

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

2
3 FRONT SIGHT MANAGEMENT LLC, a
4 Nevada Limited Liability Company,

5 Petitioner,

6 vs.

7 THE EIGHTH JUDICIAL DISTRICT
8 COURT OF THE STATE OF NEVADA,
9 IN AND FOR THE COUNTY OF CLARK;
10 and THE HONORABLE TIMOTHY C.
11 WILLIAMS, DISTRICT COURT JUDGE,

12 Respondents,

13 and

14 LAS VEGAS DEVELOPMENT FUND
15 LLC, a Nevada Limited Liability Company;
16 EB5 IMPACT CAPITAL REGIONAL
17 CENTER LLC, a Nevada Limited Liability
18 Company; EB5 IMPACT ADVISORS
19 LLC, a Nevada Limited Liability Company;
20 ROBERT W. DZIUBLA, individually and
21 as President and CEO of LAS VEGAS
22 DEVELOPMENT FUND LLC and EB5
23 IMPACT ADVISORS LLC; JON
24 FLEMING, individually and as an agent of
25 LAS VEGAS DEVELOPMENT FUND
26 LLC and EB5 IMPACT ADVISORS LLC;
27 LINDA STANWOOD, individually and as
28 Senior Vice President of LAS VEGAS
DEVELOPMENT FUND LLC and EB5
IMPACT ADVISORS LLC,

Real Parties in Interest.

No.: _____ Electronically Filed
Sep 11 2020 04:30 p.m.
Dist. Ct. Case No: A-18-781084-B Elizabeth A. Brown
Clerk of Supreme Court

CHRONOLOGICAL INDEX

VOLUME I

PAGES

Complaint (09/14/2018)	0001-0028
Amended Complaint (10/04/2018)	0029-0057
Affidavit of Service on Robert W. Dziubla (10/17/2018)	0058
Affidavit of Service on Linda Stanwood (10/17/2018)	0059
Affidavit of Service on EB5 Impact Advisors LLC (10/17/2018)	0060
Affidavit of Service on EB5 Impact Capital Regional Center LLC (10/18/2018)	0061
Affidavit of Service on Las Vegas Development Fund LLC (10/18/2018)	0062
Affidavit of Service on Chicago Title Company (10/22/2018)	0063
Notice of Entry of Order Admitting to Practice (11/15/2018)	0064-0068
Notice of Entry of Order on Plaintiff's Petition for Appointment of Receiver and for an Accounting (11/27/2018)	0069-0074
Notice of Entry of Order Granting Plaintiff's Motion for Protective Order (11/27/2018)	0075-0079
Notice of Entry of Protective Order (11/27/2018)	0080-0098
Notice of Entry of Order Granting Temporary Restraining Order and Expunging Notice of Default (11/27/2018)	0099-0104
Order Setting Settlement Conference (12/06/2018)	0105-0106
Second Amended Complaint (01/04/2019)	0107-0250

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

VOLUME II

PAGES

Second Amended Complaint (01/04/2019) (<i>cont'd</i>)	0251-0322
Notice of Entry of Order on Plaintiff's Motion for Preliminary Injunction (01/17/2019)	0323-0327
Notice of Entry of Order on Plaintiff's Renewed Motion for an Accounting Related to Defendants Las Vegas Development Fund LLC and Robert Dziubla and for Release of Funds (01/17/2019)	0328-0332
Notice of Entry of Order on Defendants' Motion to Dismiss Plaintiff's First Amended Complaint (01/17/2019)	0333-0337
Notice of Entry of Order on Plaintiff's Motion to Disqualify C. Keith Greer as Attorney of Record for Defendants (01/25/2019)	0338-0343
Notice of Entry of Disclaimer of Interest of Chicago Title Company and Stipulation and Order for Dismissal (02/05/2019)	0344-0350
Defendant Las Vegas Development Fund LLC's Motion for Appointment of Receiver and Request for Order Shortening Time (02/06/2019)	0351-0378
Declaration of Robert Dziubla in Support of Defendant Las Vegas Development Fund LLC's Motion for Appointment of Receiver [<i>redacted in district court filing</i>] (02/06/2019)	0379-0500

VOLUME III

PAGES

Declaration of Robert Dziubla in Support of Defendant Las Vegas Development Fund LLC's Motion for Appointment of Receiver [<i>redacted in district court filing</i>] (02/06/2019) (<i>cont'd</i>)	0501-0558
Declaration of C. Keith Greer in Support of Defendant's Motion for Receivership (02/06/2019)	0559-0601

1	Motion to Seal and/or Redact Pleadings and Exhibits to Protect	0602-0628
2	Confidential Information, Motion to Amend Paragraph 2.3 of	
3	Protective Order, Motion for Order Shortening Time and Order	
4	Shortening Time (02/15/2019)	
5	Notice of Entry of Order Shortening Time (02/15/2019)	0629-0658
6	Opposition Memorandum of Defendant Las Vegas	0659-0669
7	Development Fund, LLC to Plaintiff's Motion to Seal and/or	
8	Redact Pleadings and Exhibits (02/19/2019)	
9	Opposition to Defendant Las Vegas Development Fund LLC's	0670-0730
10	Motion for Appointment of Receiver (02/22/2019)	
11	Errata to Opposition to Defendant Las Vegas Development	0731-0740
12	Fund LLC's Motion for Appointment of Receiver (02/22/2019)	
13	Defendant Las Vegas Development Fund LLC's Reply to	0741-0750
14	Plaintiff's Opposition to Defendant's Motion for Appointment of	
15	Receiver (02/26/2019)	
16	<u>VOLUME IV</u>	<u>PAGES</u>
17	Defendant Las Vegas Development Fund LLC's Reply to	0751-0755
18	Plaintiff's Opposition to Defendant's Motion for Appointment of	
19	Receiver (02/26/2019) (<i>cont'd</i>)	
20	Supplemental Declaration of Robert W. Dziubla in Support of	0756-0761
21	Defendant LVD Fund's Reply to Plaintiff's Opposition to	
22	Defendant's Motion to Appointment of Receiver (02/26/2019)	
23	Declaration of C. Keith Greer in Support of Defendant LVD	0762-0769
24	Fund's Reply to Plaintiff's Opposition to Defendant's Motion to	
25	Appoint Receiver (02/26/2019)	
26	Plaintiff's Second Motion for Temporary Restraining Order and	0770-0836
27	Preliminary Injunction, Motion for Order Shortening Time, and	
28	Order Shortening Time (03/01/19)	

1	Defendant Las Vegas Development Fund, LLC’s Opposition to	0837-0860
2	Plaintiff’s Second Motion for Temporary Restraining Order and	
3	Preliminary Injunction (03/19/2019)	
4	Supplemental Declaration of Defendant Robert Dziubla in	0861-0875
5	Support of Defendant Las Vegas Development Fund, LLC’s	
6	Opposition to Plaintiff’s Second Motion for Temporary	
7	Restraining Order and Preliminary Injunction (03/19/2019)	
8	Notice of Entry of Order (03/19/2019)	0876-0881
9	Errata to Supplemental Declaration of Robert Dziubla in	0882-0892
10	Support of Defendants’ Opposition to Plaintiff’s Second Motion	
11	for Temporary Restraining Order and Preliminary Injunction	
12	(03/20/2019)	
13	Notice of Entry of Order (04/10/2019)	0893-0897
14	Notice of Entry of Order (04/10/2019)	0898-0903
15	Notice of Entry of Order (04/10/2019)	0904-0909
16	Notice of Entry of Order (04/10/2019)	0910-0916
17	Defendants’ Answer to Plaintiff’s Second Amended Complaint	0917-1000
18	and Counterclaim (04/23/2019)	
19		
20	<u>VOLUME V</u>	<u>PAGES</u>
21		
22	Defendants’ Answer to Plaintiff’s Second Amended Complaint	1001-1083
23	and Counterclaim (04/23/2019) (<i>cont’d</i>)	
24	Notice of Entry of Order (05/16/2019)	1084-1089
25	Reporter’s Transcript of Motion (Preliminary Injunction	1090-1250
26	Hearing) (06/03/2019)	
27		
28		

