. 14, 2017 before me, John A Russell Notary Public
Date Here Insert Name and Title of the Officer

personally appeared IGNATIUS ANTHONY PIAZZA II
Name(s) of Signer(s)

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.

Signature John A Russell
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: First Amendment To Construction Deed of Trust, Security Agreement and Fixture Filing
Document Date: 11/14/2017 Number of Pages: 3

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____
 Corporate Officer - Title(s): _____ Corporate Officer - Title(s): _____
 Partner - Limited General Partner - Limited General
 Individual Attorney in Fact Individual Attorney in Fact
 Trustee Guardian of Conservator Trustee Guardian of Conservator
 Other: _____ Other: _____
Signer is Representing: _____ Signer is Representing: _____

IN WITNESS WHEREOF, Lender and Borrower have signed this First Amendment as of the First Amendment Effective Date.

BORROWER:

FRONT SIGHT MANAGEMENT, LLC,
A Nevada Limited Liability Company

By: _____

Name: Ignatius Piazza

Title: Manager

LENDER:

LAS VEGAS DEVELOPMENT FUND, LLC,
A Nevada Limited Liability Company

By: _____

Name: Robert Dziubka

Title: President & CEO

SEE ATTACHED

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

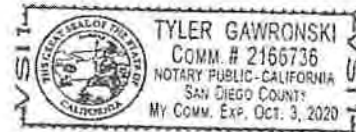
State of California
County of San Diego

On January 6th 2018 before me, Tyler Gawronski notary public
(insert name and title of the officer)

personally appeared Robert W. Dziubla
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.



Signature [Handwritten Signature] (Seal)

EXHIBIT 3

CONSTRUCTION LOAN AGREEMENT

by and between

FRONT SIGHT MANAGEMENT LLC

a Nevada limited liability company
as Borrower

and

LAS VEGAS DEVELOPMENT FUND LLC,

a Nevada limited liability company,
as Lender

Dated: October 6, 2016

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CONSTRUCTION LOAN AGREEMENT

THIS CONSTRUCTION LOAN AGREEMENT (this "Agreement") is made and entered into this Fourth day of October, 2016, by and between FRONT SIGHT MANAGEMENT LLC, a Nevada limited liability company ("Borrower"), and LAS VEGAS DEVELOPMENT FUND, LLC, a Nevada limited liability company ("Lender"), with respect to the following facts:

RECITALS

A. Borrower has requested that the Lender provide the Loan (as hereinafter defined) to Borrower in the principal sum of up to SEVENTY-FIVE MILLION DOLLARS (\$75,000,000) for the purpose of paying off Existing Liens (as hereinafter defined) and financing the construction of the Improvements (as hereinafter defined) in accordance with the Budget (as hereinafter defined).

B. Borrower has secured, or will endeavor to secure, financing for the remaining costs of the Project (as hereinafter defined) as follows: (1) other equity contributions from Borrower in the amount of \$75,000,000, in the aggregate, on the date the Loan is made, which includes the enterprise value of Borrower's primary business operation, Front Sight Firearms Training Institute ("FSFTI"), which enterprise value was determined by Bring & Company, Inc. to be \$50,000,000 on September 21, 2015, (2) Borrower's equity in the land on which the Project will be located, as well as the land and improvements on the adjacent parcel which is the location of the existing FSFTI, which land is currently encumbered, *inter alia*, by a deed of trust with a current outstanding balance of approximately \$4,661,446.07 as of September 10, 2016, and (3) such additional construction financing as may be secured by Borrower at a date subsequent to the date of this Agreement, with the understanding that any and all liens securing such additional construction financing will be superior to the liens securing the Loan evidenced by this Agreement. The land on which the Project will be located has an appraised value of \$25,000,000. The enterprise value of FSFTI and the value of the land and improvements thereon are referred to collectively as the "Borrower's Equity".

C. Based upon (a) the efforts made by Lender to comply with the rules and regulations promulgated under the EB-5 Program (as hereinafter defined) and (b) the materials and submissions developed by Lender, the Loan has been structured for the payment of costs relating to the development of the Project as set forth in the Budget approved by Lender.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

DEFINITIONS

For purposes of this Agreement, the following terms shall have the following respective meanings, unless expressly established otherwise:

“**Accessibility Regulation**” means any federal, state or local law, statute, code, ordinance, rule, regulation or requirement, including, without limitation, under the United States Americans With Disabilities Act of 1990, as amended (the “**ADA**”), relating to accessibility to facilities or properties for disabled, handicapped and/or physically-challenged persons, or other persons covered by the ADA.

“**Advances**” means (i) any portion of the Loan advanced by Lender to or for the benefit of Borrower in accordance with **Article III** of this Agreement; (ii) any advance by Lender to protect the Project or the lien of the Loan Documents, including Protective Advances; and (iii) any other advance by Lender required or permitted under this Agreement.

“**Affiliate**” means any Person, together with any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person (i) owns 25% or more of the voting securities (or other ownership interests) of the controlled Person, or (ii) possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise.

“**Agreement**” means this Construction Loan Agreement, including any amendments and/or supplements hereto executed by and between Borrower and Lender.

“**Anti-Terrorism Laws**” means any laws relating to terrorism or money laundering, including Executive Order No. 13224, the USA Patriot Act, the Laws comprising or implementing the Bank Secrecy Act, and the Law administered by the United States Treasury Department’s Office of Foreign Asset Control (as any of the foregoing Laws may from time to time be amended, renewed, extended, or replaced).

“**Architect’s Agreement**” means that certain agreement to be entered into by and between Borrower and the Project Architect for design of the construction work with respect to the Improvements and other services related to the same.

“**Blocked Person**” has the meaning assigned to it in **Section 4.26(b)**.

“**Borrower**” has the meaning assigned to it in the introductory paragraph hereof.

“**Borrower Equity**” means other equity contributions from the Borrower as described in Recital B above.

“**Borrower Operating Agreement**” means that certain Amended and Restated Operating Agreement dated February 16, 2012.

“**Borrower’s Organizational Documents**” means all formation documents of Borrower, including the LLC-1, including any amendments thereof and supplements thereto.

“**Budget**” means an itemized statement of actual and estimated costs to be incurred by Borrower with respect to the construction of the Improvements, and other non-construction costs relating to the Project and Borrower’s business operations as set forth in **Exhibit A**, attached

hereto and made a part hereof, signed and sworn to by Borrower, as the same may be amended or supplemented from time to time, specifically allocated to be paid with Loan proceeds.

“**Business Day**” means any day other than a Saturday, a Sunday, or a legal holiday on which banks in Las Vegas, Nevada, are not open for business.

“**Closing Date**” means the date that this Agreement is executed, which shall be the date on or about which Lender reasonably anticipates making the initial Advance to the Borrower pursuant to the terms and conditions of this Agreement.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Collateral**” means (a) all of the collateral covered by the Deed of Trust, this Agreement or any other Loan Document, and (b) all accessions to, substitutions for and replacements, products and proceeds of any of the foregoing, including, but not limited to, proceeds of any insurance policies, claims against third parties, and condemnation or requisition payments with respect to all or any of the foregoing.

“**Commencement Date**” means the date following installation of the required infrastructure on the Land and on which construction of the buildings that will constitute the Front Sight Resort and Vacation Club units commences.

“**Commitment**” means an amount not to exceed seventy five million dollars (\$75,000,000). Such Commitment shall be reduced by any principal payments made by or on behalf of Borrower or any principal reductions otherwise required under and pursuant to the Loan Documents.

“**Completion**” means that (i) such portion of the Improvements are substantially completed in accordance with the Plans, as reasonably approved by Lender, paid for in full, free of all mechanics’, labor, materialmen’s and other similar lien claims, and substantial completion has been certified by the Project Architect; (ii) a certificate of substantial completion for such Improvements has been signed by Borrower delivered to Lender; (iii) Lender has received acceptable evidence that all Governmental Requirements and all private restrictions and covenants relating to such Improvements have been complied with or satisfied (if applicable) and that final certificates of occupancy for such Improvements, if applicable, have been issued by all appropriate governmental authorities; and (iv) the requirements in Section 5.7 have been satisfied.

“**Completion Date**” means the date that is no later than thirty-six (36) months from the Commencement Date. The Completion Date shall be subject to extensions for delays resulting from Force Majeure (as defined herein), provided, that Borrower gives written notice to Lender immediately upon becoming aware of the occurrence of any Force Majeure condition and, provided further, that the aggregate period of any and all such Force Majeure delays shall not exceed ninety (90) days.

“**Contractor**” means any person, party or entity which has a contract or subcontract under which payment may be required for any work done, material supplied or services furnished in connection with acquiring, constructing, financing, equipping and/or developing the Project.

“**Control**” means the power to direct or cause the direction of the management and policies of a Restricted Party or any other Person, directly or indirectly, whether through the ownership of voting securities or other beneficial interests, by contract or otherwise.

“**Deed of Trust**” means the Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith, encumbering the Project, executed by Borrower in favor of Lender to secure the Loan, including any amendments, modifications and/or supplements thereto.

“**Default**” means any event which, with the giving of notice to Borrower or the lapse of time, or both, would constitute an Event of Default.

“**Default Rate**” means the lesser of five percent (5%) per annum in excess of the Loan Rate or the maximum lawful rate of interest which may be charged, if any.

“**Draw Request**” means a spreadsheet summary of the Budget, provided by Borrower for an Advance of Loan proceeds under this Agreement in the form of Exhibit B attached hereto, together with a Draw Request Certification. General Contractor shall be signatory to each Draw Request to acknowledge its approval of the terms therein.

“**Draw Request Certification**” means a certification from Borrower to accompany all Advances for Loan proceeds under this Agreement, in the form of Exhibit C attached hereto.

“**EB-5 Information**” means such documents, certificates, and accounting information required to be submitted by Borrower to Lender pursuant to Article V(A), Section 5.10 hereof for purposes of documenting compliance by Borrower with certain aspects of this Agreement and the EB-5 Program.

“**EB-5 Investors**” has the meaning assigned to it in Section 1.7(b).

“**EB-5 Program**” has the meaning assigned to it in Section 1.7(b).

“**Environmental Impact Study**” means the Phase I Environmental Impact Study previously delivered to Lender and prepared by GeoTek, Inc., and dated as of February 2, 2012.

“**Environmental Law**” means all federal, state, regional, county and local statutes, regulations, ordinances, rules, regulations and policies, all court and administrative orders and decrees and arbitration awards, and the common law, which pertain to environmental matters or contamination of any type whatsoever, including, but not limited to, those relating to the presence, manufacture, processing, use, distribution, treatment, storage, disposal, generation or transportation of Hazardous Substances; air, water (including surface water, groundwater, and stormwater) or soil (including subsoil) contamination or pollution; the presence or Release of

Hazardous Substances, protection of wildlife, endangered species, wetlands or natural resources; health and safety of employees and other persons; and notification requirements relating to the foregoing, including, without limitation, the following statutes, and regulations adopted thereunder: the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. § 9601 *et seq.* (“**CERCLA**”); the Solid Waste Disposal Act, as amended by the Resource Conservation Recovery Act and the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. § 6901 *et seq.* (“**RCRA**”); the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 U.S.C. § 1251 *et seq.*; the Clean Air Act, as amended, 42 U.S.C. § 7401 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.* (“**TSCA**”); the Safe Drinking Water Act, 42 U.S.C. §§ 300f through 300j; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 *et seq.*; the Oil Pollution Act of 1990, 33 U.S.C. § 2701 *et seq.*; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 *et seq.*; and the Occupational Safety and Health Act, 19 U.S.C. § 6251 *et seq.*, as each of the foregoing may be amended from time to time.

“**Environmental Liability**” means any claim, demand, obligation, cause of action, allegation, order, violation, damage, injury, judgment, penalty or fine, cost of enforcement, cost of remedial action, diminution in value or any other cost or expense whatsoever, including reasonable attorneys’ fees and disbursements, resulting from the presence or use of Hazardous Substances, the violation or alleged violation of any Environmental Law, or the imposition of any Environmental Lien.

“**Environmental Lien**” means a Security Interest in favor of any third party for: (a) any liability under an Environmental Law; or (b) damages arising from or costs incurred by such third party in response to a Release or threatened Release of any Hazardous Substance or constituent into the environment.

“**Equipment**” means all furniture, fixtures and equipment directly acquired by Borrower with the proceeds of the Loan and located or to be located in or on, and used in connection with, the management, maintenance or operation of, the Land and the Improvements.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as the same may from time to time be amended, and the rules and regulations promulgated thereunder by any governmental agency or authority, as from time to time in effect.

“**ERISA Affiliate**” means any trade or business (whether or not incorporated) which is a member of a group of which Borrower is a member and which is under common control within the meaning of Section 414 of the Code, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“**Escrow Account**” means the account that has been established for the benefit of Lender with the Escrow Agent.

“**Escrow Administrator**” means NES Financial Corp, a California corporation.

“**Escrow Agent**” means Time Escrow, Inc, 3055 Wilshire Boulevard, Suite 1150, Los Angeles, Ca. 90010

“**Escrow Agreement**” means that certain agreement between Escrow Agent and the Lender effective as of July 1, 2016.

“**Estimated Construction Cost Statement**” means an itemized statement of actual and estimated costs of the Project, in the form of Exhibit E attached hereto and hereby made a part hereof, signed by Borrower, General Contractor and the Project Architect, as the same may be amended or supplemented, and consistent with the items enumerated in the Budget.

“**Event of Default**” has the meaning assigned to it in Section 6.1 hereof.

“**Excluded Taxes**” means, in the case of Lender, taxes imposed on its overall net income, and franchise taxes imposed on it, by (a) the United States of America or any subdivision thereof, (b) the jurisdiction under the laws of which Lender is incorporated or organized, (c) the jurisdiction in which the Lender’s principal executive office is located, or (d) any foreign government or subdivision thereof.

“**Extension Fee**” means a non-refundable fee in the amount of one-percent (1%) of the then-existing outstanding principal balance of the Loan as the date of the first day of the Extension Term, payable by Borrower to Lender on or before the first day of the Extension Term. “**Extension Term**” has the meaning assigned to it in Section 1.6.

“**Fees**” means the Extension Fee.

“**First Option Maturity Date**” as set forth in Section 1.6, shall be the date twenty-four (24) months after the Initial Maturity Date.

“**Fiscal Year**” means the period of January 1 of any year through December 31 of such year.

“**Force Majeure**” means any act of God; strikes, shortage or unavailability of labor or materials; lockouts or labor difficulty, explosion; sabotage; accident; riot or civil commotion; act of war; fire or other casualty; adverse weather conditions; governmental delays; legal requirements; and other causes beyond the reasonable control of Borrower.

“**GAAP**” means generally accepted accounting principles consistently applied and maintained throughout the period indicated and consistent with the financial statements delivered to Lender pursuant to Article V. Whenever any accounting term is used herein and is not otherwise defined, it shall be interpreted in accordance with GAAP.

“**General Contract**” means one or more agreements by and between Borrower and General Contractor for the construction of the Project.

“General Contractor” means one or more general contractors duly licensed in the State of Nevada and selected by Borrower, as identified to Lender on or before the Commencement Date.

“Governmental Authority” means any court, board, agency, commission, office or authority of any nature whatsoever or any governmental unit (federal, state, commonwealth, county, district, municipal, city or otherwise) whether now or hereafter in existence.

“Governmental Requirements” means all Laws, statutes, codes, ordinances, and governmental rules, regulations and requirements of a Governmental Authority applicable to Borrower, Lender or the Project, including, without limitation, Environmental Laws, and the requirements of the ADA, and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to Borrower, at any time in force affecting the Project or any part thereof, including any which may (i) require repairs, modifications or alterations in or to the Project or any part thereof, or (ii) in any way limit the use and enjoyment thereof.

“Hazardous Substance(s)” means any substance, chemical, compound, product, solid, gas, liquid, waste, byproduct, pollutant, contaminant, or material which is defined or regulated under any Environmental Law, and includes, without limitation, (a) mold, asbestos, polychlorinated biphenyls, and petroleum (including petroleum products or derivatives, crude oil or any fraction thereof), and (b) any material classified or regulated as “hazardous waste” pursuant to RCRA.

“Holdback” means 25% (\$125,000) of each EB-5 Investor’s subscription, held in the Escrow Account for Lender’s benefit, which will ultimately either be made available for refund to an investor if the Release Condition is not satisfied or, if the Release Condition is satisfied, be made available for an Advance to Borrower.

“Management Agreement” means that certain Club Management Agreement to be entered into by and between Borrower, Front Sight Resort and Vacation Club Members Association, Inc., and Manager

“Manager” means LaTour Hotels and Resorts, Inc., a California corporation, and any successor manager approved by Lender.

“Improvements” means the buildings and improvements, including the existing facilities used by FSFTI in the operation of its business (the “FSFTI Facility”) as well as all structures or improvements to be built on the Land, including, without limitation, the items described in Exhibit F, attached hereto, which is based on the description of the Project in the Executive Summary of the Business Plan, as well as site work, landscaping, parking areas, access drives, offices, and common areas which are to be placed or constructed upon, above or below the Land.

“Indebtedness” means in all cases without duplication, all items of indebtedness or liability of Borrower other than the Obligations, at any time which in accordance with GAAP would be included in determining total liabilities as shown on the liability side of a consolidated balance sheet of Borrower as of the date of determination, including: (a) indebtedness for

borrowed money; (b) obligations under direct or indirect guaranties of indebtedness or obligations of others referred to in clause (a) above; (c) any indebtedness secured by any Security Interest on the property of such entity; and (d) liabilities in respect of unfunded vested benefits under any Plan for which the minimum funding standards of Section 302 of ERISA have not been met.

“Indemnified Parties” has the meaning assigned to it in Section 8.2(b).

“Initial Maturity Date” means the date sixty (60) months after the first disbursement of funds by Lender to Borrower under this Agreement.

“Initial Term” means that period of time commencing on the Closing Date and ending sixty (60) months after the first disbursement of funds by Lender to Borrower under this Agreement.

“Interest Reserve” means a portion of the proceeds of the Loan allocated to pay interest on the Loan through Completion of the Improvements, the initial and continuing amount of which shall be the equivalent of three months’ worth of interest, calculated at the Loan Rate, on the then-outstanding principal balance of the Loan.

“Land” means approximately 550 acres of land located in Nye County, Nevada, more specifically described on Exhibit D, attached hereto and made a part hereof by this reference.

“Late Charge” has the meaning assigned to it in Section 1.2.

“Laws” means all federal, state and local laws, statutes, codes, ordinances, rules and regulations, including judicial opinions and presidential authority in the applicable jurisdiction.

“Lease” means any lease, sublease or sub-sublease, letting, license, concession or other agreement (whether written or oral and whether now or hereafter in effect), pursuant to which any Person is granted a possessory interest in, or right to use or occupy, all or any portion of any space in the Project, and every modification, amendment or other agreement relating to such lease, sublease, sub-sublease or other agreement entered into in connection with such lease, sublease, sub-sublease or other agreement and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto.

“Lender-Approved Appraisal” means that certain appraisal dated as of October 8, 2014, prepared by Hospitality Real Estate Counselors and previously provided to, and accepted and approved by, Lender.

“Liens” means any mortgage, deed of trust, deed to secure debt, lien (statutory or otherwise, but excluding liens for ad valorem taxes that are not delinquent), pledge, hypothecation, easement, restrictive covenant, preference, assignment, security interest, or any other encumbrance, charge or transfer of, or any agreement to enter into or create any of the foregoing, on or affecting all or any portion of the Project or any interest therein, or any direct or indirect interest in Borrower, including any conditional sale or other title retention agreement,

any financing lease having substantially the same economic effect as any of the foregoing, the filing of any financing statement, and mechanic's, materialman's, construction and other similar liens and encumbrances.

“Loan” means collectively, the loan of the proceeds of the Note by Lender to Borrower in Advances to be made pursuant to the terms of this Agreement in the maximum aggregate principal amount not to exceed the Commitment.

“Loan Documents” means all documents now or hereafter entered into which evidence, secure and/or govern the Loan and/or any of the Obligations, including, but not limited to, this Agreement, the Note and the Deed of Trust.

“Loan Rate” means the interest rate applicable to the Loan as calculated at an annual rate of 6% during the Initial Term and, if extended, 7% during the Extension Term.

“Material Adverse Occurrence” means any occurrence of whatsoever nature (including, without limitation, any firm, final and unappealable adverse determination in any litigation, arbitration or governmental investigation or proceeding) which Lender shall reasonably determine could materially adversely affect the then-present or prospective financial condition or operations of Borrower, the value of the Project or any other material Collateral securing repayment of the Loan, or impair the ability of Borrower to perform its obligations as and when required under any of the Loan Documents.

“Material Subcontractor” means any subcontractor providing materials, supplies or labor to the Project under a contract or multiple contracts in the aggregate amount of \$250,000 or more.

“Maturity Date” means the Initial Maturity Date, subject to being extended as set forth in Section 1.6 below.

“Note” means the Promissory Note of even date herewith, executed and delivered by Borrower to the order of Lender, in the original maximum principal amount of the Commitment, including any amendments and/or restatements thereof and supplements thereto executed by Borrower and Lender.

“Obligations” means, collectively: (i) Borrower's obligations for the payment of the Loan, interest and other charges, and all Fees; (ii) the performance of all other obligations of Borrower contained herein; (iii) the payment and performance of each and every obligation of Borrower contained in any other Loan Document; and (iv) the performance of each and every obligation of Borrower contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part hereof, the Note or any other Loan Document.

“Operating Budget” means a detailed listing of all anticipated annual income and expenses from and for managing, maintaining and operating the Project (or any portion thereof) for its first full or partial Fiscal Year and for each succeeding Fiscal Year of operation, prepared by Borrower and in form and substance reasonably acceptable to Lender.

“Operating Expenses” means actual operating expenses of the Project paid in cash by Borrower during such period, other than those operating expenses that are paid from Advances made by Lender to Borrower pursuant to this Agreement.

“Operating Statement” means, for any period, a current, detailed statement of income and expenses from and for managing, maintaining and operating the Project for such period, in form and substance reasonably acceptable to Lender.

“Other Taxes” means any present or future stamp or documentary taxes and any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or under the Note or from the execution or delivery of, or otherwise with respect to, this Agreement or the Note.

“Permitted Encumbrances” mean the Liens, charges and encumbrances on title to the Land listed on Schedule B, I to the Title Commitment on the Closing Date and such other matters of title thereafter approved by Lender in writing. For the avoidance of doubt, any liens, charges and/or encumbrances securing the Senior Debt shall be considered as “Permitted Encumbrances” as and when such liens, charges and/or encumbrances are granted by Borrower in favor of the provider of the Senior Debt.

“Person” means an individual, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization.

“Plan” means each employee benefit plan covered by Title IV of ERISA whether now in existence or hereafter instituted, of Borrower or any ERISA Affiliate.

“Plans” mean the final construction plans for the Improvements, including drawings, specifications, details and manuals, as approved by the applicable Governmental Authority responsible for reviewing and approving construction plans for compliance with applicable Governmental Requirements.

“Project” means the Land, the Improvements and the Equipment.

“Project Architect” means K.C. Camis Architect or such other architect(s) duly licensed in accordance with the laws of Nevada as may be selected by Borrower.

“Protective Advance” means all necessary costs and expenses (including reasonable attorneys’ fees and disbursements) reasonably incurred by Lender in order to remedy an Event of Default under the Loan Documents, which Event of Default, by its nature, may impair any portion of the collateral for the Loan or the value of such collateral, interfere with the enforceability or enforcement of the Loan Documents, or otherwise materially impair the payment of the Loan, and other Obligations (including, without limitation, the costs of unpaid insurance premiums, foreclosure costs, costs of collection, costs incurred in bankruptcy proceedings and other costs incurred in enforcing any of the Loan Documents).

“Regional Center” means EB5 Impact Capital Regional Center, LLC, a Nevada limited liability company.

“**Related Party**” means any one or more of the following: (a) an Affiliate of Borrower, or (b) any of the shareholders, partners, members or other equity holders of Borrower, and any Affiliate thereof.

“**Release**” means, without limitation, (a) any intentional, unintentional, knowing or unknowing presence, spilling, leaking, pumping, pouring, emitting, emptying, discharging, migrating, injecting, escaping, leaching, dumping or disposing any Hazardous Substance at, on or into the indoor or outdoor environment or otherwise in, onto, from or about the air, water (including surface waters and groundwater), soils, subsoils or any other surface or media on-site or off-site, and (b) the abandonment or discarding of barrels, drums, containers, underground tanks, or any other receptacles ever containing any Hazardous Substances.

“**Release Condition**” means approval of an EB-5 Investor’s I-526 Immigrant Petition by the USCIS.

“**Restricted Party**” means Borrower, and any shareholder, partner, member or non-member manager, or any direct or indirect legal or beneficial owner, of Borrower, from time to time.

“**Security Interest**” means any lien, pledge, mortgage, encumbrance, charge or security interest of any kind whatsoever (including, without limitation, the lien or retained security title of a conditional vendor) whether arising under a security instrument or as a matter of law, judicial process or otherwise or the agreement by Borrower, or any Subsidiary of Borrower, to grant any lien, security interest or pledge, mortgage or encumber any asset.

“**Senior Debt**” means the additional loan that will be sought by Borrower, and which Borrower will use its best efforts to obtain, from a traditional financial institution specializing in financing projects such as the Project. Although the Senior Debt would be funded subsequent to this Loan, Lender agrees to subordinate its Deed of Trust to the new Senior Debt, so long as the Borrower is not in default and all of the following conditions are met;

(a) The loan shall be evidenced by a promissory note not in excess of Fifty Million and no/100 United States Dollars (US\$50,000,000.00).

(b) The loan proceeds shall be disbursed in payment, or in reimbursement for payment, of the construction and development of the Project.

(c) The loan shall contain provisions concerning disbursement procedures, mechanisms to protect against mechanics liens and related matters as are customarily found in construction loans made by institutional lenders and Lender shall be provided with copies of such documents showing the progress of construction and the disbursement of funds as are provided to senior lender.

Borrower shall obtain such Senior debt no later than December 31, 2016

“**Subscription Conditions**” means, for each EB-5 Investor, the following conditions: (a) Lender’s receipt of completed subscription documents; (b) deposit of the entire subscription price into the Escrow Account; (c) proof of I-526 filing with the USCIS; and (d) EB-5 Investor receipt of notice of acceptance from Lender.

“**Subsidiary**” means any corporation or other entity of which more than 50% of the outstanding capital stock or interests having ordinary voting power to elect a majority of the board of directors or the board of governors or otherwise to Control the activities of such entity (irrespective of whether or not at the time other class or classes of the equity of such entity shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by Borrower or by one or more other Subsidiaries.

“**Taxes**” means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings, and any and all liabilities with respect to the foregoing, but excluding Excluded Taxes and Other Taxes.

“**Title Commitment**” means that certain ALTA Plain Language Commitment Number NCS-753020-HHLV, dated as of September 16, 2015, and prepared by Title Company.

“**Title Company**” means Chicago Title Insurance Company.

“**USA Patriot Act**” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

“**USCIS**” means the United States Citizenship and Immigration Services of the United States Department of Homeland Security.

ARTICLE I

LOAN

Section 1.1 Principal. Subject to the terms and conditions of this Agreement, Lender agrees to lend to Borrower and Borrower agrees to borrow from Lender, the proceeds of the Loan, from time to time in accordance with the terms hereof until the Maturity Date, for the purpose of refinancing, developing and constructing the Project; provided, however, Lender shall not be obligated to make any Advance if, after giving effect to such Advance, the sum of Lender’s aggregate Advances then outstanding would exceed the Commitment. Each Advance shall bear interest at the Loan Rate, computed on each Advance from the date it is made by Lender as more fully described in Section 1.2 below. In no event shall Lender be obligated hereunder to lend to Borrower more than Borrower has qualified to receive under the terms of Article III hereof.

All Advances made by Lender shall be evidenced by the Note. The entire principal balance of the Note shall mature and be payable at the Maturity Date.

Lender shall enter in its records the amount of each Advance, the rate of interest borne on such Advances and the payments of the principal balance and interest received by Lender, and such records shall be conclusive evidence of the subject matter thereof, absent manifest error.

Section 1.2 Interest. Borrower shall pay to Lender interest on the Note computed at the Loan Rate.

In the event that the interest and/or charges in the nature of interest, if any, provided for by this Agreement or by any other Loan Document, shall contravene a legal or statutory limitation applicable to the Loan, if any, Borrower shall pay only such amounts as would legally be permitted; provided, however, that if the defense of usury and all similar defenses are unavailable to Borrower, Borrower shall pay all amounts provided for herein. If, for any reason, amounts in excess of the amounts permitted in the foregoing sentence shall have been paid, received, collected or applied hereunder, whether by reason of acceleration or otherwise, then, and in that event, any such excess amounts shall be applied to principal, unless principal has been fully paid, in which event such excess amount shall be refunded to Borrower.

Interest at the Loan Rate shall accrue on each and every Advance from and after the date it is made by Lender to Borrower. Notwithstanding the foregoing, and for the avoidance of doubt, it is expressly acknowledged and agreed between Lender and Borrower that Borrower shall pay interest only on such amounts as actually have been disbursed directly to Borrower and that Borrower shall not pay interest on any amounts retained by Lender, including, but not limited to, the Holdback and the Interest Reserve. Principal and interest shall be paid by Borrower in accordance with the Note. Interest shall be paid monthly. Interest shall be computed at the Loan Rate and shall be computed on the basis of a 365 day year, but shall be charged for the actual number of days principal is unpaid. If all unpaid Advances made by Lender have not been repaid on or before the Initial Maturity Date, or the First Option Maturity Date, as applicable, or if an Event of Default occurs pursuant to this Agreement (and is not cured in compliance with the terms of this Agreement) or any other Loan Document or if all amounts due under the Loan Documents otherwise become due and payable in accordance with the terms and conditions of the applicable Loan Documents, then the entire unpaid balance of all Advances made by Lender and all other Obligations shall (without notice to or demand upon Borrower) at the sole option of Lender become due and payable on said date, together with all unpaid, accrued interest thereon, and with interest computed at the Default Rate during the continuance of the Event of Default or if such Event of Default is not cured or waived, then from and after that date until all Advances are paid in full. In such event, interest at the Default Rate shall be payable on the fifth (5th) day of each calendar month.

In the event that Borrower fails to make any required payment of principal or interest on the Note (other than the balloon payment at the Maturity Date) on or before the fifth (5th) Business Day following the due date thereof, Borrower shall pay to Lender, in addition to interest at the Loan Rate, a late payment charge equal to three percent (3%) of the amount of the overdue payment (each, a "Late Charge"), for the purpose of reimbursing Lender for a portion of the expense incident to handling the overdue payment. The Late Charge shall apply individually to all payments past due and there will be no daily prorated adjustment. This provision shall not be deemed to excuse a late payment or be deemed a waiver of any other rights

Lender may have including the right to declare the entire unpaid principal and/or interest immediately due and payable. Borrower agrees that the Late Charge is a provision for liquidated damages and represents a fair and reasonable estimate of the damages Lender will incur by reason of the late payment considering all circumstances known to Borrower and Lender on the date hereof. Borrower further agrees that proof of actual damages will be difficult or impossible.

Section 1.3 Prepayment. Subject to the following sentence, Borrower may prepay the Loan, in whole or in part, without any prepayment penalty or premium, at any time during either the Initial Term or the Extension Term. Notwithstanding the foregoing, Borrower shall not repay any portion of the Loan corresponding to that portion of an Advance made by Lender to Borrower with the funds received from a Class B member of Lender until such time as said Class B member of Lender shall have received final adjudication of his or her I-829 petition removing conditions for permanent residency in the United States.

Section 1.4 Payments. All payments and prepayments of principal of, and interest on, the Note and all Fees, expenses and other Obligations under the Loan Documents payable to Lender shall be made, without deduction, set off, or counterclaim, in immediately available funds not later than 2:00 p.m., Pacific time on the dates due, to Lender at the office specified by it from time to time, for the benefit of Lender, except as otherwise specifically provided in this Agreement. Funds received on any day after 2:00 p.m., Pacific Time shall be deemed to have been received on the next Business Day. Whenever any payment to be made hereunder or on the Note shall be stated to be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of any interest or fees. Borrower hereby authorizes Lender, at the discretion of Lender, to make an Advance in order to pay, on behalf of Borrower, any amount due on the Note or pursuant to any of the other Loan Documents without further action on the part of Borrower and regardless of whether Borrower is able to comply with the terms, conditions and covenants of this Agreement at the time of such Advance.

(i) So long as no Event of Default has occurred and is continuing, all payments received by Lender (including the proceeds of Advances for such payments) for application to the principal, interest, fees, costs and expenses due to Lender shall be applied in the following order:

First, to any costs and expenses due hereunder, and any Fees due to Lender;

Second, to any unpaid interest then due under the Loan Documents;

Third, to all Obligations; and

Fourth, to the unpaid principal balance of the Note.

(ii) After an Event of Default has occurred and is continuing, all amounts received by Lender shall be applied in the following order:

First, to any costs and expenses due hereunder, and any Fees due to Lender;

Second, to costs and expenses of preserving the Collateral, preserving Lender's security interests therein and enforcement of the rights of Lender under the Loan Documents;

Third, to any unpaid interest then due under the Loan Documents

Fourth to all Obligations; and

Fifth, to the unpaid principal balance of the Note.

All amounts received by Lender (whether the result of payment transmitted by Borrower or otherwise) on account of payment of interest on or principal of the Note, or other payments due under this Agreement or any other Loan Documents, as the case may be, shall be so applied by it pursuant to this Section.

Section 1.5 Fees. In addition to the interest and other consideration to Lender herein, Borrower agrees to pay to Lender the Fees, as and when due in accordance with the terms of the Loan Documents. No termination or reduction of the Commitment and no failure of Borrower to satisfy the conditions set forth in Article II shall entitle Borrower to a refund of any portion of such Fees.

Section 1.6 Extension of Maturity Date. At the option of Borrower, the Initial Maturity Date may be extended until the First Option Maturity Date (the "Extension Term"), if all of the following conditions are satisfied, in the sole discretion of the Lender:

- (a) Borrower gives written notice of its request for an extension to Lender by no earlier than one hundred twenty (120) days and by no later than ninety (90) days prior to the Initial Maturity Date;
- (b) The Project has been issued a certificate of occupancy by the competent Governmental Authority.
- (c) Payment by Borrower of the Extension Fee;
- (d) As of the date of request and on the Initial Maturity Date, there exists no Default or Event of Default;
- (e) As of the date of request and on the Initial Maturity Date, no material adverse change in the financial condition of the Borrower has occurred;
- (f) The delivery from Borrower to Lender of all financial information relating to Borrower in accordance with Section 5.10(a) hereof;
- (g) There shall have been no material adverse change to the physical condition of the Project, and the Project shall be free and clear of all Liens (other than the lien of the Deed of Trust, the Permitted Encumbrances and the lien of ad valorem taxes that are not delinquent) unless approved in writing by Lender;

(h) Borrower delivers to Lender an Architect's certificate of completion of the construction works of the Project and a copy of the plans and drawings for said construction works, if not previously provided to Lender.

(i) Borrower delivers to Lender an endorsement to or reissuance of the existing Title Policy, bringing current the effective date of such coverage, stating that the coverage afforded by the Title Policy shall not be affected because of such extension and showing that there have been no Liens against the Project from and after the date hereof, unless consented to in writing by Lender;

In the event that, for any reason, Borrower fails to satisfy all of the foregoing conditions, the Loan shall mature and be due and payable in full on the Initial Maturity Date, as determined by Lender in its sole discretion.

Section 1.7 EB-5 Program Requirements.

(a) Lender hereby represents and warrants that, as of the date of this Agreement, pursuant to that certain letter from the United States Citizenship and Immigration Services ("**USCIS**") dated July 27, 2015, EB5 Impact Capital Regional Center, LLC, a Nevada limited liability company ("**Regional Center**") is authorized to act as an approved and federally-designated "regional center" under the Immigrant Investor Pilot Program created by Section 610 of Public Law 102-395 (Oct. 6, 1992), which has been extended through September 30, 2016. The Regional Center may provide construction financing in Nye County, Nevada. The Regional Center will sponsor the Project for EB-5 Program purposes.

(b) The Loan will be comprised of investments made into Lender anticipated to be in the approximate amount of Five Hundred Thousand Dollars (\$500,000) (which amount may be increased pursuant to newly enacted EB-5 visa legislation) per immigrant investor (collectively, the "**EB-5 Investors**") who seeks to obtain permanent residence in the United States under the EB-5 Immigrant Investor Program created by Section 203(b)(5) of the Immigration and Nationality Act (INA) ("**EB-5 Program**"). Such funds shall initially be held by Escrow Agent in the Escrow Account which will be administered and maintained by the Escrow Administrator). Upon satisfaction of each EB-5 Investor's Subscription Conditions, 75% (\$375,000) of his or her subscription will be released to the Lender by the Escrow Administrator, pursuant to the Escrow Agreement, and made available for an Advance to Borrower upon Borrower's request. The remaining 25% (\$125,000) of each EB-5 Investor's subscription ("**Holdback**") will be held in the Escrow Account for the Lender's benefit until the corresponding EB-5 Investor's I-526 Immigrant Petition is either approved or finally adjudicated and denied by the USCIS. The Holdback may be released to the Lender by the Escrow Administrator, upon the Lender's written direction, after the corresponding EB-5 Investor's I-526 Immigrant Petition is approved by the USCIS ("**Release Condition**"). At such time, the Holdback may be released and made available for an Advance to Borrower. If the Release Condition is not satisfied, the Holdback will be released to the Lender and may be made available for refund to the corresponding EB-5 Investor. As

more fully set forth in Section 1.2 above, Lender shall not charge Borrower interest on the amount of the Holdback.

(c) Lender and Regional Center shall be responsible for monitoring at Lender's sole cost and expense the required submissions made by the EB-5 Investors and/or their legal counsel for purposes of seeking to obtain the necessary approvals from the USCIS for the EB-5 Investors' conditional residency in the United States in accordance with the requirements of the EB-5 Program.

(d) Borrower acknowledges that, for compliance with the rules and regulations promulgated under the EB-5 Program, Lender is required to deploy its funds with third parties located within the approved geographic area of the Regional Center. Based upon the materials provided by Borrower, Lender has determined to allocate the Loan to Borrower as a qualified third party in compliance with the rules and regulations promulgated under the EB-5 Program. Lender acknowledges that the Project has been approved by USCIS as an "Exemplar Form I-526 Petition Project."

(e) Borrower shall use the proceeds of the Loan solely for the purpose of funding directly, or advancing to Affiliates to pay, the costs of the Project, in accordance with the terms and conditions of this Agreement, as set forth in the Budget and the Project documents submitted to, and approved by, USCIS.

(f) Borrower shall submit to Lender the EB-5 Information. Failure of Borrower to use the proceeds of the Loan in accordance with the terms and conditions of this Agreement or to provide the EB-5 Information shall be a default pursuant to Section 6.1.

ARTICLE II

CONDITIONS OF BORROWING

Lender shall not be required to make any Advance hereunder until the pre-closing requirements, conditions and other requirements set forth below have been completed and fulfilled to the satisfaction of Lender, at Borrower's sole cost and expense.

Section 2.1 Pre-Closing Requirements. On or prior to the Closing Date (except as otherwise provided in this Section), Borrower shall provide to Lender, except as otherwise instructed, each of the following, in form and substance acceptable to Lender:

- (a) A copy of the Title Commitment.
- (b) A schedule listing all primary contracts relating to the Project having a contract sum in excess of \$250,000.
- (c) One (1) copy of the recent, certified ALTA/ACSM Survey of the Land, which has already been delivered to, and approved by, Lender. Soil reports on the Land, as already delivered to, and approved by, Lender.

(d) The Environmental Impact Study already delivered to, and approved by, Lender. Certificates of insurance, together with paid receipts, indicating that all insurance currently required under the terms of Section 5.6 hereof.

(e) That certain Development Agreement adopted pursuant to Nye County Ordinance No. 378, recorded on August 3, 2009, as Document Number 731349 in the Official Records of the Nye County, Nevada, evidencing the applicable zoning with respect to the Property.

(f) A copy of Borrower's Organizational Documents, certified as true, correct and complete by a manager of Borrower authorized to do so, together with (i) a current certificate of existence/good standing from the jurisdiction in which Borrower was organized (and from the jurisdiction in which the Land is located, if different from the jurisdiction in which Borrower was organized), and (ii) resolutions and/or consents of those parties necessary to authorize the transaction contemplated hereby.

(g) A flood-zone certification indicating that the Project is not located in a flood plain or any other flood-prone area as designated by any governmental agency; provided, however, that if the Project is so located, Borrower shall provide proof of flood insurance to Lender as required by Lender.

(h) A proposed Operating Budget for the Project for its first Fiscal Year of operation in the form previously submitted to the Nevada Real Estate Division in connection with the registration of the Front Sight Resort and Vacation Club.

(i) Letters from the suppliers confirming the availability of water, storm and sanitary sewer, gas, electric and telephone utilities for the Project.

(j) A copy of each non-cancellable agreement relating to the management, operation or maintenance of the Property and of each such agreement which cannot be cancelled upon notice of thirty (30) days or less.

Section 2.2 Loan Documents. On or before the Closing Date, Borrower shall execute and deliver (or cause to be executed and delivered) to Lender, the Loan Documents, in form and substance reasonably acceptable to Lender and to its counsel, in their sole but reasonable discretion, to evidence and secure the Loan. Lender may designate which of the Loan Documents are to be placed of record, the order of recording thereof, and the offices in which the same are to be filed and/or recorded. Borrower shall pay all filing, documentary, intangible, recording and/or registration taxes and/or fees due upon the Note, if any, the Deed of Trust, any financing statements and/or the other Loan Documents

Section 2.3 Title Insurance. On or prior to the Closing Date, Lender shall have received the Title Policy, proforma or a marked-up commitment to issue the Title Policy, signed by an officer of the Title Company, in form and substance satisfactory to Lender and including all endorsements as required by Lender. Title Company will provide priority insurance over all possible mechanics' lien claims, despite the fact that construction of the Improvements may have commenced prior to the recording of the Deed of Trust.

Section 2.4 Opinion of Borrower's Attorneys. Lender shall have received from outside counsel for Borrower one or more current written opinions, in form and substance acceptable to Lender, addressed to Lender, covering matters such as due formation, authorization, execution and delivery of the Loan Documents.

ARTICLE III

ADVANCES OF LOAN PROCEEDS

Section 3.1 General. Provided no Default or Event of Default has occurred and is continuing, the Loan proceeds shall be advanced by the Lender for the benefit of Borrower in accordance with the terms and conditions set forth in this Article III. All monies advanced by the Lender with respect to the Project shall constitute a loan made to Borrower under this Agreement, evidenced by the Note and secured by the other Loan Documents, and interest shall be computed thereon, as prescribed by this Agreement and the Note, from the date the Loan account is charged with the amount of the Advance.

Lender will advise Borrower within five (5) business days every time Lender has received a new EB-5 Investor's funds into the Escrow Account. If so requested by Borrower, Lender will make an Advance of as little as \$375,000, which represents the available funds from each new EB-5 Investor pursuant to the terms of this Agreement.

Lender reserves the right to make Advances of amounts on the Note which are allocated to any of the designated items in the Budget for soft or hard costs related to the development of the Project, and construction of the Improvements or otherwise with respect to the Project or for such other purposes or in such different proportions as Lender may, in its reasonable discretion, deem necessary or advisable; provided, however, after the occurrence of an Event of Default, Lender may act in its sole discretion.

No Advance shall constitute a waiver of any condition precedent to the obligation of Lender to make any further Advance, or preclude Lender from thereafter declaring the failure of Borrower to satisfy any such condition precedent to be an Event of Default. All conditions precedent to the obligation of Lender to make any Advance are imposed hereby solely for the benefit of Lender, and no other party may require satisfaction of any such condition precedent or shall be entitled to assume that Lender will make or refuse to make any Advance in the absence of strict compliance with such condition precedent. Provided no Default or Event of Default has occurred, Lender may waive any requirement of this Agreement for any Advance which Lender, in its reasonable discretion, determines is not material.

Lender will Advance to itself, when due, from the Interest Reserve, without further order or request from Borrower, all interest payable to Lender under the terms hereof or of the Note (so long as the conditions to such advances have been satisfied, or waived by Lender, and sufficient funds remain in the Interest Reserve).

Section 3.2 Draw Requests.

(a) From and after the date of the first Advance of the Loan, Borrower shall deliver to Lender on a monthly basis evidence of the Project costs funded during the preceding month (whether from Loan proceeds or otherwise), and, to the extent that Borrower is seeking an additional Advance, the Draw Request approved by General Contractor, together with an itemized summary and copies of all invoices included in such disbursement.

(b) Prior to the date of the first Advance of the Loan, Borrower shall, in addition to satisfying all other conditions for an Advance in this Section, provide to Lender the insurance required per Section 5.6 of this Agreement, Prior to the Commencement Date, Borrower shall, in addition to satisfying all other conditions for an Advance in this Section, provide to Lender (i) Plans, in the form previously submitted to Lender, as finally approved for construction by the Project Architect and the applicable Governmental Authority, (ii) a schedule listing all Contractors, and primary contracts relating to the Project having a contract sum in excess of \$250,000 for any such Contractor, and all other major subcontracts, and such engineering, architectural, and construction contracts, subcontracts and schedules relating to the Project. If requested by Lender, Borrower shall also furnish to Lender copies of such contracts with each Contractor; and (iii) a list of all agreements, licenses and permits relating to the construction, development and operation of the Project.

Section 3.3 Inspections. Lender and its representatives shall have access to the Project at all reasonable times and shall have the right to enter the Project and to conduct such inspections thereof as they shall deem necessary or desirable for the protection of Lender's interests; provided, however, that for so long as no Event of Default shall have occurred and be continuing, Lender shall provide to Borrower prior notice of not less than seventy-two (72) hours of any such inspections and such inspections shall be subject to the rights of Club Members (i.e., owners of Timeshare Interests) and any tenants under any applicable Leases.