VOLUME VI

PAGES

Reporter’s Transcript of Motion (Preliminary Injunction Hearing) (06/03/2019) (*cont’d*) 1251-1313

Order Setting Settlement Conference (06/04/2019) 1314-1315

Acceptance of Service of Counterclaim on Counterdefendants Front Sight Management, LLC, Ignatius Piazza, Jennifer Piazza, VNV Dynasty Trust I and VNV Dynasty Trust II (06/14/2019) 1316-1317

Notice of Entry of Order (06/25/2019) 1318-1324

Notice of Entry of Stipulation and Order Regarding Defendants’ Judicial Foreclosure Cause of Action (06/25/2019) 1325-1330

Reporter’s Transcript of Preliminary Injunction Hearing (07/22/2019) 1331-1500

VOLUME VII

PAGES

Reporter’s Transcript of Preliminary Injunction Hearing (07/22/2019) (*cont’d*) 1501-1513

Reporter’s Transcript of Preliminary Injunction (07/23/2019) 1514-1565

Business Court Order (07/23/2019) 1566-1572

Order Re Rule 16 Conference, Setting Civil Jury Trial, Pre-Trial/Calendar Call and Deadlines for Motions; Discovery Scheduling Order (08/20/2019) 1573-1577

Notice of Entry of Order Granting in Part and Denying in Part Counterdefendants’ Motions to Dismiss Counterclaim (09/13/2019) 1578-1584

Notice of Entry of Order Denying Plaintiff’s Motion for Temporary Restraining Order and Preliminary Injunction related to Investor Funds and Interest Payments (09/13/2019) 1585-1591

1	Notice of Entry of Order Staying All Subpoenas For Documents	1592-1599
2	and Depositions which were Served on Non-Parties by Plaintiff	
3	(09/13/2019)	
4	Plaintiff's Motion for Sanctions (09/17/2019)	1600-1643
5		
6	Reporter's Transcript of Hearing (Preliminary Injunction	1644-1750
7	Hearing) (09/20/2019)	
8	<u>VOLUME VIII</u>	<u>PAGES</u>
9	Reporter's Transcript of Hearing (Preliminary Injunction	1751-1930
10	Hearing) (09/20/2019) (<i>cont'd</i>)	
11	Order Scheduling Hearing (09/27/2019)	1931-1932
12		
13	Counterdefendants VNV Dynasty Trust I and VNV Dynasty	1933-1957
14	Trust II's Answer to Counterclaim (09/30/2019)	
15	Counterdefendant Dr. Ignatius Piazza's Answer to Counterclaim	1958-1981
16	(09/30/2019)	
17	Counterdefendant Front Sight Management LLC's Answer to	1982-2000
18	Counterclaim (09/30/2019)	
19	<u>VOLUME IX</u>	<u>PAGES</u>
20	Counterdefendant Front Sight Management LLC's Answer to	2001-2005
21	Counterclaim (09/30/2019) (<i>cont'd</i>)	
22	Counterdefendant Jennifer Piazza's Answer to Counterclaim	2006-2029
23	(09/30/2019)	
24		
25	Defendant EB5 Impact Advisors LLC's Opposition to	2030-2040
26	Plaintiff's Motion for Sanctions (09/30/2019)	
27	Declaration of Robert Dziubla in Opposition to Plaintiff's	2041-2044
28	Motion for Sanctions (09/30/2019)	

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

Reporter’s Transcript of Motions (Defendants’ Motions to Quash Subpoena to Wells Fargo Bank, Signature Bank, Open Bank and Bank of Hope) (10/09/2019) 2045-2232

Reply to Opposition to Plaintiff’s Motion for Sanctions (10/18/2019) 2233-2250

VOLUME X **PAGES**

Reply to Opposition to Plaintiff’s Motion for Sanctions (10/18/2019) (*cont’d*) 2251-2297

Notice of Intent to Issue Subpoena to Lucas Horsfall, LLP (10/22/2019) 2298-2378

Notice of Intent to Issue Subpoena to Bank of America, N.A. (10/22/2019) 2379-2459

Plaintiff’s Motion to Quash Subpoenas (10/29/2019) 2460-2478

Defendants’ Opposition to Plaintiff’s Motion to Quash Subpoenas to Third Parties Bank of America and Lucas Horsfall, Murphy & Pindroh, LLP (11/6/2019) 2479-2500

VOLUME XI **PAGES**

Defendants’ Opposition to Plaintiff’s Motion to Quash Subpoenas to Third Parties Bank of America and Lucas Horsfall, Murphy & Pindroh, LLP (11/6/2019) (*cont’d*) 2501-2655

Notice of Entry of Order Granting Defendants’ Motion to Advance Hearing regarding Plaintiff’s Motion to Quash Subpoenas (11/08/2019) 2656-2660

Reply to Opposition to Motion to Quash Subpoenas (11/15/2019) 2661-2750

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

VOLUME XII

PAGES

Reply to Opposition to Motion to Quash Subpoenas (11/15/2019) (<i>cont'd</i>)	2751-2776
Notice of Entry of Order Shortening Time (11/15/2019)	2777-2785
Notice of Entry of Order Granting in Part and Denying in Part Defendants' Motions to Quash Plaintiff's Subpoenas to Non- Parties Empyrean West, Jay Carter and David Keller (12/6/2019)	2786-2793
Notice of Entry of Order Granting Defendant's Motions to Quash Plaintiff's Subpoenas to Non-Party Banks (12/6/2019)	2794-2800
Notice of Entry of Stipulation and Order Regarding Exhibit (12/6/2019)	2801-2816
Notice of Entry of Order Denying Plaintiff's Motion to Quash Subpoenas to Plaintiff's Bank and Accountant (12/6/2019)	2817-2822
Notice of Entry of Order Shortening Time (12/11/2019)	2823-2836
Notice of Entry of Order (12/18/2019)	2837-2840
Notice of Entry of Stipulation and Order (12/18/2019)	2841-2846
Notice of Entry of Order Denying Plaintiff's Motion to Quash Subpoenas to Morales Construction, Top Rank Builders and All American Concrete and Masonry (12/19/2019)	2847-2853
Notice of Entry of Order Denying Plaintiff's Motion for Sanctions Related to Defendant EB5IA's Accounting Records (12/19/2019)	2854-2860
Notice of Entry of Order Denying Plaintiff's Motion to Stay Enforcement of Order Denying Plaintiff's Motion to Quash Subpoenas to Bank of America and Lucas Horsfall (01/02/2020)	2861-2866

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

Notice of Entry of Order (01/17/2020) 2867-2874

Statement of Undisputed Facts (01/17/2020) 2875-3000

VOLUME XIII **PAGES**

Statement of Undisputed Facts (01/17/2020) (*cont'd*) 3001-3080

Notice of Entry of 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 (01/23/2020) 3081-3091

Notice of Entry of Order on Status Check Regarding Discovery Responses/Plaintiff's Motion to Compel (01/23/2020) 3092-3095

Motion for Summary Judgment as to the Counterclaims Against VNV Dynasty Trust I and VNV Dynasty Trust II (01/23/2020) 3096-3143

Motion for Summary Judgment as to the Counterclaims Against Jennifer Piazza (01/23/2020) 3144-3166

Defendant and Counter Claimant LVDF's Objections to Plaintiff and Counter Defendant's Statement of Undisputed Facts (02/03/2020) 3167-3222

Defendant and Counterclaimant LVD Fund's Opposition to Counterdefendant Jennifer Piazza's Motion for Summary Judgment [*redacted in district court filing*] (02/03/2020) 3223-3239

Defendant and Counterclaimant LVD Fund's Opposition to VNV Dynasty Trust I and VNV Dynasty Trust II's Motion for Summary Judgment [*redacted in district court filing*] (02/03/2020) 3240-3250