Borrower shall be responsible for making its own inspections of the Project during the course of such construction work and shall determine to its own satisfaction that the work done and materials supplied are in accordance with applicable contracts with its contractors. By advancing funds after any inspection of the Project by Lender, Lender shall not be deemed to waive any Event of Default, waive any right to require construction defects to be corrected, or acknowledge that all construction conforms to the Plans.

Section 3.4 Lender's Responsibilities. It is expressly understood and agreed that Lender does not assume any liability or responsibility for the sufficiency of the Loan proceeds to complete the Project, for protection of the Project, for the adequacy of the Plans, the compliance of the Project and/or Plans with Governmental Requirements, for the satisfactory completion of the Project, for inspection during construction or to notify Borrower, General Contractor or any other party of any construction defects, for the adequacy of the Interest Reserve, for the adequacy or accuracy of the Budget, for any representations made by Borrower, or for any acts on the part of Borrower or its contractors to be performed in connection with the construction of the Project.

Section 3.5 Procedures for Advances.

(a) Request for Advances. Any request by Borrower for an Advance shall be made at least five (5) Business Days prior to the date of the requested Advance.

(b) Direct Advances. At Lender's option after the occurrence of an Event of Default, Lender may (i) make any Advances directly to any person, including the General Contractor, to whom Lender determines that payment is due and (ii) make advances to any person to whom Lender determines that payment should be made in order to cure or to prevent the occurrence of any Default. Any of the aforesaid Advances shall be deemed advanced under the Note as of the date on which funds are transferred by Lender.

(c) Title endorsement. Prior to each additional advance, Lender shall have received a commitment from the Title Company to issue an endorsement showing the increased loan amount in the same priority as the previously advanced amounts, provided, however, that upon the closing of the Senior Debt, the priority of the lien of the Deed of Trust reflected in any subsequent endorsements shall be subordinated to the lien of the deed of trust or similar instrument securing the Senior Debt.

(d) Joint Checks. All Advances of Loan proceeds made to a party other than Borrower hereunder shall be made pursuant to a joint check executed by Lender and Borrower, with proper endorsements included.

Section 3.6 Stop Notices.

(a) General. Borrower shall not cause any "stop notice" or similar notice to be filed or served on Lender with respect to the Project. Borrower shall defend, indemnify and hold Lender and its officers, directors, agents and employees harmless from and against all claims, damages, loss, liability, costs and expenses (including reasonable attorneys' fees) arising from or relating to any stop notice, the compliance therewith and the defense thereof. Lender may require Borrower to provide a release bond for any stop notice, which bond shall be subject to Lender's review and approval and/or may take such action with respect to any stop notice as Lender may deem appropriate in Lender's reasonable discretion and Lender may withhold such amounts from disbursement in connection with the Loan as Lender may elect in Lender's reasonable discretion, to the extent Lender is obligated to withhold funds pursuant to applicable law or any demands made in connection with any stop notice.

(b) Notices. Upon an Event of Default and so long as it is continuing, Borrower irrevocably appoints Lender as its attorney-in-fact, coupled with an interest and with full power of substitution, to file for record, at the Borrower's cost and expense and in Borrower's name, any notices of completion, notices of cessation of labor, or any other notices that Lender considers necessary or desirable to protect its security.

Section 3.7 Use of Loan Proceeds. Borrower shall use and apply the Loan proceeds solely to all or any number of the individual Project components in accordance with the Budget and also to pay some or all of any or all existing indebtedness encumbering the Project pursuant

to a Permitted Encumbrance. Borrower shall use its best business judgment based upon then-current real estate market and availability of other financing resources to allocate the proceeds of the Loan in such a manner as to assure the full expenditure of the Loan proceeds advanced to Borrower. Borrower will comply with the requirements of the EB-5 Program and the other EB-5 Program covenants and requirements contained in this Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

(A) Borrower represents, warrants and covenants to Lender that:

Section 4.1 Borrower's Formation and Powers. Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Nevada, and qualified and authorized to do business in all jurisdictions in which the conduct of its business and affairs requires it to be so qualified. Borrower has all power, authority, permits, consents, authorizations and licenses necessary to carry on its business, to construct, equip, own and operate the Project and to execute, deliver and perform its obligations under this Agreement and the other Loan Documents; all consents necessary to authorize the execution, delivery and performance of this Agreement and the other Loan Documents have been duly adopted and are in full force and effect; and this Agreement and the other Loan Documents have been duly executed and delivered by Borrower.

The execution, delivery and performance by Borrower of this Agreement and other Loan Documents to which Borrower is a party have been duly authorized by all necessary action and do not and will not (i) violate any provision of any laws, rule, regulation (including, without limitation, Regulation U of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to Borrower or of Borrower's Organizational Documents, (ii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which Borrower is a party or by which it or its properties may be bound or affected, or (iii) result in or require the creation or imposition of any Security Interest in any of its properties pursuant to the provisions of any agreement or other document binding upon or applicable to Borrower or any of its properties, except pursuant to the Loan Documents.

Section 4.2 Authority. The execution, delivery and performance by Borrower of this Agreement and other Loan Documents to which Borrower is a party have been duly authorized by all necessary limited liability company action.

Section 4.3 No Approvals. As of the date of the first Advance of the Loan, no authorization, consent, approval, license, exemption of or filing or registration with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, is or will be necessary to the valid execution, delivery or performance by Borrower of this Agreement, the Note, or any other Loan Documents to which Borrower is a party.

Section 4.4 Legal and Valid Obligations. This Agreement, the Note, and the other Loan Documents to which Borrower are a party constitute the legal, valid and binding

obligations of Borrower, enforceable against Borrower in accordance with their respective terms, subject to bankruptcy and insolvency laws and other laws generally affecting the enforceability of creditor's rights generally and subject to limitations on the availability of equitable remedies.

Section 4.5 Litigation. There are no actions, suits or proceedings (whether or not purportedly on behalf of Borrower) pending or, to the knowledge of Borrower, threatened against Borrower or affecting any of the Project or Borrower's other assets (if any), at law or in equity or before any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which contests the validity or enforceability of this Agreement or any of the other Loan Documents or the transactions contemplated hereby or as a result of which Borrower may become subject to any judgment or liability which if determined adversely to Borrower, would constitute a Material Adverse Occurrence as to Borrower. There are no actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against Borrower or its other assets (if any), at law or in equity or before any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign. As of the date of the first Advance of the Loan, Borrower shall not be in default with respect to any final judgment, writ, injunction, decree, rule or regulations of any court, arbitrator or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

Section 4.6 Title. Borrower has good, marketable and insurable fee simple title to the Land, and good title to the rest of the Project, subject to no lien, charge, mortgage, deed of trust, restriction or encumbrance, except Permitted Encumbrances. There are no mechanics', materialman's or other similar Liens which have been filed for work, labor or materials affecting the Project which are or may be Liens prior to, or equal, or subordinate to the Liens created by the Loan Documents. None of the Permitted Encumbrances, individually or in the aggregate, (a) impair the use or intended operations of the Project, or (b) impair Borrower's ability to pay its Obligations in a timely manner.

Section 4.7 Defects and Hazards. Borrower does not know of any defects, facts or conditions affecting the Land that would make it unsuitable for the use contemplated hereunder or of any abnormal hazards (including soils and groundwater contamination, earth movement or slippage) affecting the Land that have not been previously disclosed in writing to Lender by Borrower.

Section 4.8 Payment of Taxes. There have been filed all federal, state and local tax returns with respect to Borrower and its direct and indirect business operations which are required to be filed. Borrower has paid or caused to be paid to the respective taxing authorities all taxes as shown on such returns or on any assessments received by it to the extent that such taxes have become due. Borrower knows of no proposed material tax assessment against Borrower, and Borrower is not obligated by any other agreement, tax treaty, instrument or otherwise to contribute to the payment of taxes owed by any other person or entity. All material tax liabilities are adequately provided for or reserved against on the books of Borrower, as appropriate.

Section 4.9 Agreements.

The Borrower's Organizational Documents shall be in full force and effect as of the date of the first Advance of the Loan and, as of said date of the first Advance of the Loan, shall be free from any default on the part of Borrower. Each of (a) the Architect's Agreement, and (b) the General Contract, shall be in full force and effect before the Commencement Date and, as of said Commencement Date, shall be free from any default on the part of Borrower. Borrower, is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which Borrower, is a party the effect of which default would constitute a Material Adverse Occurrence as to Borrower. The General Contract shall require the General Contractor to construct the Project in accordance with the Plans in the form which have been delivered to Lender, without any change thereto not disclosed to Lender. The General Contract shall constitute the entire agreement between Borrower and the General Contractor with respect to the construction of the Project. As of the Commencement Date, Borrower shall have performed all of its obligations required by the General Contract and/or Architect's Agreement, and shall have paid all sums under the General Contract and/or Architect's Agreement which are required to be performed or paid as of the date hereof.

Section 4.10 No Defaults under Loan Documents or Other Agreements. No Default or Event of Default has occurred under any of the Loan Documents. As of the date of the first Advance of the Loan, Borrower shall not be in default in the payment of the principal or interest on any of its Indebtedness for borrowed money; and no event has occurred, or will occur, which, with the lapse of time or the giving of notice or both, would constitute an Event of Default under the Loan Documents. Borrower is not obligated for the payment of any commission or other fee with respect to the purchase of the Land and Improvements or, if Borrower is so obligated, such commission or other fee has been paid in full.

Section 4.11 Boundary Lines; Conformance with Governmental Requirements and Restrictions. The exterior lines of the Improvements are, and at all times will be, within the boundary lines of the Land. Borrower has examined and is familiar with all applicable covenants, conditions, restrictions and reservations, and with all applicable Governmental Requirements, including, but not limited to, building codes and zoning, environmental, hazardous substance, energy and pollution control laws, ordinances and regulations affecting the Project. Borrower has obtained all permits which are necessary for the construction of the Project in accordance with the Plans and in accordance with all applicable building, environmental, subdivision, land use and zoning laws, including all permits for the Improvements, annexation agreements, plot plan approvals, subdivision approvals (including the approval and recordation of any required subdivision map), environmental approvals (including a negative declaration or an environmental impact report if required under applicable law), sewer and water permits and zoning and land use entitlements. Borrower has obtained all approvals of the parties required in connection with the construction of the Project pursuant to any license, easement or restriction affecting the Land. The Project will in all respects conform to and comply with said covenants, conditions, restrictions, reservations and Governmental Requirements.

Section 4.12 Project Costs. On a line by line and total basis, the Project costs shown

on the Estimated Construction Cost Statement are, to the best of Borrower's knowledge, true, correct and complete in all material respects, and represent the total of all costs which Borrower expects to pay to complete the Project.

Section 4.13 Utilities. Telephone services, gas, electric power, storm sewers, sanitary sewer and water facilities are available to the boundaries of the Land, adequate to serve the Project and not subject to any conditions that would prevent the use of the Project for its intended purposes. All streets and easements necessary for construction and operation of the Project are available to the boundaries of the Land.

Section 4.14 Personal Property. Borrower is now and shall continue to be the sole owner of the Equipment free from any lien, security interest or adverse claim of any kind whatsoever, except for the Permitted Encumbrances and any liens or security interests in favor of Lender.

Section 4.15 Condemnation. No condemnation proceeding or moratorium is pending or, to the best of Borrower's knowledge, threatened against the Land which would impair the construction, use, sale or occupancy of the Land or its Improvements.

Section 4.16 Separate Lots. The Land is comprised of two (2) parcels which constitute separate tax lots and do not constitute a portion of any other tax lot not a part of such Land.

Section 4.17 Federal Reserve Regulations. No portion of the Loan hereunder will be used to purchase or carry any "margin stock" as defined in Regulation U of the Board of Governors of the Federal Reserve System of the United States or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might constitute this transaction as a "purpose credit" within the meaning of said Regulation U. No portion of the Loan hereunder will be used for any purpose that violates, or which is inconsistent with, the provisions of Regulation X of the Board of Governors of the Federal Reserve System or any other regulation of said Board of Governors.

Section 4.18 Investment Company Act. Borrower is not an "investment company," or an "affiliated person" of, or a "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended. The making of the Loan, the application of the proceeds and repayment thereof by Borrower and the performance of the transactions contemplated by this Agreement will not violate any provision of said Act, or any rule, regulation or order issued by the Securities and Exchange Commission thereunder. Furthermore, Borrower is not subject to regulation under the Interstate Commerce Act, or any federal or state statute or regulation limiting its ability to incur indebtedness for money borrowed.

Section 4.19 Unregistered Securities. Borrower has not: (a) issued any unregistered securities in violation of the registration requirements of Section 5 of the Securities Act of 1933, as amended, or any other law; or (b) violated any rule, regulation or requirement under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in

either case where the effect of such violation would constitute a Material Adverse Occurrence as to Borrower.

Section 4.20 Accuracy of Information. All factual information heretofore or herewith prepared by Borrower or a Related Party of Borrower and furnished by or on behalf of Borrower to Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby is true and accurate in every material respect on the date as of which such information is dated or certified and no such information contains any material misstatement of fact or omits to state a material fact or any fact necessary to make the statements contained therein not misleading as of such date. To the best of Borrower's knowledge, all factual information heretofore or herewith prepared by a Person other than Borrower or a Related Party of Borrower and furnished by or on behalf of Borrower to Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby is true and accurate in every material respect on the date as of which such information is dated or certified and no such information contains any material misstatement of fact or omits to state a material fact or any fact necessary to make the statements contained therein not misleading as of such date.

Section 4.21 ERISA Compliance. Borrower has not adopted a Plan. As of the date hereof and throughout the term of the Loan (i) Borrower is not and will not be an "employee benefit plan," as defined in Section 3(3) of ERISA, subject to Title I of ERISA, (ii) none of the assets of Borrower constitutes or will constitute, by virtue of the application of 29 C.F.R. Section 2510.3-101(f) as modified by Section 3(42) of ERISA, "plan assets" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101, (iii) Borrower is not and will not be a "governmental plan" within the meaning of Section 3(32) ERISA, and (iv) transactions by or with Borrower are not and will not be subject to state statutes regulating investment of, and fiduciary obligations with respect to, governmental plans.

Section 4.22 Compliance. Borrower:

(a) is in compliance and conformity with all Governmental Requirements the violation of which, individually or in the aggregate, would constitute a Material Adverse Occurrence as to Borrower; and

(b) has not received and does not anticipate the receipt of any order or notice of any violation or claim of violation of any Governmental Requirement which would constitute a Material Adverse Occurrence as to Borrower.

Section 4.23 Consents. To the extent that any franchises, licenses, permits, certificates, authorizations, approvals or consents from any federal, state or local (domestic or foreign) government, commission, bureau or agency are material to the present conduct of the business and operations of Borrower or are required for the acquisition, ownership, operation or maintenance by Borrower of the Project, such franchises, licenses, permits, certificates, authorizations, approvals and consents have been, or will be upon Completion, validly granted, in full force and effect, and be valid and sufficient authorization therefor.

Section 4.24 Environmental Laws. Except as specifically disclosed in the Environmental Impact Study previously delivered to, and approved by, Lender, Borrower: (a)

has not received any notice or otherwise learned of any Environmental Liability relating to the Project which would individually or in the aggregate constitute a Material Adverse Occurrence as to Borrower arising in connection with (i) any non-compliance or alleged non-compliance with or violation of the requirements of any Environmental Law, or (ii) the Release or threatened Release of any Hazardous Substance, or other substance into the environment; (b) has no knowledge of any threatened or actual liability in connection with the Release or threatened Release of any Hazardous Substance, or other substance into the environment relating to the Project which would individually or in the aggregate constitute a Material Adverse Occurrence; or (c) has not received any notice or otherwise learned of any federal or state investigation evaluating whether any remedial action is needed to respond to a Release or threatened Release of any Hazardous Substances into the environment where such liability individually or in the aggregate for all such liabilities would constitute a Material Adverse Occurrence as to Borrower. Borrower has not received any notice of any violation or alleged non-compliance of any Environmental Laws relating to the Project where such violation would constitute a Material Adverse Occurrence as to Borrower.

Section 4.25 Anti-Terrorism Regulations.

(a) General. None of Borrower, or, to the best of Borrower's knowledge, any Affiliate thereof is in violation of any Anti-Terrorism Law or engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(b) Executive Order No. 13224. None of the Borrower, or, to the best of Borrower's knowledge, any Affiliate thereof or their respective agents acting or benefiting in any capacity in connection with the Loan or other transactions hereunder, is any of the following (each a "Blocked Person"):

(i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224;

(ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224;

(iii) a Person or entity with which Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a Person or entity that commits, threatens or conspires to commit or supports "terrorism" as defined in Executive Order No. 13224;

(v) a Person or entity that is named as a "specially designated national" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list; or

(vi) a person or entity who is affiliated or associated with a person or entity listed above.

(c) None of Borrower, or, to the best of Borrower's knowledge, any Affiliate thereof nor any of their agents acting in any capacity in connection with the Loan, any letters of credit or other transactions hereunder (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224.

(d) Neither Borrower nor, to the best of Borrower's knowledge, any Affiliate thereof nor any person owning an interest therein, are a "Special Designated National" or "Blocked Person" as those terms are defined in the office of Foreign Asset Control Regulations (31 C.F.R. § 500 et. seq.).

Section 4.26 Subsidiaries. Borrower has no Subsidiaries.

Section 4.27 Leases. Except as provided below in Section 5.24, there is no Lease in effect relating to the Project, or any portion of the Project, except for Leases that have been approved in writing by Lender.

Section 4.28 Ownership and Control of Borrower. As of the date of this Agreement, the direct owners of Borrower are set forth on Exhibit G to this Agreement and the indirect owners set forth thereon are accurate and complete.

Section 4.29 Use of Loan Proceeds. The proceeds of the Loan shall be used to pay and obtain release of the existing liens on the Land, to pay for or reimburse Borrower for soft and hard costs related to the pre-construction, development, promotion, construction, development and operation of the Project in connection with the FSFTI Facility and the construction, development, operation, leasing and sale of the timeshare portion of the Project, all as more particularly described on Exhibit E, attached hereto. The Loan is made exclusively for business purposes in connection with holding, developing and financially managing real estate for profit, and none of the proceeds of the Loan will be used for the personal, family or agricultural purposes of the Borrower.

Section 4.30 Insurance. Borrower has obtained or caused to be obtained the insurance required pursuant to Section 5.6 of this Agreement.

(B) Lender represents, warrants and covenants to Borrower that:

(i) General. None of Lender, or, to the best of Lender's knowledge, any Affiliate or member thereof is in violation of any Anti-Terrorism Law or engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(ii) Executive Order No. 13224. None of the Lender, or, to the best of Lender's knowledge, any Affiliate or member thereof or their respective agents acting or benefiting in any capacity in connection with the Loan or other transactions hereunder, is a Blocked Person.

(iii) None of Lender, or, to the best of Lender's knowledge, any Affiliate or member thereof nor any of their agents acting in any capacity in connection with the Loan, any letters of credit or other transactions hereunder (a) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (b) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224.

(iv) Neither Lender nor, to the best of Lender's knowledge, any Affiliate or member thereof nor any person owning an interest therein, are a "Special Designated National" or "Blocked Person" as those terms are defined in the office of Foreign Asset Control Regulations (31 C.F.R. § 500 et. seq.).

THE WARRANTIES AND REPRESENTATIONS IN THIS ARTICLE IV, AND ANY ADDITIONAL WARRANTIES AND REPRESENTATIONS CONTAINED HEREIN AND IN THE OTHER LOAN DOCUMENTS, SHALL BE DEEMED TO HAVE BEEN RENEWED AND RESTATED BY BORROWER AT THE TIME OF EACH REQUEST BY BORROWER FOR AN ADVANCE OF LOAN PROCEEDS.

ARTICLE V

(A) COVENANTS OF BORROWER

While this Agreement is in effect, and until Lender has been paid in full the principal of and interest on all Advances made by Lender hereunder and under the other Loan Documents, Borrower agrees to comply with, observe and keep the following covenants and agreements:

Section 5.1 Completing Construction. Borrower shall commence construction of the Improvements no later than the Commencement Date. Borrower shall not become a party to any contract, other than the General Contract and the Architect's Agreement, for the performance of any work on the Project or for the supplying of any labor, materials or services for construction of the Improvements, except upon such terms and with such parties as shall be approved in writing by Lender and subject to the condition that each Contractor party to any approved contract execute and deliver to Lender agreements in form acceptable to Lender that either subordinate or waive the lien rights of such Contractors to the liens of Lender under the Loan Documents including, without limitation, the liens of Lender evidenced by the Deed of Trust; provided, however, Borrower may, without the approval of Lender, enter into one or more contracts with any Contractor whose contracts' aggregate amount with such Contractor is less than \$250,000. Borrower shall provide to Lender a list, within thirty (30) days after the end of each calendar quarter, of all Contractors, including all subcontractors, who have entered into written contracts directly with either Borrower or the General Contractor during the preceding calendar quarter. No approval by Lender of any contract or change order shall make Lender

responsible for the adequacy, form or content of such contract or change order. Borrower shall expeditiously complete and fully pay for the construction of the Project in a good and workmanlike manner and in accordance with the Plans submitted or to be submitted to and approved by Lender, and in compliance with all applicable Governmental Requirements, and any covenants, conditions, restrictions and reservations applicable thereto so that Completion of the construction of the Project occurs on or before the Completion Date. Borrower assumes full responsibility for the compliance of the Plans and the Project with all Governmental Requirements, covenants, conditions, restrictions and reservations, and with sound building and engineering practices, and, notwithstanding any approvals by Lender, Lender shall have no obligation or responsibility whatsoever for the Plans or any other matter incident to the Project or the construction of the Improvements. Borrower shall correct or cause to be corrected (a) any defect in the Improvements, (b) any departure in the construction of the Improvements from the Plans or Governmental Requirements, and (c) any encroachment by any part of the Improvements or any other structure located on the Land on any building line, easement, property line or restricted area that is in violation of any applicable Governmental Requirements, or any private agreements for which Borrower has not received a waiver approved by the Lender in writing. Borrower shall cause all roads necessary for the utilization of the Project for its intended purposes to be completed and dedicated (if dedication thereof is required by any governmental authority), the bearing capacity of the soil on the Land to be made sufficient to support the Improvements, and sufficient local utilities to be made available to the Project and installed at costs (if any) set out in the Budget, on or before the Completion Date.

Section 5.2 Changing Costs, Scope or Timing of Work. Borrower shall deliver to Lender revised, estimated costs of the Project, showing changes in or variations from the original Estimated Construction Cost Statement, as soon as such changes are known to Borrower. Borrower shall deliver to Lender a revised construction schedule, if and when any target date set forth therein has been delayed by twenty (20) consecutive days or more, or when the aggregate of all such delays equals thirty (30) days or more.