VOLUME XIV

PAGES

1		
2		
3	Defendant and Counterclaimant LVD Fund’s Opposition to	3251-3256
4	VNV Dynasty Trust I and VNV Dynasty Trust II’s Motion for	
5	Summary Judgment [<i>redacted in district court filing</i>]	
6	(02/03/2020) (<i>cont’d</i>)	
7		
8	Declaration of C. Keith Greer in Support of Defendant and	3257-3326
9	Counterclaimants’ Oppositions to Jennifer Piazza and the VNV	
10	Dynasty Trust I and II Motions for Summary Judgment	
11	(02/03/2020)	
12		
13	Notice of Entry of Order (02/07/2020)	3327-3330
14		
15	Motion to Seal and/or Redact Portions of Defendants’	3331-3348
16	Oppositions to Jennifer Piazza and the VNV Trusts’ Motions for	
17	Summary Judgment to Protect Confidential Financial	
18	Information, Motion for Order Shortening Time and Order	
19	Shortening Time (02/11/2020)	
20		
21	Notice of Entry of Order Shortening Time (02/11/2020)	3349-3368
22		
23	Defendant Las Vegas Development Fund LLC’s Opposition to	3369-3380
24	Motion to Seal and/or Redact portions of Defendants’	
25	Oppositions to Jennifer Piazza and the NVN Trusts’ Motions for	
26	Summary Judgment to Protect Confidential Financial	
27	Information (02/14/2020)	
28		
29	Notice of Entry of Order Regarding February 5, 2020 Status	3381-3385
30	Check (02/19/2020)	
31		
32	Notice of Entry of Stipulation and Order Resetting Hearings and	3386-3391
33	Briefing Schedule (02/25/2020)	
34		
35	Response to Defendant LVDF’s Objections to Statement of	3392-3411
36	Undisputed Facts and Countermotion to Strike (02/28/2020)	
37		
38	Notice of Entry of Order (03/02/2020)	3412-3416
39		

1	Notice of Entry of Order (03/03/2020)	3417-3421
2		
3	Notice of Entry of Order (03/12/2020)	3422-3429
4	Notice of Entry of Order (04/01/2020)	3430-3436
5		
6	Notice of Entry of Order (04/01/2020)	3437-3441
7	Defendant and Counterclaimant Las Vegas Development Fund,	3442-3500
8	LLC’s Notice of Motion and Motion for Leave to Amend the	
9	Countercomplaint <i>[redacted in district court filing]</i>	
	(04/03/2020)	
10		
11	<u>VOLUME XV</u>	<u>PAGES</u>
12	Defendant and Counterclaimant Las Vegas Development Fund,	3501-3640
13	LLC’s Notice of Motion and Motion for Leave to Amend the	
14	Countercomplaint <i>[redacted in district court filing]</i>	
	(04/03/2020) <i>(cont’d)</i>	
15		
16	Declaration of C. Keith Greer in Support of Las Vegas	3641-3645
17	Development Fund, LLC’s Motion for Leave to Amend the	
	Countercomplaint (04/04/2020)	
18		
19	Opposition to Motion for Leave to Amend Counterclaim	3646-3692
	(04/17/2020)	
20		
21	Notice of Entry of Stipulation and Order to Replace Exhibit “A”	3693-3750
22	to Defendant’s Motion for Leave to Amend the	
23	Countercomplaint <i>[redacted in district court filing]</i>	
	(04/20/2020)	
24	<u>VOLUME XVI</u>	<u>PAGES</u>
25	Notice of Entry of Stipulation and Order to Replace Exhibit “A”	3751-3891
26	to Defendant’s Motion for Leave to Amend the	
27	Countercomplaint <i>[redacted in district court filing]</i>	
28	(04/20/2020) <i>(cont’d)</i>	

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

Notice of Entry of Order (04/28/2020) 3892-3896

Reply in Support of Defendant and Counterclaimant Las Vegas Development Fund, LLC’s Motion for Leave to Amend the Counterclaim *[redacted in district court filing]* (04/29/2020) 3897-4000

VOLUME XVII **PAGES**

Reply in Support of Defendant and Counterclaimant Las Vegas Development Fund, LLC’s Motion for Leave to Amend the Counterclaim *[redacted in district court filing]* (04/29/2020) *(cont’d)* 4001-4006

Defendant Las Vegas Development Fund, LLC’s Motion for Clarification on Order Shortening Time (05/01/2020) 4007-4016

Opposition to Defendant Las Vegas Development Fund LLC’s Motion for Clarification on Order Shortening Time (05/11/2020) 4017-4045

Notice of Entry of Stipulation and Order to Extend Discovery Deadlines and Continue Trial (Second Request) (05/13/2020) 4046-4056

Amended Order Setting Jury Trial (05/13/2020) 4057-4061

Notice of Entry of Order Granting Las Vegas Development Fund, LLC’s Motion to Compel Production of Documents or, in the Alternative, Motion for Preliminary Injunction to Address Front Sight’s Continuing Violation of Section 5.10 of the Construction Loan Agreement and Request for Limited Relief From the Protective Order (05/18/2020) 4062-4067

Notice of Entry of Order Granting Defendant and Counterclaimant Las Vegas Development Fund, LLC’s Notice of Motion and Motion for Leave to Amend the Countercomplaint (06/04/2020) 4068-4072

1	Defendants’ Answer to Plaintiff’s Second Amended Complaint;	4073-4250
2	and First Amended Counterclaim <i>[redacted in district court</i>	
3	<i>filings]</i> (06/04/2020)	
4	<u>VOLUME XVIII</u>	<u>PAGES</u>
5		
6	Defendants’ Answer to Plaintiff’s Second Amended Complaint;	4251-4262
7	and First Amended Counterclaim <i>[redacted in district court</i>	
8	<i>filings]</i> (06/04/2020) <i>(cont’d)</i>	
9	Notice of Entry of Order Granting Defendant Las Vegas	4263-4268
10	Development Fund, LLC’s Motion for Clarification on Order	
	Shortening Time (06/05/2020)	
11	Notice of Entry of Findings of Fact, Conclusions of Law and	4269-4275
12	Order Denying Plaintiff Front Sight Management, LLC’s	
13	Motion to Extinguish LVDF’s Deed of Trust, or Alternatively to	
14	Grant Senior Debt Lender Romspen a First Lien Position, and	
	Motion to Deposit Funds Pursuant to NRCP 67 (06/08/2020)	
15	Notice of Entry of Order Denying Plaintiff’s Motion to Quash	4276-4281
16	Subpoenas to Summit Financial Group and US Capital Partners,	
17	Inc. (06/08/2020)	
18	Notice of Entry of Order Denying Counter Defendants VNV	4282-4287
19	Dynasty Trust I and VNV Dynasty Trust II’s Motion for	
20	Summary Judgment (06/08/2020)	
21	Notice of Entry of Order Denying Counter Defendant Jennifer	4288-4293
22	Piazza’s Motion for Summary Judgment (06/08/2020)	
23	Notice of Entry of Order Shortening Time (06/12/2020)	4294-4305
24		
25	Affidavit of Service – Michael G. Meacher (06/16/2020)	4306-4308
26	Affidavit of Service – Top Rank Builders Inc. (06/16/2020)	4309-4311
27	Affidavit of Service – All American Concrete & Masonry Inc.	4312-4314
28	(06/16/2020)	

1	Affidavit of Service – Morales Construction, Inc. (06/16/2020)	4315-4317
2		
3	Notice of Entry of Order Denying Front Sight Management	4318-4327
4	LLC’s Motion for Partial Summary Judgment With Findings of	
5	Fact and Conclusions of Law (06/22/2020)	
6	Notice of Entry of Order Granting in Part Motion for Sanctions	4328-4333
7	and/or to Compel Actual Responses to Plaintiff’s First Sets of	
8	Interrogatories to Defendants (06/22/2020)	
9	Notice of Entry of Findings of Fact and Conclusions of Law and	4334-4342
10	Order Granting In Part and Denying In Part Defendants’ Motion	
11	for Protective Order Regarding Discovery of Consultants and	
12	Individual Investors Confidential Information (07/06/2020)	
13	Notice of Entry of Order Denying Without Prejudice Plaintiff s	4343-4349
14	Motion for Sanctions for Violation of Court Orders Related to	
15	Defendants Responses to Plaintiffs Requests for Production of	
16	Documents to Defendants (07/06/2020)	
17	Notice of Entry of Order Granting Defendants’ Motion for	4350-4356
18	Protective Order Regarding the Defendants’ Private Financial	
19	Information (07/10/2020)	
20	Acceptance of Service on Behalf of Efrain Rene Morales-	4357-4359
21	Moreno (07/23/2020)	
22	Counterdefendant Jennifer Piazza’s Answer to First Amended	4360-4386
23	Counterclaim (08/21/2020)	
24	Minutes of the Court (08/26/2020)	4387-4389
25	Notice of Entry of Stipulation and Order to Extend Discovery	4390-4403
26	Deadlines (09/02/2020)	
27		
28		

ALPHABETICAL INDEX

	<u>Volume(s)</u>	<u>Pages</u>
Acceptance of Service of Counterclaim on Counterdefendants Front Sight Management, LLC, Ignatius Piazza, Jennifer Piazza, VNV Dynasty Trust I and VNV Dynasty Trust II (06/14/2019)	VI	1316-1317
Acceptance of Service on Behalf of Efrain Rene Morales-Moreno (07/23/2020)	XVIII	4357-4359
Affidavit of Service on Chicago Title Company (10/22/2018)	I	0063
Affidavit of Service on EB5 Impact Advisors LLC (10/17/2018)	I	0060
Affidavit of Service on EB5 Impact Capital Regional Center LLC (10/18/2018)	I	0061
Affidavit of Service on Las Vegas Development Fund LLC (10/18/2018)	I	0062
Affidavit of Service on Linda Stanwood (10/17/2018)	I	0059
Affidavit of Service on Robert W. Dziubla (10/17/2018)	I	0058
Affidavit of Service – All American Concrete & Masonry Inc. (06/16/2020)	XVIII	4312-4314
Affidavit of Service – Michael G. Meacher (06/16/2020)	XVIII	4306-4308
Affidavit of Service – Morales Construction, Inc. (06/16/2020)	XVIII	4315-4317

1	Affidavit of Service – Top Rank Builders Inc.	XVIII	4309-4311
2	(06/16/2020)		
3			
4	Amended Complaint (10/04/2018)	I	0029-0057
5	Amended Order Setting Jury Trial (05/13/2020)	XVII	4057-4061
6	Business Court Order (07/23/2019)	VII	1566-1572
7			
8	Complaint (09/14/2018)	I	0001-0028
9	Counterdefendant Dr. Ignatius Piazza’s Answer to	VIII	1958-1981
10	Counterclaim (09/30/2019)		
11	Counterdefendant Front Sight Management LLC’s	VIII / IX	1982-2005
12	Answer to Counterclaim (09/30/2019)		
13	Counterdefendant Jennifer Piazza’s Answer to	IX	2006-2029
14	Counterclaim (09/30/2019)		
15	Counterdefendant Jennifer Piazza’s Answer to First	XVIII	4360-4386
16	Amended Counterclaim (08/21/2020)		
17	Counterdefendants VNV Dynasty Trust I and VNV	VIII	1933-1957
18	Dynasty Trust II’s Answer to Counterclaim		
19	(09/30/2019)		
20	Declaration of C. Keith Greer in Support of	XIV	3257-3326
21	Defendant and Counterclaimants’ Oppositions to		
22	Jennifer Piazza and the VNV Dynasty Trust I and II		
23	Motions for Summary Judgment (02/03/2020)		
24	Declaration of C. Keith Greer in Support of	IV	0762-0769
25	Defendant LVD Fund’s Reply to Plaintiff’s		
26	Opposition to Defendant’s Motion to Appoint		
27	Receiver (02/26/2019)		
28	Declaration of C. Keith Greer in Support of	III	0559-0601
	Defendant’s Motion for Receivership (02/06/2019)		

1
2
3
4
5
6
7
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10
11
12
13
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Declaration of C. Keith Greer in Support of Las Vegas Development Fund, LLC’s Motion for Leave to Amend the Countercomplaint (04/04/2020)	XV	3641-3645
Declaration of Robert Dziubla in Opposition to Plaintiff’s Motion for Sanctions (09/30/2019)	IX	2041-2044
Declaration of Robert Dziubla in Support of Defendant Las Vegas Development Fund LLC’s Motion for Appointment of Receiver <i>[redacted in district court filing]</i> (02/06/2019)	II / III	0379-0558
Defendant and Counter Claimant LVDF’s Objections to Plaintiff and Counter Defendant’s Statement of Undisputed Facts (02/03/2020)	XIII	3167-3222
Defendant and Counterclaimant Las Vegas Development Fund, LLC’s Notice of Motion and Motion for Leave to Amend the Countercomplaint <i>[redacted in district court filing]</i> (04/03/2020)	XIV / XV	3442-3640
Defendant and Counterclaimant LVD Fund’s Opposition to Counterdefendant Jennifer Piazza’s Motion for Summary Judgment <i>[redacted in district court filing]</i> (02/03/2020)	XIII	3223-3239
Defendant and Counterclaimant LVD Fund’s Opposition to VNV Dynasty Trust I and VNV Dynasty Trust II’s Motion for Summary Judgment <i>[redacted in district court filing]</i> (02/03/2020)	XIII / XIV	3240-3256
Defendant EB5 Impact Advisors LLC’s Opposition to Plaintiff’s Motion for Sanctions (09/30/2019)	IX	2030-2040
Defendant Las Vegas Development Fund LLC’s Motion for Appointment of Receiver and Request for Order Shortening Time (02/06/2019)	II	0351-0378

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Defendant Las Vegas Development Fund, LLC’s
Motion for Clarification on Order Shortening Time
(05/01/2020) XVII 4007-4016

Defendant Las Vegas Development Fund LLC’s
Opposition to Motion to Seal and/or Redact portions
of Defendants’ Oppositions to Jennifer Piazza and
the NVN Trusts’ Motions for Summary Judgment to
Protect Confidential Financial Information
(02/14/2020) XIV 3369-3380

Defendant Las Vegas Development Fund, LLC’s
Opposition to Plaintiff’s Second Motion for
Temporary Restraining Order and Preliminary
Injunction (03/19/2019) IV 0837-0860

Defendant Las Vegas Development Fund LLC’s
Reply to Plaintiff’s Opposition to Defendant’s
Motion for Appointment of Receiver (02/26/2019) III / IV 0741-0755

Defendants’ Answer to Plaintiff’s Second Amended
Complaint and Counterclaim (04/23/2019) IV / V 0917-1083

Defendants’ Answer to Plaintiff’s Second Amended
Complaint and First Amended Counterclaim
[redacted in district court filing] (06/04/2020) XVII / XVIII 4073-4262

Defendants’ Opposition to Plaintiff’s Motion to
Quash Subpoenas to Third Parties Bank of America
and Lucas Horsfall, Murphy & Pindroh, LLP
(11/6/2019) X / XI 2479-2655

Errata to Opposition to Defendant Las Vegas
Development Fund LLC’s Motion for Appointment
of Receiver (02/22/2019) III 0731-0740

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Errata to Supplemental Declaration of Robert Dziubla in Support of Defendants’ Opposition to Plaintiff’s Second Motion for Temporary Restraining Order and Preliminary Injunction (03/20/2019)	IV	0882-0892
Minutes of the Court (08/26/2020)	XVIII	4387-4389
Motion for Summary Judgment as to the Counterclaims Against Jennifer Piazza (01/23/2020)	XIII	3144-3166
Motion for Summary Judgment as to the Counterclaims Against VNV Dynasty Trust I and VNV Dynasty Trust II (01/23/2020)	XIII	3096-3143
Motion to Seal and/or Redact Pleadings and Exhibits to Protect Confidential Information, Motion to Amend Paragraph 2.3 of Protective Order, Motion for Order Shortening Time and Order Shortening Time (02/15/2019)	III	0602-0628
Motion to Seal and/or Redact Portions of Defendants’ Oppositions to Jennifer Piazza and the VNV Trusts’ Motions for Summary Judgment to Protect Confidential Financial Information, Motion for Order Shortening Time and Order Shortening Time (02/11/2020)	XIV	3331-3348
Notice of Entry of Disclaimer of Interest of Chicago Title Company and Stipulation and Order for Dismissal (02/05/2019)	II	0344-0350
Notice of Entry of Findings of Fact and Conclusions of Law and Order Granting In Part and Denying In Part Defendants’ Motion for Protective Order Regarding Discovery of Consultants and Individual Investors Confidential Information (07/06/2020)	XVIII	4334-4342