Borrower shall not make or consent to any change or modification in such Plans, contracts or subcontracts, and no work shall be performed with respect to any such change or modification, without the prior written consent of Lender, if (i) such change or modification would in any material way alter the design or structure of the Project or change the rentable area thereof in any way, or increase or decrease the Project cost by \$250,000 or more (after taking into account cost savings and any insurance proceeds of Borrower received by Lender) for any single change or modification, or (ii) the aggregate amount of all changes and modifications exceeds \$500,000 (after taking into account cost savings and any insurance proceeds of Borrower received by Lender). Borrower shall promptly furnish Lender with a copy of all changes or modifications in the Plans, contracts or subcontracts for the Project prior to any Advance used to fund such change or modification whether or not Lender's consent to such change or modification is required hereby.

Section 5.3 Using Loan Proceeds. Subject to Section 3.2, Borrower shall use the Loan proceeds in its sole discretion to pay, or to reimburse Borrower for paying, costs and expenses incurred by Borrower in connection with the pre-construction, promotion, construction, development, operating and leasing of the Project on the Land and the equipping of the

Improvements, together with the payoff and release of any existing liens and encumbrances on the Land. Borrower shall take all steps necessary to assure that Loan proceeds are used by its contractors and subcontractors to pay such costs and expenses which could otherwise constitute a mechanic's lien claim against the Project. Within thirty (30) days after the Completion Date, Borrower shall provide the documentation and supporting accounting records and contract documents necessary, in Lender's discretion, to demonstrate that between the Closing Date and the date of delivery of such documentation not less than the total amount of the Advances has been spent directly or indirectly on the Project substantially in a form acceptable to Lender for compliance with the EB-5 Program.

Section 5.4 Keeping of Records. Borrower shall set up and maintain accurate and complete books, accounts and records pertaining to the Project. Borrower will permit representatives of Lender to have reasonable access to and to inspect and copy such books, records and contracts of Borrower and to inspect the Project and to discuss Borrower's affairs, finances and accounts with any of its principal officers, all at such times and as often as may reasonably be requested by Lender. Any such inspection by Lender shall be for the sole benefit and protection of Lender, and Lender shall have no obligation to disclose the results thereof to Borrower or to any third party. When a Default or Event of Default exists, Lender may do any of the foregoing during normal business hours without advance notice or other limitation.

Section 5.5 Providing Evidence of Completion. Upon completion of the Improvements, Borrower shall furnish Lender with all items required to evidence Completion, certification from the Project Architect that the Project has been completed in accordance with the approved Plans; the evidence of insurance required by Section 5.6 hereof; copies of all warranties covering materials, equipment and appliances included within the Project; copies of all licenses and permits required for operation of the Project, if not previously provided to Lender; and photographs of the completed Improvements as well as evidence that such Improvements have been fully completed, including all punch-list items, as well as such other documents and materials required pursuant to Section 3.7(b) hereof.

Section 5.6 Maintaining Insurance Coverage. Borrower shall, at all times until the Note and all other sums due from Borrower to Lender have been fully repaid, maintain, or cause to be maintained, in full force and effect (and shall furnish to Lender copies of), property insurance, liability insurance and workers compensation insurance that are consistent with policies issued from a reputable carrier in Southern Nevada for businesses such as that operated by Borrower. Borrower shall not take any action that would void or otherwise impair any coverages required hereby or that would result in any denial or limitation of such coverages.

Section 5.7 Transferring, Conveying or Encumbering the Project or Borrower's Ownership Interests. Without the prior written consent of Lender, Borrower shall not voluntarily or involuntarily agree to, cause, suffer or permit any sale, conveyance, lease, mortgage, grant, lien, encumbrance, security interest, pledge, assignment or transfer of: (a) the Project or any part or portion thereof, or (b) any ownership interest in Borrower, direct or indirect, legal or equitable (including the issuance, sale, redemption, or repurchase of any such interest, the distribution of treasury stock, or the payment of any indebtedness owed to Borrower by any managers, subsidiaries, Affiliates or owners of equity interests or debentures), except for

the following:

- (i) Permitted Encumbrances;
- (ii) Leases permitted by Section 5.24 of this Agreement;
- (iii) Routine, nonexclusive utility easements entered into by Borrower in the ordinary course of business which do not subject the Property to any material financial obligations;
- (iv) In connection with transfers of member interests in Borrower made for estate planning purposes that do not affect the management or control of Borrower and are in compliance with the requirements set forth in the Loan Documents;
- (v) In the event that that Borrower obtains any Senior Debt, Borrower shall be permitted to secure such Senior Debt with a deed of trust and other applicable security documents that are senior to the lien of the Deed of Trust and Lender shall cooperate with Borrower and the provider of the Senior Debt to cause the lien of the Deed of Trust to be subordinated to the lien of any deed of trust and other applicable security documents that are to secure such Senior Debt. For the avoidance of doubt, Lender does hereby covenant and agree with Borrower that Lender shall execute, or cause to be executed, any and all documentation reasonably required, by the provider of the Senior Debt, in the form and content presented by the provider of the Senior Debt, in order to cause the aforementioned subordination of the lien of the Deed of Trust, including, but not limited to, any form of subordination and intercreditor agreement that may be required by the provider of the Senior Debt.

Furthermore, the Loan may not be assumed by any Person without Lender's prior written consent.

Section 5.8 Complying with the Loan Documents and Other Documents.

Borrower shall comply with and perform all of its obligations under the Loan Documents, and under all other contracts and agreements to which Borrower is a party relating to the ownership, occupancy, use, construction or management of the Project, and shall comply with all requests by Lender which are consistent with the terms thereof.

Section 5.9 Updated Appraisals. Borrower agrees that Lender shall have the right to obtain, at Lender's expense, an updated appraisal of the Project at any time that (a) an Event of Default shall have occurred and be continuing hereunder, or (b) after an occurrence of an Event of Default Lender determines, in its sole discretion, that the security for the Loan has been physically or financially impaired in any material manner. Without limitation of the foregoing, Lender may, at Lender's expense, elect to obtain such an appraisal from time to time regardless of whether any of the events described in (a) and (b) above have occurred. In the event that Lender shall elect to obtain an appraisal, Lender may immediately commission an appraiser acceptable to Lender, at Lender's cost and expense, to prepare the appraisal. Borrower shall cooperate with Lender and the appraiser in obtaining the necessary information to prepare such appraisal. In the event that Borrower fails to cooperate with Lender in obtaining such an

appraisal, such event shall constitute an Event of Default hereunder and Lender shall be entitled to exercise all remedies available to it hereunder. In the event such appraisal is required by reason of the damage or destruction of a portion of the Project, the fair market value shall be calculated on the Project after restoration of the Improvements.

Section 5.10 Reporting Requirements. Borrower shall furnish to Lender the following:

(a) Financial Statements.

As soon as available and in any event within seventy-five (75) days after the end of each calendar year, unaudited consolidated annual financial statements of Borrower prepared in accordance with GAAP (or another accounting basis reasonably acceptable to Lender) consistently applied, certified by Borrower, which financial statements shall include a balance sheet and related statements of income, retained earnings and cash flow (including, without limitation, the information necessary to determine Borrower's cash flow with respect to the previous calendar year), and a detailed list of real estate owned, directly or indirectly, by Borrower. The financial statements of Borrower shall be accompanied by a no default certificate in form acceptable to Lender certifying that Borrower has no knowledge of the occurrence of any event which constitutes a Default or an Event of Default under this Agreement.

(b) Operating Statements and Operating Budgets. Starting with the month after the calendar month in which Completion occurs, Borrower shall deliver to Lender such Operating Statements and annual Operating Budget as are provided to Borrower by the Management Company prior to the start of each Fiscal Year thereof starting with the Fiscal Year in which Completion occurs. All such Operating Statements shall be certified as true, correct and complete by Borrower and shall be prepared in accordance with GAAP.

(c) Litigation and Other Proceedings. Promptly in writing, notice of (i) all litigation against Borrower in which the amount sought to be recovered exceeds \$50,000 except in cases when the claim is covered by insurance and the insurance company has agreed to assume the defense of the claim and (ii) all proceedings before any Governmental Authority affecting Borrower which, if adversely determined, would constitute a Material Adverse Occurrence as to Borrower.

(d) Defaults. Within five (5) Business Days after the occurrence of any event actually known to Borrower which constitutes a Default or an Event of Default, notice of such occurrence, together with a detailed statement of the steps being taken to cure such event, and the estimated date, if known, on which such action will be taken.

(e) Additional EB-5 reporting. Without limiting the foregoing, information to be provided to Lender by Borrower prior to October 31 of each year, shall specifically include:

(i) Annual report of expenditures on the project, showing amounts at least equal to the amount of money Lender has disbursed to Borrower have been spent on the Project. ; this will include appropriate backup documentation, such as copies of major invoices & payment receipts, major contracts, bank statements, etc.

(ii) Annual report of payroll records and I-9 records – Borrower shall require its contractors to provide quarterly employment records (form 941) so that the information available for its submissions to Lender.

(iii) Annual report of actual number of full-time jobs (35 hours per week minimum) at the Project.

(iv) Federal / state quarterly employment tax returns.

(v) Annual limited liability company income tax returns for the prior calendar year.

Section 5.11 Taxes and Claims. Borrower shall pay and discharge all taxes, when due, assessments and other governmental charges upon the Project, as well as all claims for labor and materials which, if unpaid, might become a lien or charge upon the Project; provided, however, that Borrower shall have the right to contest the amount, validity and/or applicability of any of the foregoing which is being contested in good faith and by proper proceedings, and strictly in accordance with the terms of the Deed of Trust.

Section 5.12 Maintain Existence. Borrower shall preserve and maintain its name, existence, rights and privileges in the jurisdiction of its organization and qualify and remain qualified in each jurisdiction in which such qualification is necessary in view of its business and operations.

Section 5.13 Compliance with Applicable Laws. Borrower shall promptly and faithfully comply with, conform to and obey all present and future Governmental Requirements, including, but not limited to, all Environmental Laws, where failure to so do might have a Material Adverse Occurrence; provided, however, that Borrower shall have the ability to contest any alleged failure to conform to or comply with such Governmental Requirements so long as such obligations shall be contested by appropriate proceedings pursued in good faith and any penalties or other adverse effect of its nonperformance shall be stayed or otherwise not in effect,.

Section 5.14 Notice. Borrower shall give prompt written notice to Lender (a) of any action or proceeding instituted by or against Borrower, in any federal or state court or before or by any commission or other regulatory body, federal, state or local, or any such proceedings threatened against Borrower which, if adversely determined, would be a Material Adverse Occurrence as to Borrower or where the amount is \$250,000 or more, (b) any material loss or unusual depreciation of any material asset and the amount of the same, (c) any material dispute that may arise between Borrower or any subsidiary and any Governmental Authority, (d) any

labor controversy resulting or likely to result in a strike or work stoppage against Borrower or any subsidiary, (e) any proposal by any governmental unit to acquire all or any part of Borrower or any subsidiary's assets or business, (f) any change in Borrower's place of business or location of any fixtures or other assets, and (g) any other matters which has resulted or is reasonably likely to result in a Material Adverse Occurrence.

Section 5.15 Contingent Liability. Borrower shall not assume, guarantee, endorse or otherwise become directly or contingently liable in connection with any obligation of any Person (other than Borrower), except (i) by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business, or (ii) by indemnity agreements given by Borrower to a title insurance company or a bonding company in connection with any project being constructed or sold by Borrower, including the Project.

Section 5.16 Merger, Consolidation, and Management. Borrower and its subsidiaries shall not dissolve, merge or consolidate into any Person, convert into any other type of Person, form or dispose of any subsidiary of Affiliate, or permit any other Person to merge into it, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all of the assets of any other Person. Furthermore, Borrower shall not make a material change to its management without a minimum of thirty (30) days' prior written notice to Lender.

Section 5.17 Loss of Note or other Loan Documents. Upon notice from Lender of the loss, theft, or destruction of the Note and upon receipt of an affidavit of lost note and an indemnity reasonably satisfactory to Borrower from Lender, or in the case of mutilation of a Note, upon surrender of such mutilated Note, Borrower shall make and deliver a new note of like tenor in lieu of the then-to-be-superseded Note. If any of the other Loan Documents were lost or mutilated, Borrower agrees to execute and deliver replacement Loan Documents in the same form of such Loan Document(s) that were lost or mutilated.

Section 5.18 Distributions. Borrower shall not, directly or indirectly, prior to the later to occur of Completion of all of the Improvements or the Completion Date, (a) make any distribution of money or property to any Related Party, or (b) make any loan or advance to any Related Party, or (c) pay any principal or interest on any indebtedness due any Related Party, or (d) pay any fees or other compensation (other than payments made to the General Contractor or Manager pursuant to the Budget in conformance with the terms of this Agreement or payments made to any principal of Borrower in accordance with prior historical distributions) to itself or to any Related Party, if any such payment in (a) through (d), inclusive, might adversely affect Borrower's ability to repay the loan in accordance with its terms, provided, however, after Completion of all of the Improvements and the Completion Date, Borrower may make the distributions, loans, advances and payments described in (a), (b), (c) and (d) as long as no Event of Default has occurred and is continuing, and Borrower is in compliance with the reporting requirements set forth in Section 5.12 of this Agreement and further provided that no such payments described in (a) through (d) above shall be made at any time if such payment might adversely affect the ability of the Borrower repay the Loan in accordance with its terms.

Section 5.19 Permits and Licenses. Borrower shall promptly obtain and comply with all necessary licenses, permits and approvals from, and has satisfied the requirements of, all governmental entities necessary to commence and complete construction of the Improvements.

Section 5.20 Patriot Act. Borrower shall not (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person; (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224; or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224, the USA Patriot Act or any other Anti-Terrorism Law. Borrower shall deliver to Lender any certification or other evidence requested from time to time by Lender in its sole discretion, confirming Borrower's compliance with this Section. Borrower shall not authorize or enable any of their respective Affiliates or agents to do any of the foregoing in this Section.

Section 5.21 Related Party Transactions. Without Lender's prior written consent, Borrower shall not enter into, or be a party to, any contract or other transaction with a Related Party (including transactions involving the purchase, sale, or exchange of property, the rendering of services or sale of stock) except in the ordinary course of business and upon fair and reasonable terms no less favorable to itself than it would obtain in a comparable arms-length transaction. All Lender-approved Related Party agreements shall satisfy the following conditions: (i) the contract or other agreement therefore is terminable immediately at the election of Lender after the occurrence of an Event of Default, (ii) such agreements must provide that any amount payable by Borrower under any such contract or agreement with a Related Party is expressly made subordinate by Borrower and Related Party to Borrower's payment Obligations under the Loan Documents, and (iii) the contract or transaction is not otherwise prohibited by this Agreement or any of the other Loan Documents. In addition to the foregoing restrictions, Borrower shall not make any distributions of any type to any Related Party, except for salary and reimbursement of reasonable expenses actually incurred and consistent with the Budget, whether such proposed additional distribution is in the form of dividends, interest, returns of capital, distributions of profit, bonuses or any other form of distribution.

Section 5.22 Leases. Borrower shall not enter into any Lease, and shall not substantially modify or terminate any Lease, unless (a) Lender has been notified on or prior to the date of execution of such Lease, and (b) such Lease is made subordinate to the lien, operation and effect of the Deed of Trust pursuant to a subordination, non-disturbance and attornment agreement satisfactory each Lease is entered into in the ordinary course of Borrower's business. Borrower shall comply in all respects with the terms, the covenants, agreements, conditions and requirements of each of the Leases, as, when and in the manner required thereby. Borrower shall promptly notify Lender when Borrower receives notice of any default by Borrower as landlord under any Lease.

Section 5.23 Debt; Operations and Fundamental Changes of Borrower. Borrower:

- (a) will not own any asset other than (i) the Project and (ii) incidental personal property necessary for the ownership, operation, management and financing of the Project;
- (b) will not engage in any business other than the ownership, development, management, leasing, operation and sale of the Project and will conduct and operate its business in substantially the manner as presently anticipated to be conducted and operated;
- (c) except for the Senior Debt, will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than (i) the Loan, and (ii) trade payables or accrued expenses incurred in the ordinary course of business of operating the Project provided the same are paid when due in accordance with customary trade terms or contested in good faith by appropriate proceedings with adequate reserves as determined by Lender;
- (d) will not and will not permit any subsidiary of Borrower to create, incur, or suffer any security interest upon any of its present or future assets that are collateralized by Lender, other than (i) in favor of Lender, (ii) in favor of the provider of the Senior Debt or (iii) liens or claims of materialmen, mechanics, carriers, warehousemen, or processors arising by operation of law in the ordinary course of business and securing obligations that are either paid when due or contested in good faith by appropriate proceedings with adequate reserves as determined by Lender.
- (e) will not permit the Project or any portion thereof to secure any debt whatsoever (senior, subordinate or pari passu) other than the Loan and/or any Senior Debt;
- (f) will not make any loans or advances to any third party other than financing to timeshare purchasers, and will not acquire obligations or securities of its Affiliates;
- (g) will not make any payment on any indebtedness in violation of any subordination agreement made by the holder of such indebtedness;
- (h) will not purchase or acquire obligations owed by third parties;
- (i) will remain solvent and pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from Borrower's assets as the same shall become due;
- (j) will do all things necessary to observe organizational formalities and preserve Borrower's existence;

(k) will at all times hold itself out to the public as a legal entity separate and distinct from any other entity (including any Affiliate of Borrower or any constituent party of Borrower), shall correct any known misunderstanding regarding its status as a separate entity, shall conduct business in its own name, and shall not identify itself or any of its Affiliates as a division or part of the other;

(l) will maintain or have access to adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(m) will not make or consent to any material change in its method of accounting (including the basis of application of GAAP) or in its tax elections under any Law;

(n) will not sell, lease, transfer or otherwise dispose of all or any material part of its present or future assets other than the sale of timeshare interests in the Project;

(o) will, to the fullest extent permitted by law, not seek or effect the liquidation, dissolution, winding up, consolidation or merger, in whole or in part, of Borrower; and

(p) except as otherwise permitted in this Agreement or any of the other Loan Documents, will not commingle its funds and other assets with those of any Affiliate or constituent party of Borrower or any other Person, and will hold all of its assets in its own name.

Section 5.24 Accessibility Regulation. Borrower shall comply with all Accessibility Regulations which are applicable to the Project.

Section 5.25 Reports and Returns. Borrower shall file with the appropriate Governmental Authority every report and notice required by all Laws (including tax returns, levies, and assessments) on or before the initial due date or the extended due date, if there exists a valid extension for filing without interest or penalties.

Section 5.26 Management Agreement. Borrower shall deliver to Lender a copy of the fully-executed Management Agreement at least thirty (30) days before the issuance of any certificates of occupancy for the Project.

Section 5.27 Senior Debt. Borrower will use its best efforts to obtain Senior Debt as defined herein. Borrower and Lender expect that the Senior Debt documents will impose provisions concerning disbursement procedures, mechanisms to protect against mechanics liens and related matters as are customarily found in construction loans made by institutional lenders, which procedures also tend to help protect Lender. If Borrower has not obtained such Senior Debt by March 31, 2017, Borrower agrees that Lender may impose provisions concerning such matters similar to those customarily found in construction loans made by institutional lenders. In addition, Borrower will execute and deliver, upon request by Lender, such assignments of contracts relating to the Project as Lender shall request, including, but not limited to, the

Management Agreement, documents concerning the construction of the Project and any leases.

(B) COVENANT OF LENDER

Lender shall not (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person; (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224; or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224, the USA Patriot Act or any other Anti-Terrorism Law. Lender shall deliver to Borrower any certification or other evidence requested from time to time by Borrower in its sole discretion, confirming Lender's compliance with this Section. Lender shall not authorize or enable any of their respective Affiliates, members or agents to do any of the foregoing in this Section.

ARTICLE VI

DEFAULTS

Section 6.1 Events of Default. Any of the following events shall constitute an Event of Default under this Agreement (each an "Event of Default"):

(a) Borrower shall default in any payment of principal or interest due according to the terms hereof or of the Note, and such default shall remain uncured for a period of five (5) days after the payment became due, provided, however, there is no cure period for payments due on the Maturity Date;

(b) Borrower shall default in the payment of undisputed fees or other amounts payable to Lender hereunder or under any other Loan Document other than as set forth in subsection (a) above, and such default continues unremedied for a period of ten (10) days after notice from Lender to Borrower thereof.;

(c) Borrower shall default in the performance or observance of any agreement, covenant or condition required to be performed or observed by Borrower under the terms of this Agreement, or any other Loan Document, other than a default described elsewhere in this Section, and such default continues unremedied for a period of thirty (30) days after notice from Lender to Borrower thereof provided that, if cure cannot reasonably be effected within such 30-day period, such failure shall not be an event of default hereunder so long as Borrower promptly (in any event, within ten (10) days after such notice of default from Lender) commences cure, and thereafter diligently (in any event, within ninety (90) days after receipt of such notice of default from Lender) prosecutes such cure to completion; and provided further, however, that notwithstanding the 30-day cure period or extended cure period described above in this subparagraph (c), if a different notice or cure period is specified under any Loan Document or under any provision of the Loan Documents as to any such failure or breach, the specific Loan Document or provision shall control, and Borrower shall have no more time to cure the

failure or breach than is allowed under the specific Loan Document or provision as to such failure or breach;

(d) Any representation or warranty made by Borrower in this Agreement or by Borrower or an Affiliate, if made in connection with the Loan, in any of the other Loan Documents, or in any certificate or document furnished under the terms of this Agreement or in connection with the Loan, shall be untrue or incomplete in any material respect when made or deemed made or restated hereunder unless such representation or warranty was not known by Borrower to be untrue or incomplete at the time made and such representation or warranty is corrected by Borrower and disclosed by Borrower to Lender;

(e) Borrower shall be in default under any term, covenant or condition of any of the Note or of any of the other Loan Documents to which Borrower is a party, other than a default described elsewhere in this Section, after the expiration of any notice or grace period, if any, provided therein;

(f) Work on the Project, once commenced, shall be substantially abandoned, or shall, by reason of Borrower's fault, be unreasonably delayed or discontinued for a period of fifteen (15) consecutive days, or construction shall be delayed for any reason whatsoever to the extent that Completion cannot, in the reasonable judgment of Lender, be accomplished prior to the Completion Date;

(g) Any of Borrower, or any Related Party who is a party to any of the Loan Documents, shall file a petition for bankruptcy; or shall apply for, consent to or permit the appointment of a receiver, custodian, trustee or liquidator for it or any of its property or assets; or shall generally fail to, or admit in writing its inability to, pay its debts as they mature; or shall make a general assignment for the benefit of creditors or shall be adjudicated bankrupt or insolvent; or shall take other similar action for the benefit or protection of its creditors; or shall give notice to any governmental body of insolvency or of pending insolvency or suspension of operations; or shall file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors, or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, rearrangement, dissolution, liquidation or other similar debtor relief law or statute; or shall file an answer admitting the material allegations of a petition filed against it in any proceeding under any such law or statute; or shall be dissolved, liquidated, terminated or merged; or shall effect a plan or other arrangement with creditors; or a trustee, receiver, liquidator or custodian shall be appointed for it or for any of its property or assets and shall not be discharged within ninety (90) days after the date of his appointment; or a petition in involuntary bankruptcy or similar proceedings is filed against it and is not dismissed within ninety (90) days after the date of its filing;

(h) Lender determines that the remaining undisbursed Loan proceeds, together with the proceeds of any Senior Debt, are insufficient to fully pay all of the then-unpaid costs of the Project and the estimated expenses of completion (including the Interest Reserve), and Borrower fails to either (i) deposit with Lender, within three (3) Business

Days following demand, sufficient funds to permit Lender to pay said excess costs as the same become payable or (ii) pay said excess costs directly and deliver to Lender unconditional mechanics' lien waivers therefor (or paid receipts for non-lienable items), at Lender's option;

(i) A default shall occur with respect to the Senior Debt and shall remain uncured after the expiration of any applicable notice or grace period;

(j) A default occurs in the performance of Borrower's obligations in any of Section 5.6, 5.7, 5.8, 5.10, 5.13, 5.16, 5.18, 5.19, 5.22, 5.23 or 5.24, hereof;

(k) The General Contract shall be terminated by either party thereto or either party thereto shall fail to perform its obligations (after any applicable notice and cure period) under the General Contract;

(l) Any uncured default by Borrower under the Management Agreement.