1	Notice of Entry of Findings of Fact, Conclusions of	XIII	3081-3091
2	Law, and Order Denying Defendant Las Vegas		
3	Development Fund LLC’s Motion to Dissolve		
4	Temporary Restraining Order and to Appoint a		
5	Receiver (01/23/2020)		
6	Notice of Entry of Findings of Fact, Conclusions of	XVIII	4269-4275
7	Law and Order Denying Plaintiff Front Sight		
8	Management, LLC’s Motion to Extinguish LVDF’s		
9	Deed of Trust, or Alternatively to Grant Senior Debt		
10	Lender Romspen a First Lien Position, and Motion		
11	to Deposit Funds Pursuant to NRCP 67 (06/08/2020)		
12	Notice of Entry of Order (03/19/2019)	IV	0876-0881
13	Notice of Entry of Order (04/10/2019)	IV	0893-0897
14	Notice of Entry of Order (04/10/2019)	IV	0898-0903
15	Notice of Entry of Order (04/10/2019)	IV	0904-0909
16	Notice of Entry of Order (04/10/2019)	IV	0910-0916
17	Notice of Entry of Order (05/16/2019)	V	1084-1089
18	Notice of Entry of Order (06/25/2019)	VI	1318-1324
19	Notice of Entry of Order (12/18/2019)	XII	2837-2840
20	Notice of Entry of Order (01/17/2020)	XII	2867-2874
21	Notice of Entry of Order (02/07/2020)	XIV	3327-3330
22	Notice of Entry of Order (03/02/2020)	XIV	3412-3416
23	Notice of Entry of Order (03/03/2020)	XIV	3417-3421
24	Notice of Entry of Order (03/12/2020)	XIV	3422-3429
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Notice of Entry of Order (04/01/2020)	XIV	3430-3436
Notice of Entry of Order (04/01/2020)	XIV	3437-3441
Notice of Entry of Order (04/28/2020)	XVI	3892-3896
Notice of Entry of Order Admitting to Practice (11/15/2018)	I	0064-0068
Notice of Entry of Order Denying Counter Defendant Jennifer Piazza’s Motion for Summary Judgment (06/08/2020)	XVIII	4288-4293
Notice of Entry of Order Denying Counter Defendants VNV Dynasty Trust I and VNV Dynasty Trust II’s Motion for Summary Judgment (06/08/2020)	XVIII	4282-4287
Notice of Entry of Order Denying Front Sight Management LLC’s Motion for Partial Summary Judgment With Findings of Fact and Conclusions of Law (06/22/2020)	XVIII	4318-4327
Notice of Entry of Order Denying Plaintiff’s Motion for Sanctions Related to Defendant EB5IA’s Accounting Records (12/19/2019)	XII	2854-2860
Notice of Entry of Order Denying Plaintiff’s Motion for Temporary Restraining Order and Preliminary Injunction related to Investor Funds and Interest Payments (09/13/2019)	VII	1585-1591
Notice of Entry of Order Denying Plaintiff’s Motion to Quash Subpoenas to Morales Construction, Top Rank Builders and All American Concrete and Masonry (12/19/2019)	XII	2847-2853

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Notice of Entry of Order Denying Plaintiff’s Motion to Quash Subpoenas to Plaintiff’s Bank and Accountant (12/6/2019)	XII	2817-2822
Notice of Entry of Order Denying Plaintiff’s Motion to Quash Subpoenas to Summit Financial Group and US Capital Partners, Inc. (06/08/2020)	XVIII	4276-4281
Notice of Entry of Order Denying Plaintiff’s Motion to Stay Enforcement of Order Denying Plaintiff’s Motion to Quash Subpoenas to Bank of America and Lucas Horsfall (01/02/2020)	XII	2861-2866
Notice of Entry of Order Denying Without Prejudice Plaintiff’s Motion for Sanctions for Violation of Court Orders Related to Defendants Responses to Plaintiffs Requests for Production of Documents to Defendants (07/06/2020)	XVIII	4343-4349
Notice of Entry of Order Granting Defendant and Counterclaimant Las Vegas Development Fund, LLC’s Notice of Motion and Motion for Leave to Amend the Countercomplaint (06/04/2020)	XVII	4068-4072
Notice of Entry of Order Granting Defendant Las Vegas Development Fund, LLC’s Motion for Clarification on Order Shortening Time (06/05/2020)	XVIII	4263-4268
Notice of Entry of Order Granting Defendant’s Motions to Quash Plaintiff’s Subpoenas to Non-Party Banks (12/6/2019)	XII	2794-2800
Notice of Entry of Order Granting Defendants’ Motion for Protective Order Regarding the Defendants’ Private Financial Information (07/10/2020)	XVIII	4350-4356

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Notice of Entry of Order Granting Defendants’
Motion to Advance Hearing regarding Plaintiff’s
Motion to Quash Subpoenas (11/08/2019)

XI 2656-2660

Notice of Entry of Order Granting in Part and
Denying in Part Counterdefendants’ Motions to
Dismiss Counterclaim (09/13/2019)

VII 1578-1584

Notice of Entry of Order Granting in Part and
Denying in Part Defendants’ Motions to Quash
Plaintiff’s Subpoenas to Non-Parties Empyrean
West, Jay Carter and David Keller (12/6/2019)

XII 2786-2793

Notice of Entry of Order Granting in Part Motion for
Sanctions and/or to Compel Actual Responses to
Plaintiff’s First Sets of Interrogatories to Defendants
(06/22/2020)

XVIII 4328-4333

Notice of Entry of Order Granting Las Vegas
Development Fund, LLC’s Motion to Compel
Production of Documents or, in the Alternative,
Motion for Preliminary Injunction to Address Front
Sight’s Continuing Violation of Section 5.10 of the
Construction Loan Agreement and Request for
Limited Relief From the Protective Order
(05/18/2020)

XVII 4062-4067

Notice of Entry of Order Granting Plaintiff’s Motion
for Protective Order (11/27/2018)

I 0075-0079

Notice of Entry of Order Granting Temporary
Restraining Order and Expunging Notice of Default
(11/27/2018)

I 0099-0104

Notice of Entry of Order on Defendants’ Motion to
Dismiss Plaintiff’s First Amended Complaint
(01/17/2019)

II 0333-0337

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Notice of Entry of Order on Plaintiff’s Motion for Preliminary Injunction (01/17/2019)	II	0323-0327
Notice of Entry of Order on Plaintiff’s Motion to Disqualify C. Keith Greer as Attorney of Record for Defendants (01/25/2019)	II	0338-0343
Notice of Entry of Order on Plaintiff’s Petition for Appointment of Receiver and for an Accounting (11/27/2018)	I	0069-0074
Notice of Entry of Order on Plaintiff’s Renewed Motion for an Accounting Related to Defendants Las Vegas Development Fund LLC and Robert Dziubla and for Release of Funds (01/17/2019)	II	0328-0332
Notice of Entry of Order on Status Check Regarding Discovery Responses/Plaintiff’s Motion to Compel (01/23/2020)	XIII	3092-3095
Notice of Entry of Order Regarding February 5, 2020 Status Check (02/19/2020)	XIV	3381-3385
Notice of Entry of Order Shortening Time (02/15/2019)	III	0629-0658
Notice of Entry of Order Shortening Time (11/15/2019)	XII	2777-2785
Notice of Entry of Order Shortening Time (12/11/2019)	XII	2823-2836
Notice of Entry of Order Shortening Time (02/11/2020)	XIV	3349-3368
Notice of Entry of Order Shortening Time (06/12/2020)	XVIII	4294-4305