(m) Any failure by Borrower to timely deliver the EB-5 information, which failure continues more than 5 days following notice of such failure from Lender.

Section 6.2 Rights and Remedies. Upon the occurrence of an Event of Default, unless such Event of Default is subsequently waived in writing by Lender, Lender may exercise any or all of the following rights and remedies, consecutively or simultaneously, and in any order:

(a) make one or more Advances of Loan proceeds without liability to make any subsequent Advance;

(b) suspend the obligation of Lender to make Advances under this Agreement, without notice to Borrower;

(c) declare that the Commitment is terminated whereupon the Commitment shall terminate;

(d) declare the entire unpaid principal balance of the Note to be immediately due and payable, together with accrued and unpaid interest on such Advances, without notice to or demand on Borrower;

(e) exercise any or all remedies specified herein and in the other Loan Documents, including (without limiting the generality of the foregoing) the right to foreclose the Deed of Trust, and/or any other remedies which it may have therefor at law, in equity or under statute;

(f) cure the Event of Default on behalf of Borrower, and, in doing so, enter upon the Project, and expend such sums as it may deem desirable, including reasonable attorneys' fees, all of which shall be deemed to be Advances hereunder, even though

causing the Loan to exceed the face amount of the Note, shall bear interest at the Default Rate provided herein and shall be payable by Borrower on demand; and/or;

(g) Lender may declare an Event of Default under any other Loan Document in accordance with the terms and conditions thereof, and may effectuate any remedies provided for in such agreement.

In addition to the other remedies set forth herein and in the other Loan Documents, Borrower hereby irrevocably authorizes Lender, at any time while an Event of Default continues, to set off any sum due to or incurred by Lender against all accounts, deposits and credits of Borrower with, and any and all claims of Borrower against Lender. Such right shall exist whether or not Lender shall have made any demand hereunder or under any other Loan Document, whether or not said sums, or any part thereof, or deposits and credits held for the account of Borrower is or are matured or unmatured, and regardless of the existence or adequacy of any collateral, or any other security, right or remedy available to Lender. Lender agrees that, as promptly as is reasonably possible after the exercise of any such setoff right, it shall notify Borrower of its exercise of such setoff right; provided, however, that the failure of Lender to provide such notice shall not affect the validity of the exercise of such setoff rights. Nothing in this Agreement shall be deemed a waiver or prohibition of or restriction on Lender to all rights of banker's lien, setoff and counterclaim available pursuant to law.

Section 6.3 Completion of Project by Lender. In addition, in case of the occurrence of an Event of Default specified in Section 6.1(f) hereof, or any Event of Default caused by, or which results in, Borrower's failure, for any reason, to continue with the completion of the construction of the Improvements as required by this Agreement, then Lender may (but shall not be obligated to), in addition to, or in concert with, the other remedies referred to above, take over and complete such construction in accordance with the Plans, with such changes therein as Lender may, in its discretion, deem appropriate, all at the risk, cost and expense of Borrower. Lender may assume or reject any contracts entered into by Borrower in connection with the Project with the exception of timeshare purchase contracts, may enter into additional or different contracts for work, services, labor and materials required, in the judgment of Lender, to complete the Project, may pay, compromise and settle all claims in connection with the construction of the Improvements. All sums, including reasonable attorneys' fees, and charges or fees for supervision and inspection of the construction of the Improvements and for any other necessary or desirable purpose in the discretion of Lender expended by Lender in completing or attempting to complete the construction of the Improvements (whether aggregating more, or less, than the aggregate face amount of the Note), shall be deemed Advances made by Lender to Borrower hereunder, and Borrower shall be liable to Lender, on demand, for the payment of such sums, together with interest on such sums from the date of their expenditure at the rates provided herein. Lender may, in its discretion, at any time abandon work on the Project, after having commenced such work, and may recommence such work at any time, it being understood that nothing in this Section shall impose any obligation on Lender either to complete or not to complete the construction of the Improvements. For the purpose of carrying out the provisions of this Section, Borrower irrevocably appoints Lender its attorney-in-fact, with full power of substitution, to execute and deliver all such documents, to pay and receive such funds, and to take such action as may be necessary, in the judgment of Lender, to complete the Project. This

power of attorney is coupled with an interest and is irrevocable. Lender, however, shall have no obligation to undertake any of the foregoing, and, if Lender does undertake any of the same, it shall have no liability for the adequacy, sufficiency or completion thereof.

ARTICLE VII

INTEREST, FEES AND EXPENSES

Section 7.1 Interest; Fees; and Expenses.

(a) Included in the Loan are amounts for Interest Reserve. Borrower hereby authorizes Lender to disburse the Interest Reserve to pay interest accrued on the Note and all other expenses and fees directly to the party to whom such payment is owed as set forth in this Article 7. The execution of this Agreement by Borrower shall, and hereby does, constitute an irrevocable authorization to Lender to make such advances provided for in this Article 7, and no further authorization from Borrower shall be necessary to warrant such direct advances, and all such direct advances shall be secured by the Deed of Trust as if made directly by Borrower.

(b) Lender in its sole discretion may (but shall not be obligated to do so) make such disbursements authorized under this Article 7 notwithstanding that an Event of Default exists under the terms of this Agreement or any other Loan Document. Such disbursements shall constitute an Advance and be added to the principal balance of the Note, and the Lender shall make the applicable Advances to fund any such disbursements. Such disbursements shall bear interest at the Default Rate. The authorization hereby granted is irrevocable, and no further direction or authorization from Borrower is necessary for Lender to make such disbursements. Nothing contained in this Article 7 shall require Lender to disburse Loan proceeds to pay for any of the items set forth in subsection (a) above if the other conditions set forth in this Agreement for Advances are not satisfied.

Section 7.2 Authorization to Make Loan Advances to Cure Borrower's Defaults.

If an Event of Default shall occur, Lender (subject to the provisions of this Article 7) may (but shall not be required to) perform any of such covenants and agreements with respect to which Borrower is in Default. Any amounts expended by Lender in so doing and any amounts expended by Lender in connection therewith shall constitute an Advance and be added to the outstanding principal amount of the Loan, and the Lender shall make the applicable Advances to fund any such disbursements. The authorization hereby granted is irrevocable, and no prior notice to or further direction or authorization from Borrower is necessary for Lender to make such disbursements.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Waiver and Amendment. No failure on the part of Lender or the holder of the Note to exercise and no delay in exercising any power or right hereunder or under any

other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. The remedies herein and in any other instrument, document or agreement delivered or to be delivered to Lender hereunder or in connection herewith are cumulative and not exclusive of any remedies provided by law. No notice to or demand on either party hereunder not required hereunder or under the Note or any other Loan Document shall in any event entitle such party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of Lender, the holder of the Note or Borrower to any other or further action in any circumstances without notice or demand.

No amendment, waiver or consent shall affect the rights or duties of Lender under this Agreement or any other Loan Document unless it is in writing and signed by Lender.

Section 8.2 Expenses and Indemnities.

(a) Loan Documents. Borrower agrees to pay and reimburse Lender upon demand for all reasonable expenses paid or incurred by Lender (including reasonable fees and expenses of legal counsel) in connection with the collection and enforcement of the Loan Documents, or any of them. Borrower agrees to pay, and save Lender harmless from all liability for, any mortgage registration, mortgage recording, transfer, recording, stamp, or similar tax or other charge due to any governmental entity, which may be payable with respect to the execution or delivery of the Loan Documents. Borrower agrees to indemnify Lender and hold Lender harmless from any loss or expense which may arise or be created by the acceptance of telephonic or other instructions for making the Loan or disbursing the proceeds thereof except for losses or expenses caused by Lender, gross negligence or willful misconduct.

(b) General Indemnity. In consideration of the Commitment, Borrower further agrees to indemnify and defend Lender and its directors, officers, agents and employees (the "Indemnified Parties") from, and hold each of them harmless against, any and all losses, liabilities, claims, damages, deficiencies, interest, judgments, costs or expenses incurred by them or any of them, including, but without limitation, amounts paid in settlement, court costs, and reasonable fees and disbursements of counsel incurred in connection with any investigation, litigation or other proceeding, arising out of or by reason of any investigation, litigation or other proceeding brought or threatened, arising out of or by reason of their execution of any Loan Document and the transaction contemplated thereby, including, but not limited to, any use effected or proposed to be effected by Borrower of the proceeds of the Loan, but excluding any such losses, liabilities, claims, damages or expenses incurred by reason of the gross negligence or willful misconduct of the relevant Indemnified Party. Any Indemnified Party seeking indemnification under this Section will notify Borrower of any event requiring indemnification within thirty (30) Business Days following such Indemnified Party's receipt of notice of commencement of any action or proceeding, or such Indemnified Party's obtaining knowledge of the occurrence of any other event, giving rise to a claim for indemnification hereunder. Borrower will be entitled (but not obligated) to assume the defense or settlement of any such action or proceeding or to participate in any

negotiations to settle or otherwise resolve any claim using counsel of its choice; provided that:

- (i) Borrower notifies such Indemnified Party in writing that Borrower will indemnify such Indemnified Party from and against the relevant claim;
- (ii) such counsel is reasonably satisfactory to such Indemnified Party;
- (iii) such claim involves only money damages and does not seek an injunction or other equitable relief;
- (iv) if such Indemnified Party is the Lender, settlement of, or an adverse judgment with respect to, such claim is not, in the good faith judgment of such Indemnified Party, likely to establish a precedential custom or practice materially adverse to the continuing business interests of such Indemnified Party;
- (v) Borrower conducts the defense of such claim actively and diligently;
- (vi) no conflict of interest has arisen which would prevent counsel for Borrower from also representing such Indemnified Party because the defendants in any action include both such Indemnified Party and Borrower; and
- (vii) Borrower will not consent to the entry of any judgment or enter into any settlement with respect to such claim without the prior written consent of such Indemnified Party (not to be withheld unreasonably).

So long as Borrower has assumed the defense of such claim and is conducting such defense in accordance with the foregoing, such Indemnified Party: (y) may retain separate co-counsel at its sole cost and expense and participate in the defense of such claim; and (z) will not consent to the entry of any judgment or enter into any settlement with respect to such claim without the prior written consent of Borrower with respect to such claim (not to be withheld unreasonably).

If Borrower fails to assume such defense or, after doing so, Borrower fails to satisfy any of the above conditions to Borrower's defense, such Indemnified Party (and its counsel) may defend against, and consent to the entry of any judgment or enter into any settlement with respect to, such claim in any manner it may reasonably deem appropriate (and such Indemnified Party need not consult with, or obtain any consent from, Borrower in connection therewith) and Borrower will reimburse such Indemnified Party promptly and periodically for the costs of defending against such claim (including reasonable attorneys' fees and expenses) and Borrower will remain responsible for any loss which such Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by such claim to the fullest extent provided for and required by this Agreement.

Section 8.3 Binding Effect; Waivers; Cumulative Rights and Remedies. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto

and their respective heirs, executors, administrators, personal representatives, legal representatives, successors and assigns; provided, however, that neither this Agreement nor the proceeds of the Loan may be assigned by Borrower voluntarily, by operation of law or otherwise, without the prior written consent Lender. No delay on the part of Lender in exercising any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder constitute such a waiver or exhaust the same, all of which shall be continuing. The rights and remedies of Lender specified in this Agreement shall be in addition to, and not exclusive of, any other rights and remedies which Lender would otherwise have at law, in equity or by statute, and all such rights and remedies, together with Lender's rights and remedies under the other Loan Documents, are cumulative and may be exercised individually, concurrently, successively and in any order.

Section 8.4 Incorporation By Reference. Borrower agrees that until this Agreement is terminated by the repayment to Lender of all principal and interest due and owing on the Note and other sums due and owing pursuant to the other Loan Documents, the Note and the other Loan Documents shall be made subject to all the terms, covenants, conditions, obligations, stipulations and agreements contained in this Agreement to the same extent and effect as if fully set forth in and made a part of the Note and the other Loan Documents.

Section 8.5 Survival. All agreements, representations and warranties made in this Agreement shall survive the execution of this Agreement, the making of the Advances by Lender, and the execution of the other Loan Documents, and shall continue until Lender receive payment in full of all of the Obligations and the Indebtedness of Borrower incurred under this Agreement and under the other Loan Documents.

Section 8.6 Governing Law; Waiver of Jury Trial; Jurisdiction. IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT, THE OBLIGATIONS ARISING HEREUNDER, AND ALL QUESTIONS AND ISSUES ARISING HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEVADA, APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS AGREEMENT AND THE NOTE, AND THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEVADA.

BORROWER HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION RELATING TO THE LOAN AND/OR THE LOAN DOCUMENTS. BORROWER, TO THE FULLEST EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, (A) SUBMITS TO PERSONAL JURISDICTION IN THE STATE

OF NEVADA OVER ANY SUIT, ACTION OR PROCEEDING BY ANY PERSON ARISING FROM OR RELATING TO THIS AGREEMENT, (B) AGREES THAT ANY SUCH ACTION, SUIT OR PROCEEDING MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF NEVADA, (C) SUBMITS TO THE JURISDICTION AND VENUE OF SUCH COURTS AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT, AND (D) AGREES THAT IT WILL NOT BRING ANY ACTION, SUIT OR PROCEEDING IN ANY OTHER FORUM. BORROWER FURTHER CONSENTS AND AGREES TO SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING BY REGISTERED OR CERTIFIED U.S. MAIL, POSTAGE PREPAID, TO BORROWER AT THE ADDRESSES FOR NOTICES DESCRIBED IN THIS AGREEMENT, AND CONSENTS AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE IN EVERY RESPECT VALID AND EFFECTIVE SERVICE (BUT NOTHING HEREIN SHALL AFFECT THE VALIDITY OR EFFECTIVENESS OF PROCESS SERVED IN ANY OTHER MANNER PERMITTED BY LAW).

Section 8.7 Counterparts. This Agreement may be executed in any number of counterparts, all of which shall constitute a single Agreement.

Section 8.8 Notices. All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a "**Notice**") required, permitted or desired to be given hereunder shall be in writing and shall be sent by (a) registered or certified mail, postage prepaid, return receipt requested, (b) Federal Express, UPS or another reputable overnight courier, or (c) by hand by commercial courier service, addressed to the party to be so notified at its address set forth opposite its signature, below, or to such other address as such party may hereafter specify in accordance with the provisions of this Section. Any Notice shall be deemed to have been received: (i) three (3) days after the date such Notice is mailed, (ii) on the date of delivery by hand (or refusal to accept such delivery) if delivered during business hours on a Business Day (otherwise on the next Business Day), and/or (iii) on the next Business Day if sent by an overnight commercial courier. Notices shall be deemed effective if given by counsel to either party, as if given directly by such party. No notice under this Agreement or any other Loan Document shall be ineffective because of the failure to provide a copy of any notice to any party to whom a courtesy copy is to be sent under this Agreement.

Any party may change the address to which any such Notice is to be delivered by furnishing ten (10) days' prior written notice of such change to the other parties in accordance with the provisions of this Section. Notices shall be deemed to have been given on the date as set forth above, even if there is an inability to actually deliver any such Notice because of a changed address of which no Notice was given, or there is a rejection or refusal to accept any Notice offered for delivery.

Section 8.9 No Third-Party Reliance. No third party shall be entitled to rely upon this Agreement or to have any of the benefits of Lender's interest hereunder, unless such third party is an express assignee of all or a portion of Lender's interest hereunder.

Section 8.10 Lender Assignment. Borrower agrees that Lender may assign its interest in the Loan at any time without the prior consent of Borrower, provided that, upon such assignment, the terms of the Loan shall not be modified or amended in any way and provided further, that any such assignment does not violate any terms or conditions of the EB-5 Program.

Section 8.11 Time of the Essence. Time is of the essence hereof with respect to the dates, terms and conditions of this Agreement.

Section 8.12 No Oral Modifications. No modification or waiver of any provision of this Agreement shall be effective unless set forth in writing and signed by the parties hereto.

Section 8.13 Captions. The headings or captions of the Articles and Sections set forth herein are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

Section 8.14 Borrower-Lender Relationship. The relationship between Borrower and Lender created hereby and by the other Loan Documents shall be that of a borrower and a lender only, and in no event shall Lender be deemed to be a partner of, or a joint venturer with, Borrower.

[END OF AGREEMENT; SIGNATURE PAGES FOLLOW]

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

BORROWER:

FRONT SIGHT MANAGEMENT, LLC, a Nevada
limited liability company

By: 
Name: Ignatius Piazza
Title: Manager

Borrower's Address:

1 Front Sight Road
Pahrump, NV 89061

With a copy to (which copy shall not constitute
notice):

Scott A. Preston, Esq.
Preston Arza LLP
8581 Santa Monica Boulevard, #710
West Hollywood, CA 90069

[Signature page 1 of 2 of Construction Loan Agreement]

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of San Francisco

On OCT 06, 2016 before me, P. Fakeri, Notary Public,
(Here insert name and title of the officer)

personally appeared IGNATIUS PIAZZA

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.

[Signature]
Signature of Notary Public



(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

Construction Loan
(Title or description of attached document)

Agmt
(Title or description of attached document continued)

Number of Pages 51 Document Date 10/6/16

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
- Corporate Officer
- _____ (Title)
- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/~~she~~/they-, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

LENDER:

LAS VEGAS DEVELOPMENT FUND, LLC, a
Nevada limited liability company

By: _____
Name: _____
Title: _____

Lender's Address:

P.O. Box 3003
916 Southwood Blvd., Suite 1G
Incline Village, NV 89450

With a copy to (which copy shall not constitute
notice):

EB5 Impact Capital Regional Center LLC
916 Southwood Blvd., Suite 1G
Incline Village, NV 89450

And

Michael A. Brand, Esq.
2924 Selwyn Circle
Santa Barbara, California 93105

And:

C. Matthew Schulz, Esq.
Dentons US LLP
1530 Page Mill Road, Suite 200
Palo Alto, CA 94304-1125

[Signature page 2 of 2 of Construction Loan Agreement]

EXHIBIT 4

FIRST AMENDMENT TO LOAN AGREEMENT

This FIRST AMENDMENT TO LOAN AGREEMENT (this “**First Amendment**”) is entered into and effective as of July 1, 2017 (the “**First Amendment Effective Date**”) by and between Las Vegas Development Fund, LLC, a Nevada Limited Liability Company (“**Lender**”) and Front Sight Management, LLC, a Nevada Limited Liability Company, (“**Borrower**”). Lender and Borrower and their respective permitted successors and assigns are sometimes referred to in this First Amendment individually as a “**Party**” and collectively as the “**Parties**”.

RECITALS

A. Lender and Borrower entered into that certain Construction Loan Agreement dated as of October 4, 2016 (the “**Original Loan Agreement**”). The Original Loan Agreement as amended by this First Amendment is referred to herein as the “**Agreement**”. Pursuant to the Original Loan Agreement, Borrower executed a Promissory Note dated October 6, 2016 (the “**Original Note**”) and a Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated October 6, 2016 (the “**Deed of Trust**”). Initially capitalized terms not defined herein shall have the respective meanings assigned to such terms in the Original Loan Agreement.

B. The Parties desire to amend the Original Loan Agreement, the Original Note and the Deed of Trust to modify the rights and obligations of the Parties as further set forth below.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing Recitals, which are hereby incorporated into the operative provisions of this First Amendment by this reference, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties further agree as follows:

- 1. COMMENCEMENT DATE.** The definition of “Commencement Date” in the Original Loan Agreement is hereby deleted and replaced with:

“Commencement Date means October 4, 2016.”

- 2. INTEREST RATE.** The definition of Loan Rate in the Original Loan Agreement is amended to read as follows:

“Loan Rate” means the interest rate applicable to the Loan as calculated at an annual rate of 6% during the Initial Term with respect to all Advances made prior to July 1, 2017 and, with respect to such Advances, if extended, at an annual rate of 7% during the Extension Term; and with respect to all Advances made after July 1, 2017 as calculated at an annual rate of 7% during the Initial Term, and, if extended, at an annual rate of 8% during the Extension Term.”

And Section 4 of the Note is amended to read as set forth in the Amended and Restated Promissory Note attached hereto as Exhibit A.

- 3. MAXIMUM LOAN AMOUNT.** The maximum Loan amount is hereby reduced from seventy-five million Dollars (\$75,000,000) to fifty million Dollars (\$50,000,000). Accordingly, the reference in Recital A of the Loan Agreement to SEVENTY-FIVE MILLION DOLLARS (\$75,000,000) is hereby amended to FIFTY MILLION DOLLARS (\$50,000,000), and the first sentence of the definition of

“Commitment” in the Loan Agreement is hereby amended to read: “Commitment” means an amount not to exceed Fifty Million Dollars (\$50,000,000)”.

Furthermore, the amount shown as the maximum principal amount on the Promissory Note is amended by replacing “\$75,000,000” with “\$50,000,000,” and the amount of “Seventy-Five Million and No/100 Dollars (\$75,000,000)” in the first sentence of the Promissory Note is replaced by “Fifty Million and No/100 Dollars (\$50,000,000)” as set forth in the Amended and Restated Promissory Note attached hereto as Exhibit “A”.

Additionally, the first sentence of Section 1.1 of the Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing has been amended in said document to read: “Loan. The indebtedness secured by this Deed of Trust is the result of a loan in the original principal amount of up to Fifty Million dollars (\$50,000,000) (the “Loan”) provided by Lender to Grantor.”

4. DATE TO OBTAIN SENIOR DEBT. The date of December 31, 2016, in the last sentence of the definition of Senior Debt, which is the outside date for Borrower to obtain such Senior Debt, is hereby amended to December 31, 2017, provided, however, that Borrower, at its sole election, may extend said date for an additional sixty (60) days from and after said date of December 31, 2017.

5. MAINTENANCE OF JOBS REQUIRED FOR EB-5 PURPOSES. Borrower agrees and covenants to continue to employ sufficient full-time employees to meet the jobs creation requirement of the EB-5 Program.

6. EB-5 INFORMATION. Borrower has provided Lender with a portion of the information and documentation required pursuant to Section 5.10 of the Original Loan Agreement. The parties acknowledge that Borrower’s copies of certain documentation were in an office in or around Santa Rosa, California, which was burned down in a major wildfire in Northern California. Notwithstanding the foregoing, on or before June 30, 2018, Borrower shall provide Lender with copies of major contracts, bank statements, receipts, invoices and cancelled checks or credit card statements or other proof of payment reasonably acceptable to Lender that document that Borrower has invested in the Project at least the amount of money as has been disbursed by Lender to Borrower on or before the First Amendment Effective Date, it being understood that such documentation may evidence investments occurring at any time from and after the date of the Original Loan Agreement up to and including June 30, 2018. Borrower further agrees that, in the event that there is an audit, compliance review or other form of request for such documentation by the USCIS or any successor or affiliated agency, including the U.S. Securities and Exchange Commission or the U.S. Department of Justice, Borrower will, at Borrower’s sole cost and expense, promptly reconstruct in its entirety such documentation evidencing the investment of the amount of funds disbursed on or before the First Amendment Effective Date by obtaining copies from third parties. Borrower further agrees that the provisions of the Original Loan Agreement continue to apply with respect to the EB-5 Information (as defined in the Original Loan Agreement) and all provisions of the Original Loan Agreement which require Borrower to provide information and/or documentation to Lender continue to apply and Borrower will comply fully therewith.

7. INDEMNIFICATION. Borrower agrees to defend, indemnify and hold Lender harmless from any actual expense, cost, loss or damage, including reasonable attorneys’ fees and court costs, paid or incurred by Lender due to (i) Borrower’s failure to provide the EB5 documentation for the period from the first disbursement of the Loan proceeds through October 31, 2017, or (ii) Borrower’s breach of its obligations contained in Paragraph 6, above.

8. AGREEMENT RATIFIED. Except as specifically amended or modified herein, each and every term, covenant, and condition of the Original Loan Agreement, Note and Deed of Trust as amended is

hereby ratified and shall remain in full force and effect. Each and every reference to the "Agreement" in the Original Loan Agreement (including, without limitation, the attachments thereto) shall be deemed to refer to the Original Loan Agreement as amended by this First Amendment.

9. GOVERNING LAW. This instrument shall be interpreted and construed in accordance with the laws of the State of Nevada.

10. BINDING AGREEMENT. This First Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.


11. COUNTERPARTS. This First Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

[Signature page follows]

A handwritten signature in black ink, appearing to be "RWJ", is written over the text "[Signature page follows]".

IN WITNESS WHEREOF, Lender and Borrower have signed this First Amendment as of the First Amendment Effective Date.

BORROWER: FRONT SIGHT MANAGEMENT, LLC,
A Nevada Limited Liability Company

By: 
Name: Ignatius Piazza
Title: Manager *10/14/17*

LENDER:

LAS VEGAS DEVELOPMENT FUND, LLC,
A Nevada Limited Liability Company

By: 
Name: Robert Dziubko
Title: President & CEO

PLEASE SEE ATTACHED
CALIFORNIA ALL-PURPOSE
ACKNOWLEDGEMENT FORM

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

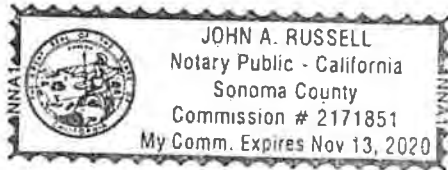
State of California

County of Sonoma

On November 14, 2017 before me, John A Russell Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Ignatius Anthony Piazza II
Name(s) of Signer(s)

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.



Place Notary Seal and/or Stamp Above

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.

Signature John A Russell
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: First Amendment To Loan Agreement

Document Date: 11/14/2017 Number of Pages: 4

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____
 Corporate Officer - Title(s): _____ Corporate Officer - Title(s): _____
 Partner - Limited General Partner - Limited General
 Individual Attorney in Fact Individual Attorney in Fact
 Trustee Guardian of Conservator Trustee Guardian of Conservator
 Other: _____ Other: _____
 Signer is Representing: _____ Signer is Representing: _____

EXHIBIT 5

SECOND AMENDMENT TO LOAN AGREEMENT

This SECOND AMENDMENT TO LOAN AGREEMENT (this “**Second Amendment**”) is entered into and effective as of February 28, 2018 (the “**Second Amendment Effective Date**”) by and between Las Vegas Development Fund, LLC, a Nevada Limited Liability Company (“**Lender**”) and Front Sight Management, LLC, a Nevada Limited Liability Company, (“**Borrower**”). Lender and Borrower and their respective permitted successors and assigns are sometimes referred to in this Second Amendment individually as a “**Party**” and collectively as the “**Parties**”.

RECITALS

- A. Lender and Borrower entered into that certain Construction Loan Agreement dated as of October 4, 2016 (the “**Original Loan Agreement**”). The Original Loan Agreement as amended by this First Amendment is referred to herein as the “**Agreement**”. Pursuant to the Original Loan Agreement, Borrower executed a Promissory Note dated October 6, 2016 (the “**Original Note**”) and a Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated October 6, 2016 (the “**Deed of Trust**”). Initially capitalized terms not defined herein shall have the respective meanings assigned to such terms in the Original Loan Agreement. The Original Loan Agreement was amended by a First Amendment to Loan Agreement effective as of July 1, 2017 (the “**First Amendment**”) to further extend the date for obtaining the Senior Financing.
- B. Borrower has represented to Lender that further extending the date for obtaining the Senior Debt will benefit the Project by reducing borrowing costs by delaying the Senior Debt until it is strictly necessary to allow construction to proceed at the fastest feasible pace. Borrower has further represented to Lender that construction is currently proceeding at the most expedited pace reasonably possible and that Borrower has received preliminary pricing terms from two lenders for the Senior Debt (“**Senior Debt Term Sheets**”). The Parties desire to further amend the Original Loan Agreement, as modified by the First Amendment, to modify the rights and obligations of the Parties as further set forth below.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing Recitals, which are hereby incorporated into the operative provisions of this First Amendment by this reference, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties further agree as follows:

- 1. DATE TO OBTAIN SENIOR DEBT.** The date of December 31, 2016, in the last sentence of the definition of Senior Debt in the Original Loan Agreement, which was the outside date for Borrower to obtain such Senior Debt, and which date was extended in the First Amendment, is hereby amended to June 30, 2018. Concurrently with the execution of this Second Extension, Borrower shall provide to Lender copies of term sheets, emails and other materials related to the Senior Debt Term Sheets and shall periodically, but no less than monthly, update the same.
- 2. AGREEMENT RATIFIED.** Except as specifically amended or modified herein, each and every term, covenant, and condition of the Original Loan Agreement, Note and Deed of Trust as amended is hereby ratified and shall remain in full force and effect. Each and every reference to the “**Agreement**” in

the Original Loan Agreement (including, without limitation, the attachments thereto) shall be deemed to refer to the Original Loan Agreement as amended by the First Amendment and this Second Amendment.

3. GOVERNING LAW. This instrument shall be interpreted and construed in accordance with the substantive laws of the State of Nevada, excluding choice of law principles.

4. BINDING AGREEMENT. This Second Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

5. COUNTERPARTS. This Second Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

IN WITNESS WHEREOF, Lender and Borrower have signed this Second Amendment as of the Effective Date.

BORROWER:

FRONT SIGHT MANAGEMENT, LLC,
A Nevada Limited Liability Company

By: 
Name: Ignatius Piazza
Title: Manager

LENDER:

LAS VEGAS DEVELOPMENT FUND, LLC,
A Nevada Limited Liability Company

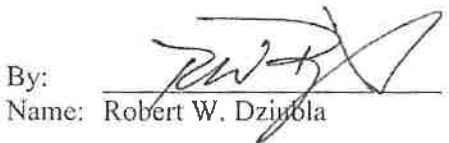
By: 
Name: Robert W. Dziubla
Title: President & CEO

EXHIBIT 6

APN(s) 045-481-05 and 045-481-06

RECORDING REQUESTED BY
and RETURN TO:

Kathryn Holbert, Esq. NV Bar #10084
FARMER CASE & FEDOR
2190 E. Pebble Rd.. #205
Las Vegas, NV 89123

DOC #905512

Official Records Nye County NV
Deborah Beatty - Recorder
01/18/2019 10:51:43 AM
Requested By: E-DOCS SOLUTIONS L
Recorded By: MJ RPTT:\$0
Recording Fee: \$285.00
Non Conformity Fee: \$
Page 1 of 5

NOTICE OF BREACH, DEFAULT and ELECTION TO SELL UNDER DEED OF TRUST
IMPORTANT NOTICE

NOTICE IS HEREBY GIVEN that: Kathryn Holbert, Esq., is the duly appointed substitute Trustee under that certain Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated October 6, 2016 and recorded on October 13, 2016, as Document No. 860867 of official records in the Office of the Recorder of Nye County, Nevada; ("Deed of Trust"), which was executed by FRONT SIGHT MANAGEMENT, LLC, a Nevada limited liability company, Grantor, as Trustor, to secure certain obligations in favor of LAS VEGAS DEVELOPMENT FUND, LLC, a Nevada limited liability company, together with that certain First Amendment to Construction Deed of Trust, Security Agreement and Fixture Filing dated July 1, 2017 and recorded on January 12, 2018, as Document No. 886510, and any modifications/amendments thereto of the Official Records in the Office of the Recorder of Nye County, State of Nevada ("Deeds of Trust").

Such DEED OF TRUST secures an Amended and Restated Promissory Note for the sum of up to \$50,000,000.00 as well as other material obligations. A breach of the obligations which are secured by such Amended and Restated Promissory Note has occurred and FRONT SIGHT MANAGEMENT, LLC is in default under the terms of the Deeds of Trust as set forth below:

The total amount due is \$345,787.24 which is itemized as \$32,833.33 current interest; \$158,395.80 past due interest; \$138,655.62 legal/attorney fees and costs; and \$15,902.49 in late fees. Additionally, FRONT SIGHT MANAGEMENT, LLC has default regarding various material non-monetary obligations which are set forth in and secured by the Deeds of Trust, including:

- a. Improper use of loan proceeds.
- b. Failure to provide government approved plans for construction.
- c. Material delays in construction.
- d. Material changes to the costs, scope and timing of the construction.
- e. Refusal to comply regarding securing senior debt.
- f. Failure to provide monthly project costs.
- g. Failure to notify lender of the occurrence of events of default.
- h. Refusal to allow inspection of books and records.
- i. Refusal to allow site inspection by Lender and its representatives.
- j. Failure to provide EB-5 documentation.

NOTICE OF BREACH, DEFAULT and ELECTION TO SELL UNDER DEED OF TRUST

To cure the Default and Reinstate your loan, you must pay all amounts then due at the time of reinstatement, including any additional unpaid amounts that you are obligated to pay by the terms of the Note and the Deed of Trust, such as, but not limited to, advances, taxes, hazard insurance and obligations secured by prior encumbrances, plus Trustee's and/or Attorney's Fees and Costs and Expenses incurred in enforcing the obligation AND cure the above itemized performance obligations.

Pursuant to NRS 104.9604(1)(b) the sale may, at the election of the beneficiary, include personal property.

NOTICE

You may have the right to cure the defaults set forth herein and reinstate the obligations secured by the Deeds of Trust described above. NRS Section 107.080 permits certain defaults to be reinstated without requiring payment of that portion of principal and interest which would not be due had no default occurred (acceleration of principal). Where reinstatement is possible, if the default is not cured within 35 days following the recording and mailing of this Notice, the right of reinstatement shall terminate and the property thereafter may be sold.

To find out the amount you must pay and the other obligations you must fulfill, or to seek to make arrangements to stop the foreclosure, or if your property is in foreclosure for any other reason, contact LAS VEGAS DEVELOPMENT FUND, LLC, c/o Kathryn Holbert, Esq. Farmer Case & Fedor, Las Vegas, NV 89123, 702-579-3900.

That by reason thereof, the present beneficiary under such Deeds of Trust has executed and delivered to said Trustee a written Declaration of Default and Demand for Sale, and has delivered to said Trustee such Deeds of Trust and all documents evidencing obligations secured thereby and has declared and does hereby declare all sums and obligations set forth above which are secured thereby immediately due and has elected to cause the property to be sold to satisfy the obligations secured thereby.

AFFIDAVIT OF AUTHORITY IS ATTACHED HERETO

Kathryn Holbert

Kathryn Holbert, Esq. Successor Trustee

1-17-2019

Dated

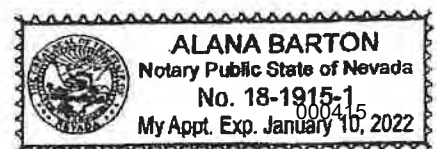
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF NEVADA
COUNTY OF CLARK

On JANUARY 17, 2019 before me, ALANA BARTON, a Notary Public, Personally appeared KATHRYN HOLBERT, 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 entity upon behalf of which the person(s) acted, executed the instrument.

Alana Barton
Notary Public Alana Barton

NOTICE OF BREACH, DEFAULT and ELECTION TO SELL UNDER DEED OF TRUST



AFFIDAVIT OF AUTHORITY TO EXERCISE THE POWER OF SALE

NRS § 107.080(2)(c)

STATE of CALIFORNIA)

)ss.

COUNTY of SAN DIEGO)

The affiant, ROBERT W. DZIUBLA, being first duly sworn upon oath, based on my direct, personal knowledge, or pursuant to personal knowledge that I acquired by a review of the business records, which meet the standards set forth in NRS §51.135, of the beneficiary and/or the servicer of the obligation or debt secured by that certain Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated October 6, 2016 and recorded on October 13, 2016, as Document No. 860867 of official records in the Office of the Recorder of Nye County, Nevada; ("Deed of Trust"), which was executed by FRONT SIGHT MANAGEMENT, LLC, a Nevada limited liability company, Grantor, as Trustor, to secure certain obligations in favor of LAS VEGAS DEVELOPMENT FUND, LLC, a Nevada limited liability company, together with that certain First Amendment to Construction Deed of Trust, Security Agreement and Fixture Filing dated July 1, 2017 and recorded on January 12, 2018, as Document No. 886510, and any modifications/amendments thereto of the Official Records in the Office of the Recorder of Nye County, State of Nevada ("Deeds of Trust").

I further attest, under penalty of perjury, that I am the authorized representative of the beneficiary under such Deeds of Trust, which are described in the NOTICE OF BREACH, DEFAULT and ELECTION TO SELL UNDER DEED OF TRUST to which this affidavit is attached.

I further attest, under penalty of perjury, to the following information, as required by NRS § 107.080(2)(c):

1. The full name and business address of the current trustee is:

Kathryn Holbert, Esq. NV Bar No. 10084
Farmer Case & Fedor
2190 E. Pebble Rd., Suite #205
Las Vegas, NV 89123
702-579-3900

2. The full name and business address of the current holder of the Promissory Note which is secured by the Deeds of Trust and the current beneficiary of record of the Deeds of Trust is:

Las Vegas Development Fund, LLC
916 Southwood Blvd., Suite IG
Post Office Box 3003
Incline Village, NV 89450

AFFIDAVIT OF AUTHORIZATION

Page 1 of 3

3. The full name and business address of the current servicer of the obligation or debt which is secure by the Deeds of Trust is:

NES Financial Corp.
50 W. San Fernando St., Suite 300
San Jose, CA 95113

4. The beneficiary is in actual possession of the Promissory Note which is secured by the Deeds of Trust and is entitled to enforce the debt and/or other obligations which are secured by the Deed of Trust.

5. The beneficiary and/or the servicer of the obligations and/or debt which are secured by the Deed of Trust has sent to the obligator/borrower of the obligation and/or debt which are secured by the Deed of Trust a written statement of:

a. The amount of payment required to make good the monetary deficiency in performance or payment, avoid the exercise of the power of sale and reinstate the terms and conditions of the underlying obligation or debt as existing before the deficiency and/or defaults occurred, as of the date of the statements;

b. The amount in default;

c. The principal amount of the obligation or debt secured by the Deed of Trust;

d. The amount of accrued interest and late charges,

e. A good faith estimate of all fees imposed in connection with the exercise of the power of sale; and

f. Contact information for obtaining the most current amounts due and the local or toll free number as required by NRS 107.080(2)(c)(4).

6. A local or toll free telephone number that the obligor or borrower of the obligation or debt may call to receive the most current amount due and other items required to cure the obligors defaults under the Deeds of Trust as well as recitation of the information contained in this affidavit is 702-579-3900.

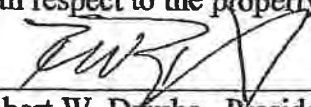
7. The following information regarding the recorded instruments that conveyed the interest of the beneficiary is as follows:

Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated October 6, 2016 and recorded on October 13, 2016, as Document No. 860867 of official records in the Office of the Recorder of Nye County, Nevada; ("Deed of Trust"), which was executed by FRONT SIGHT MANAGEMENT, LLC, a Nevada limited liability company, Grantor, as Trustor, to secure certain obligations in favor of LAS VEGAS DEVELOPMENT FUND, LLC, a

AFFIDAVIT OF AUTHORIZATION

Nevada limited liability company, together with that certain First Amendment to Construction Deed of Trust, Security Agreement and Fixture Filing dated July 1, 2017 and recorded on January 12, 2018, as Document No. 886510, and any modifications/amendments thereto of the Official Records in the Office of the Recorder of Nye County, State of Nevada ("Deeds of Trust").

The beneficiary has and does hereby instruct the Successor Trustee to exercise the power of sale with respect to the property which is set forth as security under the Deeds of Trust.



Robert W. Dziuba, President and CEO of beneficiary
LAS VEGAS DEVELOPMENT FUND, LLC

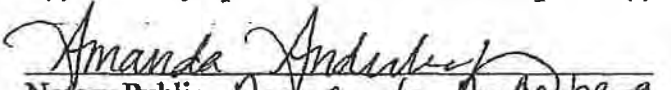
January 4, 2019

Dated

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE of CALIFORNIA)
)ss.
COUNTY of SAN DIEGO)

On Jan 4, 2019 before me, Amanda Anderberg, a Notary Public, Personally appeared Robert W. Dziuba, 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 entity upon behalf of which the person(s) acted, executed the instrument.



Notary Public Amanda Anderberg

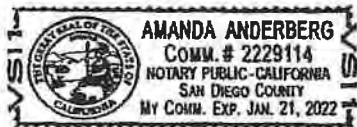


EXHIBIT 7

AMENDED AND RESTATED PROMISSORY NOTE

\$50,000,000.00

Date: July 1, 2017 (the "Effective Date")

FOR VALUE RECEIVED, the undersigned, FRONT SIGHT MANAGEMENT LLC, a Nevada limited liability company ("**Borrower**"), having an address at 1 Front Sight Road, Pahrump, NV 89061, promises to pay, as hereinafter provided, to the order of LAS VEGAS DEVELOPMENT FUND LLC, a Nevada limited liability company ("**Lender**"), having an address at P.O. Box 3003, 916 Southwood Blvd., Suite 1G, Incline Village NV 89450, without set-off, counterclaim or deduction, the sum of Fifty Million and No/100 Dollars (\$50,000,000.00), or so much thereof as may have been advanced to or made available for the benefit of Borrower pursuant to the Loan Agreement (as such term is hereinafter defined) and remains unpaid from time to time (hereinafter called "**Principal Balance**"), with interest on the Principal Balance, until paid in full, at the rates per annum hereinafter specified in legal tender for the payment of public and private debts in the United States of America, all in accordance with the terms hereinafter set forth. All interest payable hereunder shall be computed on the basis of a 360-day year, but shall be charged for the actual number of days principal is unpaid.

1. Payment Location. All payments of principal and interest under this Note shall be made in lawful money of the United States of America by wire transfer in immediately available funds to such account as may be designated by Lender to Borrower in writing.

2. Capitalized Terms. Unless the context otherwise indicates, capitalized terms not otherwise defined herein shall have the meanings provided for such terms in that certain Construction Loan Agreement of October 6, 2016, as amended by that certain First Amendment to Construction Loan Agreement of even date herewith by and between Borrower and Lender (as the same may be further amended, modified or supplemented from time to time hereinafter collectively referred to as the "**Loan Agreement**"), and which terms are incorporated by this reference as if fully set forth herein.

3. Identification of Note. This Amended and Restated Promissory Note (this "**Note**") is the Promissory Note referred to in the Loan Agreement and shall amend, restate and replace in its entirety that certain Promissory Note, made as of October 6, 2016, by Borrower, in favor of Lender, for the purpose of clarifying certain terms and conditions intended to be effective from and after the Effective Date. The Loan Agreement governs the terms of the indebtedness of Borrower to Lender evidenced by this Note and such other indebtedness as more particularly set forth in the Security Documents (defined below).

4. Payments. This Note shall be payable by Borrower to Lender as follows:

(a) Interest shall accrue commencing upon the date upon which funds are first released to Borrower from the Loan Escrow, and continuing until such time as Borrower repays such funds to Lender, in whole or in part, as and when permitted in accordance with

the Loan Agreement. Borrower shall make current payments of interest on the first (1st) day of each calendar month on that portion of the Principal Balance then outstanding calculated at an annual rate of 6% during the Initial Term with respect to all Advances made prior to July 1, 2017 and, with respect to such Advances, if extended, at an annual rate of 7% during the Extension Term; and, with respect to all Advances made after July 1, 2017 at an annual rate of 7% during the Initial Term, and, with respect to such Advances, if extended, at an annual rate of 8% during the Extension Term.

If any payment date is on a weekend or national holiday, payment shall be made on the next business day.

(b) The entire unpaid Principal Balance and all interest accrued thereon shall be due and payable in full on the Initial Maturity Date, subject, however, to Borrower's election to extend the Initial Maturity Date in accordance with the terms and conditions set forth in Section 1.6 of the Loan Agreement.

(c) In the event that the maturity date is extended as set forth in Section 4(b) above, all accrued and unpaid interest pursuant to Section 4(a) above shall be paid to Lender on the Initial Maturity Date.

(d) Following any Event of Default hereunder or under the Loan Agreement, interest shall accrue at the Default Rate together with, as applicable, any Late Charge in accordance with the Loan Agreement.

(e) No payment of interest or other consideration made or agreed to be made by Borrower pursuant to this Note or any other instrument referring to or securing this Note shall, at any time, be deemed to have been computed at an interest rate in excess of the maximum rate of interest permissible by law, if any. In the event such payments of interest or other consideration provided for in this Note or any other instrument referring to or securing this Note shall result in payment of an effective rate of interest which, for any period of time, is in excess of the limit of the usury law or any other law applicable to the loan evidenced hereby, all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party or parties hereto, be applied to the Principal Balance immediately upon receipt of such monies by Lender with the same force and effect as though Borrower had specifically designated, and Lender had agreed to accept, such extra payments as a principal payment, without premium or penalty. If the Principal Balance has been fully paid, any such excess amount shall be refunded to Borrower. This provision shall control over every other obligation of Borrower hereunder and under any instrument that secures this Note.