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Notice of Entry of Order Staying All Subpoenas For Documents and Depositions which were Served on Non-Parties by Plaintiff (09/13/2019)	VII	1592-1599
Notice of Entry of Protective Order (11/27/2018)	I	0080-0098
Notice of Entry of Stipulation and Order (12/18/2019)	XII	2841-2846
Notice of Entry of Stipulation and Order Regarding Defendants’ Judicial Foreclosure Cause of Action (06/25/2019)	VI	1325-1330
Notice of Entry of Stipulation and Order Regarding Exhibit (12/6/2019)	XII	2801-2816
Notice of Entry of Stipulation and Order Resetting Hearings and Briefing Schedule (02/25/2020)	XIV	3386-3391
Notice of Entry of Stipulation and Order to Extend Discovery Deadlines (09/02/2020)	XVIII	4390-4403
Notice of Entry of Stipulation and Order to Extend Discovery Deadlines and Continue Trial (Second Request) (05/13/2020)	XVII	4046-4056
Notice of Entry of Stipulation and Order to Replace Exhibit “A” to Defendant’s Motion for Leave to Amend the Countercomplaint <i>[redacted in district court filing]</i> (04/20/2020)	XV / XVI	3693-3891
Notice of Intent to Issue Subpoena to Bank of America, N.A. (10/22/2019)	X	2379-2459
Notice of Intent to Issue Subpoena to Lucas Horsfall, LLP (10/22/2019)	X	2298-2378

1	Opposition Memorandum of Defendant Las Vegas	III	0659-0669
2	Development Fund, LLC to Plaintiff's Motion to		
3	Seal and/or Redact Pleadings and Exhibits		
4	(02/19/2019)		
5	Opposition to Defendant Las Vegas Development	III	0670-0730
6	Fund LLC's Motion for Appointment of Receiver		
7	(02/22/2019)		
8	Opposition to Defendant Las Vegas Development	XVII	4017-4045
9	Fund LLC's Motion for Clarification on Order		
10	Shortening Time (05/11/2020)		
11	Order Re Rule 16 Conference, Setting Civil Jury	VII	1573-1577
12	Trial, Pre-Trial/Calendar Call and Deadlines for		
13	Motions; Discovery Scheduling Order (08/20/2019)		
14	Order Scheduling Hearing (09/27/2019)	VIII	1931-1932
15	Order Setting Settlement Conference (12/06/2018)	I	0105-0106
16	Order Setting Settlement Conference (06/04/2019)	VI	1314-1315
17	Plaintiff's Motion for Sanctions (09/17/2019)	VII	1600-1643
18	Plaintiff's Motion to Quash Subpoenas (10/29/2019)	X	2460-2478
19	Plaintiff's Second Motion for Temporary Restraining	IV	0770-0836
20	Order and Preliminary Injunction, Motion for Order		
21	Shortening Time, and Order Shortening Time		
22	(03/01/19)		
23	Reply in Support of Defendant and Counterclaimant	XVI / XVII	3897-4006
24	Las Vegas Development Fund, LLC's Motion for		
25	Leave to Amend the Counterclaim <i>[redacted in</i>		
26	<i>district court filing]</i> (04/29/2020)		
27	Reply to Opposition to Motion to Quash Subpoenas	XI / XII	2661-2776
28	(11/15/2019)		

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Reply to Opposition to Plaintiff’s Motion for Sanctions (10/18/2019)	IV / X	2233-2297
Reporter’s Transcript of Hearing (Preliminary Injunction Hearing) (09/20/2019)	VII / VIII	1644-1930
Reporter’s Transcript of Motion (Preliminary Injunction Hearing) (06/03/2019)	V / VI	1090-1313
Reporter’s Transcript of Motions (Defendants’ Motions to Quash Subpoena to Wells Fargo Bank, Signature Bank, Open Bank and Bank of Hope) (10/09/2019)	IX	2045-2232
Reporter’s Transcript of Preliminary Injunction Hearing (07/22/2019)	VI / VII	1331-1513
Reporter’s Transcript of Preliminary Injunction (07/23/2019)	VII	1514-1565
Response to Defendant LVDF’s Objections to Statement of Undisputed Facts and Countermotion to Strike (02/28/2020)	XIV	3392-3411
Second Amended Complaint (01/04/2019)	I / II	0107-0322
Statement of Undisputed Facts (01/17/2020)	XII / XIII	2875-3080
Supplemental Declaration of Defendant Robert Dziubla in Support of Defendant Las Vegas Development Fund, LLC’s Opposition to Plaintiff’s Second Motion for Temporary Restraining Order and Preliminary Injunction (03/19/2019)	IV	0861-0875
Supplemental Declaration of Robert W. Dziubla in Support of Defendant LVD Fund’s Reply to Plaintiff’s Opposition to Defendant’s Motion to Appointment of Receiver (02/26/2019)	IV	0756-0761

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.

[Handwritten signature]

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
Page 5

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
Page 6

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 \$ 93,055.00

6/23/2017 \$ 54,735.00 NB - same exact amount, a week apart?

6/30/2017 \$ 54,735.00

\$ 621,200.00

Civilwise

10/12/2016 \$ 30,000.00

11/17/2016 \$ 3,362.00

12/12/2016 \$ 10,238.75

3/3/2017 \$ 1,058.00

4/20/2017 \$ 31,755.75

8/30/2017 \$ 18,582.50

11/15/2017 \$ 63,012.50

\$ 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 \$ 30,300.00

\$ 507,361.29

TWP

Mr. Ignatius Piazza
Manager
July 30, 2018
Page 7

Las Vegas Development Fund, LLC

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

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.)

Mr. Robert W. Dziubla
President & CEO
Las Vegas Development Fund LLC
Page 3 of 19

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)

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,

Mr. Robert W. Dziubla
President & CEO
Las Vegas Development Fund LLC
Page 5 of 19

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 aforesated 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

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,

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

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.

“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.

- 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 Holecck 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

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 ~~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.”

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 Empyrean 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

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%20AJt%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.

- 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

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... (s) 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 Schutz, 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
216 SOUTHWOOD BOULEVARD, SUITE 16
P.O. BOX 3063
INCLINE VILLAGE, NEVADA 89459
Telephone: (844) 859-8028
Facsimile: (856) 332-4795

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 sending 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:

- I. 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 aforesated, 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.

0288

EXHIBIT 23

EXHIBIT 23

**Las Vegas Development
Fund LLC**

Las Vegas Development Fund, LLC
916 SOUTHWOOD BOULEVARD, SUITE 1G
P.O. BOX 3065
INCLINE VILLAGE, NEVADA 89430
Telephone: (844) 839-3078
Facsimile: (888) 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:

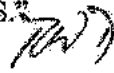
We have received your August 25 response to our second Notice of Default dated August 24.

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 obfuscate. 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.

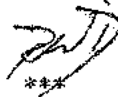
Inspection of Books and Records

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. Starwood, Senior Vice President

EXHIBIT 24

EXHIBIT 24

Las Vegas Development Fund LLC

Las Vegas Development Fund, LLC
916 SOUTHWOOD BOULEVARD, SUITE 10
P.O. BOX 3003
INCLINE VILLAGE, NEVADA 89450
Telephone: (894) 889-8028
Facsimile: (898) 532-1795

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 10
P.O. BOX 3003
ENCLINE VILLAGE, NEVADA 89450
Telephone: (844) 889-8028
Facsimile: (858) 332-0795

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:

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

[Handwritten signature]

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 (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

(P)

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, if 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 Dziubia

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

 **PRESTON ARZA LLP**



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).

1 Front Sight Road, Pahrump, NV 89061

800.987.7719

0304

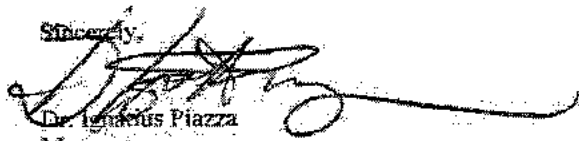
Mr. Robert W. Dziubla
President & CEO
Las Vegas Development Fund LLC
September 7, 2018
Page 2 of 2

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,



Dr. Ignacius Piazza
Manager

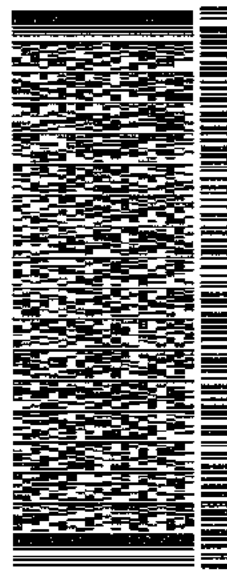
cc: Michael A. Brand, Esq.
C. Matthew Schulz, Esq.
Michael J. Madda, Esq.
Michael G. Meacher
John P. Aldrich, Esq.
Letvia M. Arza-Goderich, Esq.
Scott A. Preston, Esq.