(f) Except as set forth in Section 4(e) above, all payments made hereunder shall be applied to amounts due in accordance with the Loan Agreement.

5. Prepayment. The Principal Balance and accrued interest thereon may be prepaid in full or in part only as provided in the Loan Agreement.

6. Security. The payment and performance of this Note and other Obligations are secured by the lien of that certain Deed of Trust, Assignment of Leases and Rents, Security

Agreement and Fixture Filing of even date herewith (“**Deed of Trust**”), by Borrower for the benefit of Lender encumbering certain real and personal property located in Nye County, Nevada, as more specifically described therein (the “**Project**”). Advances of the sums evidenced by this Note are to be made pursuant to the Loan Agreement.

Each Borrower, co-maker, endorser, surety and guarantor hereby guaranties payment of this Note, and waives demand for payment, presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, notice of intention to accelerate maturity, notice of acceleration of maturity, notice of intent to foreclose on any collateral securing this Note, all other notices as to this Note, diligence in collection as to each and every payment due hereunder, and all other requirements necessary to charge or hold such person or entity to any obligation hereunder, and agrees that without any notice Lender may take additional security herefor or may release any or all security herefor, or alone or together with any present or future owner or owners of all or any part of the Project or by any other security documents, may from time to time extend, renew, or otherwise modify the date or dates or amount or amounts of payment above recited, or Lender may from time to time release any part or parts of the property and interest subject to the Deed of Trust or any other security documents from the Deed of Trust and/or any other security documents, with or without consideration, and that, in any such case, each Borrower, co-maker, endorser, surety and guarantor shall continue to be bound hereby and to be liable to pay the unpaid balance of the indebtedness evidenced hereby, as so additionally secured, extended, renewed or modified, and notwithstanding any such release, and further agrees to indemnify Lender against and hold Lender harmless from and pay all costs and expenses of collection, including court costs and reasonable attorneys' fees (prior to trial, at trial and on appeal) incurred in collecting the indebtedness evidenced hereby, or in exercising or defending, or obtaining the right to exercise, the rights of Lender hereunder, under the Loan Agreement or under any security document, whether suit be brought or not, and in foreclosure, in bankruptcy, insolvency, arrangement, reorganization and other debtor-relief proceedings, in probate, in other court proceedings, or otherwise, whether or not Lender prevails therein, and all costs and expenses incurred by Lender in protecting or preserving the property and interests which are subject to the Deed of Trust and/or any other security documents.

7. Default. Time is of the essence hereof. The occurrence of an Event of Default under the Loan Agreement shall constitute an Event of Default under this Note. Upon the occurrence of an Event of Default, Lender shall have the rights set forth in Section 6.2 of the Loan Agreement.

Lender shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies, and no waiver of any kind shall be valid unless in writing and signed by Lender. All rights and remedies of Lender under the terms of this Note, under the terms of the Loan Agreement and/or of any other security document, and under any statutes or rules of law shall be cumulative and may be exercised successively or concurrently by Lender. Borrower agrees that Lender shall be entitled to all the rights of a holder in due course of negotiable instruments. Any provision of this Note which may be unenforceable or invalid under any law shall be ineffective to the extent of such unenforceability or invalidity without affecting the enforceability or validity of any other provision hereof.



8. Interest Rate Limitation. It is the intent of Borrower and Lender in the execution of this Note and all other instruments securing this Note that the loan evidenced hereby be exempt from the restrictions of the usury laws of the State of Nevada. In the event that, for any reason, it should be determined that the Nevada usury law is applicable to the Loan, Lender and Borrower stipulate and agree that none of the terms and provisions contained herein or in any of the other Security Documents shall ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of Nevada. In such event, if any holder of this Note collects monies which are deemed to constitute interest which would otherwise increase the effective interest rate on this Note to a rate in excess of the maximum rate permitted to be charged by the laws of the State of Nevada, all such sums deemed to constitute interest in excess of such maximum rate will, at the option of Lender, be credited to the payment of the sums due hereunder (without penalty or premium to Borrower) or returned to Borrower. Borrower agrees to pay an effective contracted for rate of interest equal to the rate of interest resulting from all interest payable as provided in this Note, plus any fees, costs and expenses which may be deemed interest under Nevada law.

9. Applicable Law: Jury Trial. IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS NOTE AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEVADA, APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS NOTE AND THE SECURITY DOCUMENTS, AND THIS NOTE AND THE SECURITY DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEVADA.

BORROWER HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION RELATING TO THE LOAN AND/OR THE SECURITY DOCUMENTS. BORROWER, TO THE FULLEST EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, (A) SUBMITS TO PERSONAL JURISDICTION IN THE STATE OF NEVADA OVER ANY SUIT, ACTION OR PROCEEDING BY ANY PERSON ARISING FROM OR RELATING TO THIS NOTE, (B) AGREES THAT ANY SUCH ACTION, SUIT OR PROCEEDING MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN CLARK COUNTY IN THE STATE OF NEVADA, (C) SUBMITS TO THE JURISDICTION AND VENUE OF SUCH COURTS AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT, AND (D) AGREES THAT IT WILL NOT BRING ANY ACTION, SUIT OR PROCEEDING IN ANY OTHER FORUM. BORROWER FURTHER CONSENTS AND AGREES TO SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING BY REGISTERED OR CERTIFIED U.S. MAIL, POSTAGE PREPAID, TO BORROWER AT THE ADDRESSES FOR NOTICES DESCRIBED IN THIS NOTE, AND CONSENTS AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE IN EVERY



RESPECT VALID AND EFFECTIVE SERVICE (BUT NOTHING HEREIN SHALL AFFECT THE VALIDITY OR EFFECTIVENESS OF PROCESS SERVED IN ANY OTHER MANNER PERMITTED BY LAW).

[SIGNATURE PAGE FOLLOWS]

A handwritten signature in black ink, appearing to be the initials 'RWJ' or similar, written in a cursive style.

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed and delivered effective as of the day and year first above set forth.

BORROWER:

FRONT SIGHT MANAGEMENT LLC,
a Nevada limited liability company

By: 

Name: Ignatius Piazza

Title: Manager

PLEASE SEE ATTACHED
CALIFORNIA ALL-PURPOSE
ACKNOWLEDGEMENT FORM

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

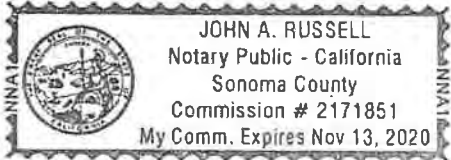
CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Sonoma }

On Nov. 14, 2017 before me, John A Russell Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Ignatius Anthony Piazza II
Name(s) of Signer(s)

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.

Signature [Handwritten Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document
Title or Type of Document: Amended and Restated Promissory Note
Document Date: 11/14/2017 Number of Pages: 6
Signer(s) Other Than Named Above:
Capacity(ies) Claimed by Signer(s)
Signer's Name:
[] Corporate Officer - Title(s):
[] Partner -- [] Limited [] General
[] Individual [] Attorney in Fact
[] Trustee [] Guardian of Conservator
[] Other:
Signer is Representing:

EXHIBIT 8

**LOAN AGREEMENT
(Construction Line of Credit)**

This Loan Agreement (the “**Agreement**”) is made and entered into as of the 31st day of October, 2017, by and between **FRONT SIGHT MANAGEMENT, LLC**, a Nevada limited liability company (“**Borrower**”), and **TOP RANK BUILDERS INC.**, a Nevada corporation (“**Top Rank**”), **MORALES CONSTRUCTION, INC.**, a Nevada corporation (“**Morales**”), and **ALL AMERICAN CONCRETE & MASONRY INC.**, a Nevada corporation (“**All American**”); collectively, Top Rank, Morales and All American may be referred to as “**Lender**”); provided, that **TOP RANK BUILDERS INC.** is the duly authorized agent and representative of Lender for purposes of this Agreement.

RECITALS

A. Borrower has negotiated with and obtained from Lender a construction line of credit in the maximum principal amount of Thirty-Six Million and No/100 United States Dollars (US\$36,000,000.00) for the purpose of financing the construction of that certain project known as the Front Sight Resort and Vacation Club located in Pahrump, Nevada (the “**Project**”).

B. Lender has agreed to extend said line of credit to Borrower for such purpose upon and subject to all covenants, terms, and conditions hereinafter provided.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

**ARTICLE 1.
DEFINITIONS AND INTERPRETATIONS**

1.1 **DEFINITIONS.** For purposes of this Agreement, the following terms shall have the following meanings:

1.1.1 “Actual Expenses” shall mean the necessary and reasonable expenses incurred for the operation, maintenance and administration of Borrower, but shall exclude depreciation, replacement and obsolescence charges or reserves and further excluding amortization of intangibles or other bookkeeping entries of a similar nature.

1.1.2 “Advance” or “Advances” shall mean, individually and collectively, an advance of Loan Proceeds pursuant to this Agreement and the Note.

1.1.3 “Agreement” shall mean this Loan Agreement, either as originally executed or as it may from time to time be supplemented, modified, extended, renewed, or amended.

1.1.4 “All American” shall having the meaning set forth in the Introductory Paragraph of this Agreement.

1.1.5 "Assets" shall mean any interest of Borrower in any kind of property, whether real, personal or mixed, tangible or intangible.

1.1.6 "Borrower" shall having the meaning set forth in the Introductory Paragraph of this Agreement.

1.1.7 "Business Day" shall mean Monday through Friday, excluding any day of the year on which banks are required or authorized to close in the State of Nevada.

1.1.8 "Construction Agreements" shall mean those certain construction agreements hereinafter to be entered into from time to time by and between Borrower and one or more of the Construction Contractors with respect to the construction of the Project.

1.1.9 "Construction Contractors" shall mean, collectively, Top Rank, Morales and All American, together with their successors and assigns.

1.1.10 "Event of Default" shall mean any of the events or occurrences specified in Article 5 hereof, or as otherwise specified in the Loan Documents.

1.1.11 "Gross Revenues" shall mean, for any period, all moneys, fees, rates, receipts, rentals, licensing fees, charges, taxes, assessments, issues and income received for, received by or derived from, the Borrower, the operation of the Borrower or its facilities or any other source whatsoever, including, without limitation, grants, contributions, moneys received from the operation of the Borrower's business or the possession of its properties, insurance proceeds or condemnation awards, income from investments, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights and the proceeds of the same whether now owned or held or hereafter coming into being.

1.1.12 "Indemnitee(s)" shall have the meaning set forth in Section 7.3 of this Agreement.

1.1.13 "Installment Payments" shall have the meaning set forth in Section 3.6 of this Agreement.

1.1.14 "Law" shall mean, collectively, all federal, state, and local laws, rules, regulations, ordinances, and codes.

1.1.15 "Lender" shall having the meaning set forth in the Introductory Paragraph of this Agreement.

1.1.16 "Loan" shall mean the extension of credit by Lender to Borrower in the form of Advances under this Agreement and disbursement of Loan Proceeds pursuant to the provisions of Article 3 below.

1.1.17 “Loan Closing” shall mean the date on which the Loan closes, in accordance with Article 3 of this Agreement.

1.1.18 “Loan Closing Costs” shall mean any and all fees and costs incurred by Lender in connection with the negotiation and preparation of the Loan Documents, including attorneys’ fees, and closing of the Loan as herein provided.

1.1.19 “Loan Documents” shall mean, individually and collectively, this Agreement, the Note, resolutions and certifications of Borrower, and such other documents as Lender may require Borrower to give or cause to be given to or for the benefit of Lender as evidence of the Loan.

1.1.20 “Loan Proceeds” shall mean all funds advanced by Lender as the Loan to Borrower under this Agreement.

1.1.21 “Maturity Date” shall mean the date which is sixty (60) months from and after the date of the first Advance of the Loan, at which time the entire principal balance of the Loan, plus accrued interest thereon, is and shall be due and payable as provided in this Agreement and the Note, subject to acceleration as provided in the Loan Documents.

1.1.22 “Maximum Amount” shall have the meaning set forth in Section 3.1 hereof.

1.1.23 “Morales” shall having the meaning set forth in the Introductory Paragraph of this Agreement.

1.1.24 “Net Revenues” shall mean the excess of Gross Revenues over Actual Expenses for such period (excluding therefrom any one-time revenues from the sale of any capital asset).

1.1.25 “Note” shall mean the Promissory Note of Borrower, in the maximum principal amount of the Loan, payable to the order of Lender, duly executed by Borrower, as required by Lender to evidence the Loan.

1.1.26 “Obligations” means the Advances and any and all existing and future indebtedness and liability of every kind, nature and character, direct or indirect, absolute or contingent, joint or several (including all renewals, extensions and modifications thereof and all attorney’s fees and expenses incurred by Lender in connection with the collection or enforcement thereof, including but not limited to, the enforcement of this Agreement under provisions of the U. S. Bankruptcy Code whether by motion for relief from stay or otherwise), of the Borrower to the Lender however and whenever created, arising, evidenced or acquired.

1.1.27 “Organizational Documents” shall mean the duly filed, certified and/or executed documents or instruments evidencing or confirming the lawful formation and existence of Borrower.

1.1.28 “Permitted Liens” mean any liens, charges and encumbrances on title to the real property constituting the Project as of the Closing Date of the Loan, including, but not limited to, that certain Deed of Trust in favor of Las Vegas Development Fund, LLC, to guarantee Borrower’s obligations under that certain Construction Loan Agreement by and between Borrower and Las Vegas Development Fund, LLC, together with such other matters of title thereafter approved by Lender in writing. For the avoidance of doubt, any liens, charges and/or encumbrances securing the Senior Debt shall be considered as “Permitted Liens” as and when such liens, charges and/or encumbrances are granted by Borrower in favor of the provider of the Senior Debt.

1.1.1 “Person” means any individual, sole proprietorship, general partnership, limited partnership, limited liability partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, government, or any Borrower or political division thereof, or any other entity.

1.1.2 “Project” shall having the meaning set forth in Recital A of this Agreement.

1.1.3 “Senior Debt” means the additional loan that will be sought by Borrower, and which Borrower will use it best efforts to obtain, from a traditional financial institution specializing in financing projects such as the Project.

1.1.4 “Top Rank” shall having the meaning set forth in the Introductory Paragraph of this Agreement.

1.2 USE OF DEFINED TERMS. Any defined terms used in the plural shall include the singular, and the masculine gender shall include the feminine and/or neuter, and such terms shall encompass all members of the relevant class.

1.3 SCHEDULES AND EXHIBITS. All schedules and exhibits to this Agreement, either as originally existing or as the same may from time to time be supplemented, modified or amended, are incorporated herein by reference.

1.4 REFERENCES. Any reference to this Agreement or any other document shall include such document, both as originally executed, and as it may from time to time be amended, supplemented and modified. References herein to Articles, Sections and Exhibits shall be construed as references to this Agreement unless a different document is named.

1.5 OTHER TERMS. The term “document” is used in its broadest sense and encompasses agreements, certificates, opinions, consents, instruments and other written material

of every kind. The terms “including” and “include” shall mean “including (include), without limitation.”

ARTICLE 2.
REPRESENTATIONS AND WARRANTIES OF BORROWER

Borrower hereby represents and warrants to Lender as of the date of this Agreement, the date(s) the Loan Proceeds are disbursed to Borrower, and each and every date during the term of the Loan, or any portion thereof, as the context admits or requires, that:

2.1 **BORROWER’S CAPACITY.** Borrower is a limited liability company, duly organized and validly existing under the laws of the State of Nevada. The Borrower is duly authorized to enter into this Agreement and to carry out its obligations hereunder and the Borrower has duly authorized the execution and delivery of this Agreement by the individual(s) executing this Agreement on behalf of the Borrower.

2.2 **VALIDITY OF LOAN DOCUMENTS.** The Loan Documents are and shall continue to be in all respects valid and binding upon Borrower according to their terms, subject to all Laws, including, without limitation, equitable principles, insolvency Laws, and other matters applying to creditors generally; provided, however, that the implementation of such Laws do not and will not affect the ultimate realization of the Obligations. The execution and delivery by Borrower, and the performance by Borrower, of all its obligations under the Loan Documents have been duly authorized by all necessary action and do not and will not: (a) require any consent or approval not heretofore obtained of any other entity; or (b) violate any provision of any Laws, or of any order, writ, judgment, injunction, decree, determination or award of any court or of any governmental Borrower; or (c) result in a breach of or constitute a default under, cause or permit the acceleration of any obligation owed under, or require any consent under any indenture or loan or credit agreement or any other agreement, lease, or instrument to which Borrower is a party or by which Borrower or any property of Borrower is bound or affected.

2.3 **BORROWER NOT IN DEFAULT OR VIOLATION.** Borrower is not in default under or in violation of any Laws, order, writ, judgment, injunction, decree, determination or award. Borrower is not in default under any obligation, agreement, instrument, loan, or indenture, whether to Lender or otherwise, or any lease. No event has occurred and is continuing, or would result from the making of any Advance, which constitutes an Event of Default, or would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

2.4 **NO APPROVALS REQUIRED.** No authorization, consent, approval, order, license, exemption from, or filing, registration, or qualification with, any governmental Borrower is or will be required to authorize, or is otherwise required in connection with the execution, delivery and the performance by Borrower of all or any of its obligations under the Loan Documents.

2.5 PENDING LITIGATION. There are no actions, suits, or proceedings pending, or to the knowledge of Borrower threatened, against or affecting Borrower or involving the validity or enforceability of any of the Loan Documents, at Law or in equity, or before or by any governmental Borrower, except actions, suits, and proceedings that are fully covered by insurance or which, if adversely determined, would not materially impair the ability of Borrower to perform each and every one of its obligations under and by virtue of the Loan Documents; and Borrower is not in default with respect to any order, writ, injunction, decree, or demand of any court or any governmental Borrower.

2.6 VIOLATION OF LAWS. There are no violations or notices of violations of any Law relating to Borrower.

2.7 SOLVENCY. Borrower is and shall continue to be able to pay its debts as they mature and the realizable value of its Assets is, and at all times that it may have obligations hereunder shall continue to be, sufficient to satisfy any and all obligations hereunder.

2.8 PRINCIPAL PLACE OF BUSINESS. The principal place of business of Borrower is, and will continue to be, as set forth under Section 7.12 of this Agreement. In the event that Borrower hereafter intends to move its principal place of business, it shall first give at least thirty (30) days' prior written notice to Lender of its intention so to move, the date that such move is anticipated, and its new address.

2.9 PERMITS. Borrower possesses all licenses, approvals, permits, franchises, patents, copyrights, trademarks, and trade names, or rights thereto, that are necessary for the ownership and use of Borrower's properties, and for the business substantially as now conducted and as presently proposed to be conducted by Borrower, and Borrower is not in material violation of any valid rights of others with respect to any of the foregoing.

2.10 FULL DISCLOSURE. All information in the loan application, financial statement, certificate, or other document and all information prepared and delivered by Borrower to Lender in obtaining the Loan is correct and complete in all material respects, and there are no omissions therefrom that result in such information being incomplete, incorrect, or misleading in any material adverse respect as of the date thereof.

2.11 USE OF PROCEEDS. The proceeds of each Advance will be used by Borrower solely for the purposes specified in this Agreement.

ARTICLE 3. THE LOAN

3.1 THE LOAN. The total amount available for borrowing by Borrower hereunder on a revolving basis is Thirty-Six Million and No/100 United States Dollars (US\$36,000,000.00) (the "**Maximum Amount**"). The outstanding principal balance of the Loan will not exceed at any time

the sum of Thirty-Six Million and No/100 Dollars (\$36,000,000.00). Funds borrowed and repaid may be re-borrowed, but subject to the following conditions and limitations (in addition to any other conditions or limitations set forth in this Agreement or in the Note): (a) if, at any time, the aggregate amount advanced by Lender to Borrower exceeds the amount of the Maximum Amount, Borrower shall, no later than five (5) days following written notice thereof by Lender, pay down the Loan by such principal amount that exceeds the amount of the Maximum Amount, and (b) each Advance shall be due and payable on the Maturity Date. Advances may be requested as set forth in the Note.

3.2 NOTE. The Loan shall be evidenced by the Note. Each payment under the Loan shall be evidenced and recorded upon Lender's loan records, which recordation shall be prima facie evidence of such payment; provided, however, that the failure by Lender to make any such recordation shall not limit or otherwise affect the obligations of Borrower hereunder or under the Note.

3.3 INTEREST; PAYMENTS; PREPAYMENT. Principal and interest under the Note shall be due and payable as provided for in the Note. The Note may be prepaid as provided for in the Note.

3.4 PURPOSE OF LOAN. Loan Proceeds shall be used by Borrower exclusively for the purpose or purposes set forth in this Agreement, including, without limitation, for the purposes described in Recital A of this Agreement.

3.5 CONDITIONS PRECEDENT TO LOAN. In addition to all other conditions of the effectiveness of this Agreement, the Loan Closing shall occur upon, and the obligations of Lender pursuant to this Agreement shall be subject to, the satisfaction of the following conditions, any or all of which may be waived, in whole or in part, by Lender:

3.5.1 Borrower, at its sole expense, shall deliver to Lender, on or before the date of any of the Advances, the following, in form and substance satisfactory to Lender, in Lender's sole opinion and judgment:

3.5.1.1 This Agreement;

3.5.1.2 The Note;

3.5.1.3 Such resolutions, authorizations or certifications, as applicable, to borrow and/or related documents from Borrower; and

3.5.1.4 True and correct copies of Borrower's Organizational Documents.

3.5.2 No suit, action, or other proceeding shall be pending or threatened which seeks to restrain or prohibit the consummation of the transactions contemplated by this Agreement, or to obtain damages or other relief in connection therewith;

3.5.3 No breach of any warranty or representation by Borrower to Lender shall have occurred;

3.5.4 No event or circumstance shall have occurred and be continuing which constitutes or would constitute, upon the giving of notice or passage of time, an Event of Default or a failure of any condition of this Agreement;

3.6 **DISBURSEMENT OF LOAN PROCEEDS; RESTRICTIONS.** The Loan Proceeds disbursed shall be used by Borrower solely to finance Borrower's monthly obligations to the Construction Contractors in accordance with the Construction Contracts. Borrower shall agree to make monthly progress payments to the Construction Contractors for work performed in accordance with the Construction Agreements in an amount up to Four Hundred Thousand and No/100 Dollars (\$400,000.00) (the "**Installment Payments**"). To the extent that monthly obligations of Borrower to the Construction Contractors for work performed in accordance with the Construction Agreements shall exceed the amount of the Installment Payment made by Borrower for said month, any amount in excess shall be financed by Lender as an Advance under the Loan. For the avoidance of doubt, Borrower shall make the Installment Payments to Top Rank, in its capacity both as lead contractor and as agent on behalf of the entities constituting Lender, and Top Rank shall be solely responsible for distributing the amount of the Installment Payments amongst the Construction Contractors and for recording and registering on behalf of Lender the portion of the Loan Proceeds attributable to each entity constituting Lender.