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
ACT WT: 0.50 LB
CND: 101351262NET14040
BILL SENDER

TO C MATTHEW SCHULZ
DENTONS LLP
1530 PAGE MILL RD STE 200

PALO ALTO CA 94304
(650) 798-0361
REF: FRONT SIGHT
DEPT:



552J1F78C10CA5

TRK# 7731 6686 0443
0201

MON - 10 SEP 10:30A
PRIORITY OVERNIGHT

WAHGTA 94304
CA-US 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.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.



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

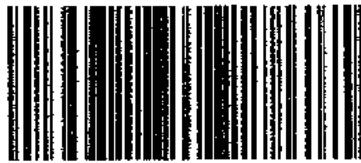
Front Sight

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



GenericAddressInsert.doc

Rev. 07/27/2010

DOC #899115

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

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

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 07/12/2018 as Document No. 880510 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 104.0604(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 30 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.

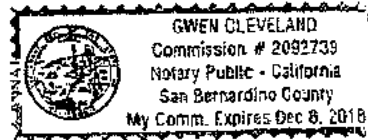
State of California
County of San Bernardino

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. Dziubia, 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:

1. 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]
Name: Robert W. Dziubla
Title: President & CEO

Date: Sept. 8, 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 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 EBS 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

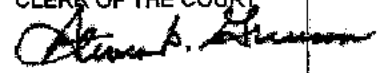
Address 1:	916 SOUTHWOOD BLVD., STE 1G PO BOX 3003	Address 2:	
City:	INCLINE VILLAGE	State:	NV
Zip Code:	89450	Country:	
Status:	Active	Email:	

Manager - JON D FLEMING

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:	

(No notes for this action)



1 NTC
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4 tcase@farmercase.com
5 KATHRYN HOLBERT, ESQ.
6 Nevada Bar No. 10084
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12 Facsimile: (702) 739-3001

13 C. KEITH GREER, ESQ.
14 Cal. Bar No. 135537 (*Pro Hac Vice*)
15 Keith.greer@greerlaw.biz
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17 17150 Via Del Campo, Suite #100
18 San Diego, California 92128
19 Telephone: (858) 613-6677
20 Facsimile: (858) 613-6680

21 Attorneys for Defendants
22 LAS VEGAS DEVELOPMENT FUND LLC,
23 EB5 IMPACT CAPITAL REGIONAL CENTER, LLC,
24 EB6 IMPACT ADVISORS, LLC, ROBERT W. DZIUBLA,
25 JON FLEMING and LINDA STANWOOD

26 EIGHTH JUDICIAL DISTRICT COURT
27 CLARK COUNTY, STATE OF NEVADA

28 FRONT SIGHT MANAGEMENT, LLC, a)
Nevada Limited Liability Company,) CASE NO.: A-18-781084-B
Plaintiff,) DEPT NO.: XVI
v.)

29 LAS VEGAS DEVELOPMENT FUND LLC,)
30 a Nevada Limited Liability Company, EB5)
31 IMPACT CAPITAL REGIONAL CENTER,)
32 LLC, a Nevada Limited Company, EB5)
33 IMPACT ADVISORS LLC, a Nevada)
34 Limited Liability Company; ROBERT W.)
35 DZIUBLA, individually and as President and)
36 CEO of LAS VEGAS DEVELOPMENT)
37 FUND LLC and EB5 IMPACT ADVISORS)
38 LLC; JON FLEMING, individually and as an)
agent of LAS VEGAS DEVELOPMENT)
FUND LLC and EB5 IMPACT ADVISORS)
LLC; LINDA STANWOOD, individually and)

**NOTICE OF ENTRY OF ORDER
ON PLAINTIFF'S MOTION FOR
PRELIMINARY INJUNCTION**

Front Sight Management LLC v. Las Vegas Development Fund LLC, et al., Case No.: A-18-781084-B Dept. No.: XVI
NOTICE OF ENTRY OF ORDER ON PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION

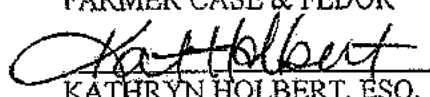
1 as Senior Vice President of LAS VEGAS)
2 DEVELOPMENT FUND LLC and EB5)
3 IMPACT ADVISORS LLC; CHICAGO)
4 TITLE COMPANY, a California corporation;)
5 DOES 1-10, inclusive; and ROE)
6 CORPORATIONS 1-10, inclusive,)
7 Defendants.)

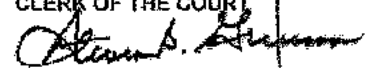
6 **NOTICE OF ENTRY OF ORDER ON PLAINTIFF'S**
7 **MOTION FOR PRELIMINARY INJUNCTION**

8 PLEASE TAKE NOTICE THAT on the 10th day of January, 2019, an Order regarding
9 Plaintiff's Motion for Preliminary Injunction was entered on the Court docket regarding the above
10 referenced case.

11 A copy of said Order is attached hereto.

12 DATED this 17th day of January, 2019.

FARMER CASE & FEDOR

KATHRYN HOLBERT, ESQ.
Nevada Bar No. 10084
2190 E. Pebble Rd., Suite #205
Las Vegas, NV 89123
Telephone: (702) 579-3900
kholbert@farmercase.com
Attorney for Defendants
LAS VEGAS DEVELOPMENT FUND
LLC., EB5 IMPACT CAPITAL REGIONAL
CENTER, LLC, EB6 IMPACT ADVISORS,
LLC, ROBERT W. DZIUBLA, JON
FLEMING and LINDA STANWOOD



1 **ORDER**
2 ANTHONY T. CASE, ESQ.
3 Nevada Bar No. 6589
4 tcase@farmercase.com
5 KATHRYN HOLBERT, ESQ.
6 Nevada Bar No. 10084
7 kholbert@farmercase.com
8 **FARMER CASE & FEDOR**
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11 Telephone: (702) 579-3900
12 Facsimile: (702) 739-3001
13 Attorneys for Defendants
14 LAS VEGAS DEVELOPMENT FUND LLC
15 and RELATED ENTITIES and INDIVIDUALS

16 **EIGHTH JUDICIAL DISTRICT COURT**
17 **CLARK COUNTY, STATE OF NEVADA**

18 FRONT SIGHT MANAGEMENT, LLC., a)
19 Nevada Limited Liability Company.)

CASE NO.: A-18-781084-B

20 Plaintiff,)

DEPT NO.: XVI

21 v.)

22 LAS VEGAS DEVELOPMENT FUND LLC,)
23 a Nevada Limited Liability Company, EB5)
24 IMPACT CAPITAL REGIONAL CENTER)
25 LLC, a Nevada Limited Company, EB5)
26 IMPACT ADVISORS LLC, a Nevada)
27 Limited Liability Company; ROBERT W.)
28 DZIUBLA, individually and as President and)
CEO of LAS VEGAS DEVELOPMENT)
FUND LLC and EB5 IMPACT ADVISORS)
LLC; JON FLEMING, individually and as an)
agent of LAS VEGAS DEVELOPMENT)
FUND LLC and EB5 IMPACT ADVISORS)
LLC; LINDA STANWOOD, individually and)
as Senior Vice President of LAS VEGAS)
DEVELOPMENT FUND LLC and EB5)
IMPACT ADVISORS LLC; CHICAGO)
TITLE COMPANY, a California corporation;)
DOES 1-10, inclusive; and ROE)
CORPORATIONS 1-10, inclusive.)