3.7 **APPLICATION OF PAYMENTS.** All payments received by Lender from, or for the account of, Borrower on the Loan shall be applied pursuant to the terms of the Note. All records of payments received by Lender shall be maintained at Lender's office, and the records of Lender shall, absent manifest error, be binding and conclusive upon Borrower. The failure of Lender to record any payment or expense shall not limit or otherwise affect the obligations of Borrower under the Note, this Agreement, and/or any other Loan Documents.

3.8 **LOAN TERM.** The term of the Loan will commence on the date of Loan Closing and the Loan will mature upon the Maturity Date, subject to acceleration or adjustment as provided in this Agreement and the other Loan Documents.

3.9 **SPECIAL OBLIGATION.** The Borrower's obligation to repay the Obligations is a special obligation of the Borrower limited solely to Net Revenues and is subordinate to the payment of the Installment Payments. Notwithstanding the foregoing, however, nothing herein prohibits the Borrower from voluntarily making any payment hereunder from any source of available funds of the Borrower.

3.10 OBLIGATIONS ABSOLUTE. The obligations of the Borrower to repay the Obligations and to perform and observe the agreements and covenants contained herein are absolute and unconditional and are not subject to any defense or right of setoff, counterclaim or recoupment arising out of any breach of the Borrower or Lender of any obligation to the Borrower, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the Borrower by the Lender. Unless and until the Obligations have been paid in full, the Borrower:

3.10.1 will not suspend or discontinue repayment of the Obligations, subject to the availability of Net Revenues as provided herein,

3.10.2 will perform and observe all other agreements and covenants contained in this Agreement or any documents executed in connection therewith, and

3.10.3 will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of acts or circumstances that may constitute the failure of consideration, eviction or constructive eviction, destruction of the Assets of the Borrower, the sale of the Assets of the Borrower, the taking by eminent domain of title to or temporary use of any Assets of the Borrower, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the State of Nevada or any political subdivision thereof or any failure of Lender to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with this Agreement.

ARTICLE 4. BORROWER'S COVENANTS

In addition to all other covenants of Borrower under the Loan Documents, Borrower agrees:

4.1 LENDER MAY EXAMINE BOOKS AND RECORDS. Lender shall have the right, from time to time, acting by and through its employees or agents, to examine the books, records, and accounting data of Borrower, and to make extracts therefrom or copies thereof. Borrower shall promptly make such books, records, and accounting data available to Lender, as stated above, upon written request, and upon like request shall promptly advise Lender, in writing, of the location of such books, records, and accounting data.

4.2 COMPLIANCE WITH LAWS AND CONTRACTS. Borrower shall comply with the requirements of all applicable Laws and orders of any governmental Borrower, provided that if Borrower has not so complied by the date prescribed in any such Law, order, or regulation, Borrower shall comply therewith by the date set forth in any order of the governmental Borrower charged with the enforcement of such Law, order or regulation if such date is later, and comply with all contracts, agreements, indentures or instruments by which it is bound.

4.3 MAINTENANCE OF PROPERTIES AND PRESERVE EXISTENCE. Borrower shall maintain and preserve, or cause to be maintained and preserved, all of its properties, necessary or useful in the proper conduct of its business, including such as may be under lease, in good working order and condition, ordinary wear and tear excepted. Borrower, so long as Borrower remains obligated on the Loan, shall do all things necessary to preserve and keep in full force and effect Borrower's organizational status, and will comply with all Laws, orders and decrees of any governmental entity or court applicable to Borrower or to any such property.

4.4 BOOKS AND RECORDS; AUDIT AND EXAMINATION. Borrower shall at all times during the term of the Loan, keep and maintain all books and records, in original form, as shall be required and as shall otherwise be appropriate pertaining to the performance by Borrower of its covenants and other obligations hereunder, and otherwise pertaining to its operations and activities. Borrower shall at all times permit Lender to review, audit and examine all such books and records, either directly or through one or more auditors designated by Lender, including independent contractors.

4.5 NO AUTOMATIC SET-OFF. Borrower acknowledges and agrees that the fact of any sum or sums being on deposit with Lender shall in no way constitute a set-off against or be deemed to compensate the obligations of the Loan or any payment or performance due under the Loan Documents or this Agreement, unless and until Lender, by affirmative action, shall so apply said accounts or any portion thereof, and then only to the extent thereof as so designated by Lender.

4.6 RELIANCE BY LENDER. Borrower agrees that Lender may conclusively assume that the statements, facts, information, and representations contained herein and/or in any affidavits, orders, receipts, or other written instrument(s) that are filed with Lender or exhibited to it, are true and correct, and Lender may rely thereon without any investigation or inquiry, and any payment made by Lender in reliance thereon shall be a complete release in its favor for all sums so paid.

4.7 RESTRICTIONS ON CHANGES. Borrower shall not, without the prior written consent of Lender, become a party to any transaction whereby all or any substantial part of the properties, Assets or undertakings of Borrower (whether legally or beneficially owned by Borrower), would become the property of any other person or entity, whether by way of transfer, sale, conveyance, lease, sale and leaseback, or otherwise.

4.8 OTHER DEBT. Borrower shall pay, or cause to be paid, and discharge, or cause to be discharged, (a) when due all lawful claims (including, without limitation, claims for labor, materials, and supplies), which, if unpaid, might become a lien or encumbrance upon any of its Assets or property; and (b) all its other obligations and indebtedness when due; provided, however, that Borrower may contest any of the foregoing in good faith and by appropriate proceedings diligently prosecuted by Borrower as long as Borrower has adequate reserves to pay any adverse determination or has otherwise provided Lender evidence of a surety or bond to pay any adverse determination.

4.9 ACCESS TO BOOKS AND RECORDS.

4.9.1 Absent the occurrence of an Event of Default which is continuing, at all reasonable times, Lender, by and through its employees or agents, shall have the right to inspect, verify, copy and all or Borrower's books and records relating to Borrower's business. Lender shall take reasonable steps to keep confidential all confidential information obtained in any Auditor appraisal, provided however that Lender shall have the right to disclose any such information to its auditors, regulatory agencies, and attorneys, and pursuant to any subpoena or other legal process.

4.9.2 Upon the occurrence of an Event of Default which is continuing, Lender shall have the right to inspect, verify, copy and all or Borrower's books and records relating to Borrower's business.

4.9.3 Borrower agrees to reimburse Lender immediately upon demand for all fees and out-of-pocket expenses for such audits and appraisals upon the occurrence of an Event of Default which is continuing.

4.9.4 Borrower will not enter into any agreement with any accounting firm, service bureau or third party to store Borrower's books or records at any location other than Borrower's address set forth in Section 7.12 hereof without first notifying Lender of the same and obtaining the written agreement from such accounting firm, service bureau or other third party to give Lender the same rights with respect to access to books and records and related rights as Lender has under this Agreement.

4.9.5 Lender shall have the right, at its sole discretion, to perform annual field examinations of Borrower's books, and records, including a field examination following the Closing Date. Borrower agrees to reimburse Lender for the cost of such annual field examinations. The actions described in this paragraph may be performed by employees of Lender or by independent appraisers.

4.10 VALID DEBT. The Loan does not constitute a debt of the Borrower in contravention of any constitutional or statutory debt limitation or restriction.

ARTICLE 5. EVENTS OF DEFAULT

An "Event of Default" shall be deemed to have occurred hereunder if:

5.1 DEFAULT UNDER LOAN DOCUMENTS. Borrower shall fail to pay principal or interest, or both, when due under the terms of the Note; or Borrower shall fail to pay an amount owing under this Agreement or any of the other Loan Documents when due; or Borrower shall fail to perform or observe any term, covenant, or agreement contained in this Agreement or in any of the other Loan Documents; or

5.2 BREACH OF REPRESENTATIONS OR WARRANTIES. Any representations or warranties made or agreed to be made in any of the Loan Documents or this Agreement, or otherwise in connection with the Loan, shall be breached in any respect or shall prove to be false or misleading in any respect when made; or

5.3 ACTION AGAINST BORROWER. Any suit shall be filed against Borrower, which, if adversely determined, could substantially impair the ability of Borrower to perform any or all of its obligations under and by virtue of this Agreement or any of the other Loan Documents, unless Borrower's counsel furnishes to Lender its opinion, to the satisfaction of Lender and Lender's counsel, that, in its judgment the suit is essentially without merit; or

5.4 LEVY UPON PROPERTY. A levy be made on any property of Borrower under any process, or any lien creditor commences suit to enforce a judgment lien against any property of Borrower or any Assets of the Borrower and such levy or action shall not be bonded against by sureties deemed by Lender to be sufficient in its sole opinion and judgment; or

5.5 ACCELERATION OF OTHER DEBTS. Borrower does, or omits to do, any act, or any event occurs including, but not limited to, the occurrence of any breach or default by Borrower under the terms of any other agreement between Lender and Borrower, whether or not arising hereunder and/or relating to Borrower's ability to perform hereunder, as a result of which any material obligation of Borrower is declared immediately due and payable by the holder thereof; or

5.6 INSOLVENCY. Borrower shall fail to pay its debts as they become due, or shall make an assignment for the benefit of its creditors, or shall admit, in writing, its inability to pay its debts as they become due, or shall file a petition under any chapter of the United States Bankruptcy Code or any similar law, now or hereafter existing, or shall become "insolvent" as that term is generally defined under the United States Bankruptcy Code, or shall in any involuntary bankruptcy case commenced against it file an answer admitting insolvency or inability to pay its debts as they become due, or shall fail to obtain a dismissal of such case within thirty (30) calendar days after its commencement or shall convert the case from one chapter of the United States Bankruptcy Code to another chapter, or be the subject of an order for relief in such bankruptcy case, or be adjudged a bankrupt or insolvent, or shall have a custodian, trustee, or receiver appointed for, or have any court take jurisdiction of, its property, or any part thereof, in any voluntary or involuntary proceeding, including, but not limited to, those for the purpose of reorganization, arrangement, dissolution, or liquidation, and such custodian, trustee, or receiver shall not be discharged, or such jurisdiction shall not be relinquished, vacated, or stayed within thirty (30) days after the appointment; or

5.7 ATTACHMENT. Any proceeding shall be brought, the object of which is that any part of Lender's commitment to make the Advances hereunder shall at any time be subject or liable to attachment or levy by any creditor of Borrower; or

5.8 MISREPRESENTATION AND/OR NON-DISCLOSURE. Borrower has made certain statements and disclosures in order to induce Lender to make the Loan and enter into this Agreement, and, in the event Borrower has made material misrepresentations or failed to disclose any material fact, Lender may treat such misrepresentation or omission as a breach of this Agreement. Such action shall not affect or limit any remedies Lender may have for such misrepresentation or non-disclosure; or

5.9 CROSS-DEFAULT; OTHER OBLIGATIONS. Borrower commits a breach or default in the payment or performance of any other obligation of Borrower, or breaches any warranty or representation of Borrower, under the provisions of any other instrument, agreement, guaranty, or document evidencing, supporting, or securing any other loan or credit extended by Lender, or by any affiliate of Lender, to Borrower or to any affiliate of Borrower (said financing is hereinafter referred to as “other financing”), including, but not limited to, any and all term loans, revolving credits, or lines of credit extended from time to time to Borrower (or any Person signing this Agreement on behalf of Borrower), or any other Person with which Borrower is affiliated; or Borrower causes the other financing, or any portion thereof, to be refinanced or repaid with funds lent, advanced, paid, or contributed, in whole or in part, directly or indirectly, by any other Person to or for the benefit of Borrower, or any affiliate of Borrower.

5.10 FINANCIAL CONDITION. There shall be any material adverse change in the financial condition of Borrower.

ARTICLE 6. REMEDIES

6.1 CEASEPAYMENT AND/OR ACCELERATE. Upon, or at any time after, the occurrence of an Event of Default, Lender shall have no obligation to make the Loan or any additional Advances, and all sums disbursed or advanced by Lender and all accrued and unpaid interest thereon shall, at the option of Lender, become immediately due and payable, and Lender shall be released from any and all obligations to Borrower under the terms of this Agreement.

6.2 ENFORCEMENT OF RIGHTS. Lender may enforce any and all rights and remedies under the Loan Documents, and may pursue all rights and remedies available at Law or in equity.

6.3 RIGHTS AND REMEDIES NON-EXCLUSIVE. The rights and remedies set forth above are not exclusive, and Lender may avail itself of any individual right or remedy set forth in this Agreement, or available at law or in equity, without utilizing any other right or remedy. In addition to the rights and remedies set forth in this Agreement, Lender shall have all the other rights and remedies accorded in equity and under all other applicable laws, and under any other instrument or agreement now or in the future entered into between Lender and Borrower, and all of such rights and remedies are cumulative and none is exclusive. Exercise or partial exercise by Lender of one or more of its rights or remedies shall not be deemed an election, nor bar Lender

from subsequent exercise or partial exercise of any other rights or remedies. The failure or delay of Lender to exercise any rights or remedies shall not operate as a waiver thereof, but all rights and remedies shall continue in full force and effect until all of the Obligations have been indefeasibly paid and performed.

ARTICLE 7.
GENERAL CONDITIONS AND MISCELLANEOUS

7.1 **NONLIABILITY OF LENDER.** Borrower acknowledges and agrees that by accepting or approving anything required to be observed, performed, fulfilled, or given to Lender pursuant to this Agreement or any of the Loan Documents, including any certificate, financial statement, appraisal, statement of profit and loss, or other financial statement, survey, appraisal or insurance policy, Lender shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision, or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty or representation to anyone with respect thereto by Lender.

7.2 **NO THIRD PARTIES BENEFITTED.** This Agreement is made for the purpose of defining and setting forth certain obligations, rights, and duties of Borrower and Lender in connection with the Loan and shall be deemed a supplement to the Note and the other Loan Documents, and shall not be construed as a modification of the Note or any of the other Loan Documents, except as provided herein. This Agreement is made for the sole protection of Borrower and Lender, and Lender's successors and assigns. No other Person shall have any rights of any nature hereunder or by reason hereof or the right to rely hereon.

7.3 **INDEMNITY BY BORROWER.** To the extent permitted by applicable Law, Borrower hereby indemnifies and agrees to hold Lender and its directors, officers, agents, and employees (individually and collectively, the "Indemnitee(s)") harmless from and against: (a) any and all claims, demands, actions, or causes of action that are asserted against any Indemnitee by any Person, if the claim, demand, action or cause of action, directly or indirectly, relates to a claim, demand, action, or cause of action that the Person has or asserts against Borrower; and (b) any and all liabilities, losses, costs, or expenses (including court costs and attorneys' fees) that any Indemnitee suffers or incurs as a result of the assertion of any claim, demand, action, or cause of action specified in this Section 7.3.

7.4 **NONRESPONSIBILITY.** Lender shall in no way be liable for any acts or omissions of Borrower, Borrower's agents or Borrower's employees.

7.5 **TIME IS OF THE ESSENCE.** Time is of the essence of this Agreement and of each and every provision hereof, to the full extent that time can be of the essence of an agreement under the laws of the State of Nevada.

7.6 NON-WAIVER. The waiver by Lender of any breach or breaches hereof shall not be deemed, nor shall the same constitute, a waiver of any subsequent breach or breaches.

7.7 BINDING EFFECT; ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns, except that Borrower may not assign its rights hereunder or any interest herein without the prior written consent of Lender. Lender shall have the right to assign its rights under this Agreement and to grant participations in the Loan to others, but all waivers or abridgements of Borrower's obligations that may be granted from time to time by Lender shall be binding upon such assignees or participants. Borrower shall, promptly upon demand, provide Lender or any such purchaser or participant, one or more written statements confirming Borrower's indebtedness to Lender and all obligations in connection with the Loan, including the existence of any default thereunder.

7.8 EXECUTION IN COUNTERPARTS. This Agreement may be executed in any number of counterparts, and any party hereto or thereto may execute any counterpart, each of which, when executed and delivered, will be deemed to be an original, and all of which counterparts of this Agreement, taken together will be deemed to be but one and the same instrument. The execution of this Agreement or will not become effective until counterparts hereof or thereof, as the case may be, have been executed by all the parties hereto.

7.9 INTEGRATION; AMENDMENTS; CONSENTS. This Agreement, together with the documents referred to herein, constitutes the entire agreement of the parties touching upon the subject matter hereof, and supersedes any prior negotiations or agreements on such subject matter. No amendment, modification, or supplement of any provision of this Agreement or any of the other Loan Documents shall be effective unless in writing, signed by Lender and Borrower; and no waiver of any of Borrower's obligations under this Agreement or any of the other Loan Documents or consent to any departure by Borrower therefrom shall be effective unless in writing, signed by Lender, and then only in the specific instance and for the specific purpose given.

7.10 COSTS, EXPENSES AND TAXES. Borrower shall pay to Lender, on demand: (a) the costs and expenses of Lender in connection with the enforcement of this Agreement and any other Loan Document and any matter related thereto, including the reasonable fees and out-of-pocket expenses of any legal counsel, independent public accountants, and other outside experts retained by Lender and including all costs and expenses of enforcing any judgment or prosecuting any appeal of any judgment, order or award arising out of or in any way related to the Loan, this Agreement, or the Loan Documents; (b) reasonable attorneys' fees and out-of-pocket expenses incurred by Lender in connection with the negotiation, preparation, execution, delivery, and administration of this Agreement and any other Loan Document and any matter related thereto, including but not limited to, any bankruptcy, insolvency, assignment for benefit of creditors, arrangement, reorganization or other debt relief proceeding under any federal or state Law, whether now existing or hereinafter enacted, filed by or against Borrower, or otherwise affecting or purporting to affect the Loan; and (c) all costs, expenses, fees, premiums, and other charges relating to or arising from this Agreement or any of the other Loan Documents or any transactions

contemplated thereby or the compliance with any of the terms and conditions thereof. All sums paid or expended by Lender under the terms of this Agreement shall be considered to be, and shall be, a part of the Loan. All such sums, together with all amounts to be paid by Borrower pursuant to this Agreement, shall bear interest from the date of expenditure at the default rate provided in the Note, and shall be immediately due and payable by Borrower upon demand.

7.11 SURVIVAL OF COVENANTS, REPRESENTATIONS AND WARRANTIES. All representations and warranties of Borrower contained herein or in any and all other Loan Documents shall survive the making of the Loan and the execution and delivery of the Note, and are material and have been or will be relied upon by Lender, notwithstanding any investigation made by Lender or on behalf of Lender. For the purpose of this Agreement, all statements contained in any certificate, agreement, Financial Statement, or other writing delivered by or on behalf of Borrower pursuant hereto or to any other Loan Document or in connection with the transactions contemplated hereby or thereby shall be deemed to be representations and warranties of Borrower contained herein or in the other Loan Documents, as the case may be.

7.12 NOTICES. All notices, requests, demands, directions, and other communications provided for hereunder and under any other Loan Document (a "notice"), must be in writing and must be mailed, delivered or sent by facsimile transmission or by overnight delivery service, to the appropriate party at its respective address set forth below or, as to any party, at any other address as may be designated by it in a written notice sent to the other parties in accordance with this Section 7.12. Any notice given by facsimile transmission must be confirmed within forty-eight (48) hours by letter mailed or delivered to the appropriate party at its respective address. If any notice is given by mail it will be effective three (3) calendar days after being deposited in the mail with first-class or airmail postage prepaid; if given by facsimile transmission, when sent; or if given by personal delivery, when delivered; if given by overnight delivery service, one (1) day after being deposited with the overnight delivery service.

Such notices will be given to the following:

To Lender: TOP RANK BUILDERS INC.
2941 Lorelie St.
Pahrump, Nevada 89048
Attention: Rene Morales

To Borrower: FRONT SIGHT MANAGEMENT, LLC
1 Front Sight Road
Pahrump, Nevada 89061
Attention: Michael G. Meacher

7.13 FURTHER ASSURANCES. Borrower shall, at its sole expense and without expense to Lender, do, execute and deliver such further acts and documents as Lender from time to time may require for the purpose of assuring and confirming unto Lender the rights hereby

created or intended, now or hereafter so to be, or for carrying out the intention or facilitating the performance of the terms of any Loan Document.

7.14 GOVERNING LAW. The Loan shall be deemed to have been made in Nevada, and this Agreement and the other Loan Documents shall be governed by and construed and enforced in accordance with the laws of the State of Nevada.

7.15 SEVERABILITY OF PROVISIONS. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid shall be inoperative, unenforceable, or invalid without affecting the remaining provisions, and to this end the provisions of all Loan Documents are declared to be severable.

7.16 CONSTRUCTION CONFLICTS. Whenever the context of this Agreement requires, the singular shall include the plural and the masculine gender shall include the feminine and/or neuter.

7.17 HEADINGS. Article and Section headings in this Agreement are included for convenience of reference only and are not part of this Agreement for any other purpose.

7.18 NO PARTNERSHIP OR JOINT VENTURE. Nothing in this Agreement shall be construed to constitute the creation of a partnership or joint venture between Lender and Borrower. Lender is not an agent or representative of Borrower.

7.19 NO PRESUMPTION AGAINST ANY PARTY. Neither this Agreement, any of the other Loan Documents, any other documents, agreement, or instrument entered into in connection herewith, nor any uncertainty or ambiguity herein or therein shall be construed or resolved using any presumption against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement, the other Loan Documents, and all other documents, instruments, and agreements entered into in connection herewith have been reviewed by each of the parties and by their respective counsel and shall be construed and interpreted according to the ordinary meanings of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

7.20 INDEPENDENCE OF PROVISIONS. All agreements and covenants hereunder, under the Loan Documents and the other documents, instruments, and agreements entered into in connection herewith shall be given independent effect such that if a particular action or condition is prohibited by the terms of any such agreement or covenant, the fact that such action or condition would be permitted within the limitations of another agreement or covenant shall not be construed as allowing such action to be taken or condition to exist.

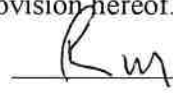
7.21 WAIVER OF RIGHT TO TRIAL BY JURY; JUDICIAL REFERENCE IN THE EVENT OF JURY TRIAL WAIVER UNENFORCEABILITY. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES, TO THE FULLEST EXTENT PERMITTED

BY APPLICABLE LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (1) ARISING UNDER THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION THEREWITH, OR (2) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY.

Borrower and Lender have initialed this Section 7.21 to further indicate their awareness, understanding and acceptance of each and every provision hereof.



_____ Borrower's Initials




_____ Lender's Initials

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Borrower and Lender have hereunto caused this Agreement to be executed as of the date first above written.


TOP RANK:

TOP RANK BUILDERS, INC.,
a Nevada Corporation

By: 
Name: Rene Morales
Title: president


MORALES:

MORALES CONSTRUCTION, INC.,
a Nevada Corporation

By: 
Name: Rene Morales
Title: president


ALL AMERICAN:

**ALL AMERICAN CONCRETE &
MASONRY INC.,** a Nevada Corporation

By: 
Name: Rene Morales
Title: president

BORROWER:

FRONT SIGHT MANAGEMENT, LLC,
a Nevada limited liability company

By: 
Name: Justin Pagan
Title: Managing Member
Front Sight Management, LLC