ORDER ON PLAINTIFF'S
MOTION FOR PRELIMINARY
INJUNCTION

29 Defendants.)

30 ///

31 *Front Sight Management LLC v. Las Vegas Development Fund LLC, et al., Case No.: A-18-781084-B Dept. No.: XVI*

ORDER ON PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION

Page 1 of 2

DEC 28 2018

1 **ORDER ON PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION**


2 Plaintiffs' Motion for Preliminary Injunction having come before the Court on December
3 5, 2018 at 9:30 a.m. in relation to Plaintiff's Renewed Motion for an Accounting Related to
4 Defendants Las Vegas Development Fund LLC and Robert Dziubla and for Release of Funds;
5 John P. Aldrich, Esq. appearing on behalf of Plaintiff and Keith Greer, Esq. and Kathryn
6 Holbert, Esq., appearing on behalf of Defendants; the Court having reviewed the pleadings on
7 file herein, having heard oral argument as well as stipulations by the parties, and for good cause
8 appearing therefore,
9

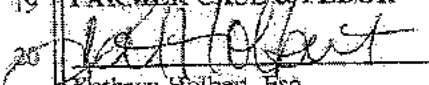
10 **IT IS HEREBY ORDERED** that pursuant to this Court's prior orders, Plaintiff's Motion
11 for Preliminary Injunction is MOOT.

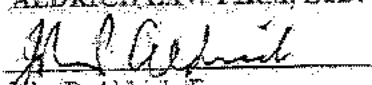
12 **IT IS FURTHER ORDERED** that the hearing on Plaintiff's Motion for Preliminary
13 Injunction which is set for December 13, 2018 at 1:30 p.m. is hereby VACATED.
14

15 **IT IS SO ORDERED.**

16 DATED this 8 day of ^{January, 2019} ~~December~~, 2018.


DISTRICT COURT JUDGE
A-18-784084-B
Dept 16

18 Respectfully submitted by:
19 **FARMER CASE & FEDOR**
20 
21 Kathryn Holbert, Esq.
22 Nevada Bar No. 10084
23 2190 E. Pebble Rd., Suite #205
24 Las Vegas, NV 89123
25 Tel: (702) 579-3900
26 Attorneys for Defendants LAS VEGAS
DEVELOPMENT FUND LLC, EBS IMPACT
CAPITAL REGIONAL CENTER LLC, EBS
IMPACT ADVISORS LLC, ROBERT W.
DZIUBLA, JON FLEMING and LINDA
STANWOOD

Approved as to form and content:
AEDRICH LAW FIRM, LTD.

John P. Aldrich, Esq.
Nevada Bar No. 6877
Catherine Hernandez, Esq.
Nevada Bar No. 8410
1866 West Sahara Avenue
Las Vegas, Nevada 89117
Tel: (702) 853-5490
Fax: (702) 227-1975
Attorneys for Plaintiff FRONT SIGHT
MANAGEMENT LLC



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4 tcase@farmercase.com
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6 Nevada Bar No. 10084
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16 Keith.greer@greerlaw.biz
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22 Attorneys for Defendants
23 LAS VEGAS DEVELOPMENT FUND LLC.
24 EB5 IMPACT CAPITAL REGIONAL CENTER, I.L.C.
25 EB6 IMPACT ADVISORS, LLC, ROBERT W. DZIUBLA.
26 JON FLEMING and LINDA STANWOOD

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, STATE OF NEVADA

FRONT SIGHT MANAGEMENT, LLC., a)
Nevada Limited Liability Company,) CASE NO.: A-18-781084-B
Plaintiff,) DEPT NO.: XVI
v.)

LAS VEGAS DEVELOPMENT FUND LLC,) **NOTICE OF ENTRY OF ORDER**
a Nevada Limited Liability Company, EB5) **ON PLAINTIFF'S RENEWED**
IMPACT CAPITAL REGIONAL CENTER) **MOTION FOR AN ACCOUNTING**
LLC, a Nevada Limited Company, EB5) **RELATED TO DEFENDANTS LAS**
IMPACT ADVISORS LLC, a Nevada) **VEGAS DEVELOPMENT FUND**
Limited Liability Company; ROBERT W.) **LLC AND ROBERT DZIUBLA and**
DZIUBLA, individually and as President and) **FOR RELEASE OF FUNDS**
CEO of LAS VEGAS DEVELOPMENT)
FUND LLC and EB5 IMPACT ADVISORS)
LLC; JON FLEMING, individually and as an)
agent of LAS VEGAS DEVELOPMENT)
FUND LLC and EB5 IMPACT ADVISORS)

27 *Front Sight Management LLC v. Las Vegas Development Fund LLC, et al.*, Case No.: A-18-781084-B Dept. No.: XVI
28 NOTICE OF ENTRY OF ORDER ON PLAINTIFF'S RENEWED MOTION FOR AN ACCOUNTING RELATED TO
DEFENDANTS LAS VEGAS DEVELOPMENT FUND LLC AND ROBERT DZIUBLA and FOR RELEASE OF FUNDS

1 LLC; LINDA STANWOOD, individually and)
2 as Senior Vice President of LAS VEGAS)
3 DEVELOPMENT FUND LLC and EB5)
4 IMPACT ADVISORS LLC; CHICAGO)
5 TITLE COMPANY, a California corporation;)
6 DOES 1-10, inclusive; and ROE)
7 CORPORATIONS 1-10, inclusive,)
8
9 Defendants.)

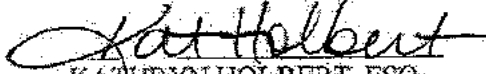
6 **NOTICE OF ENTRY OF ORDER ON DEFENDANTS' MOTION TO**
7 **DISMISS PLAINTIFF'S FIRST AMENDED COMPLAINT**

8 PLEASE TAKE NOTICE THAT on the 10th day of January, 2019, an Order on Plaintiff's
9 Renewed Motion for Accounting Related to Defendants Las Vegas Development Fund LLC and
10 Robert Dziubla and For Release of Funds was entered on the Court docket regarding the above
11 referenced case.
12

13 A copy of said Order is attached hereto.

14 DATED this 17th day of January, 2019.

FARMER CASE & FEDOR



KATHRYN HOLBERT, ESQ.
Nevada Bar No. 10084
2190 W. Pebble Rd., Suite #205
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Telephone: (702) 579-3900
kholbert@farmercase.com
Attorney for Defendants
LAS VEGAS DEVELOPMENT FUND
LLC, EB5 IMPACT CAPITAL REGIONAL
CENTER, LLC, EB6 IMPACT ADVISORS,
LLC, ROBERT W. DZIUBLA, JON
FLEMING and LINDA STANWOOD

1 **CERTIFICATE OF SERVICE and/or MAILING**

2 Pursuant to NRCF 5(b), I hereby certify that I am an employee of Farmer Case & Fedor,
3 and that on this date, I caused true and correct copies of the following document(s):

4 **NOTICE OF ENTRY OF ORDER ON PLAINTIFF'S RENEWED**
5 **MOTION FOR AN ACCOUNTING RELATED TO DEFENDANTS**
6 **LAS VEGAS DEVELOPMENT FUND LLC AND ROBERT DZIUBLA**
7 **and FOR RELEASE OF FUNDS**

8 to be served on the following individuals/entities, in the following manner,

9 John P. Aldrich, Esq. Attorneys for Plaintiff
10 Catherine Hernandez, Esq. FRONT SIGHT MANAGEMENT, LLC
11 ALDRICH LAW FIRM, LTD.
12 1601 S. Rainbow Blvd., Suite 160
13 Las Vegas, Nevada 89146

14 By:

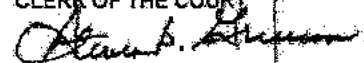
15 **ELECTRONIC SERVICE:** Said document(s) was served electronically upon all eligible
16 electronic recipients pursuant to the electronic filing and service order of the Court (NECRF 9).

17 **U.S. MAIL:** I deposited a true and correct copy of said document(s) in a sealed, postage
18 prepaid envelope, in the United States Mail, to those parties and/or above named individuals
19 which were not on the Court's electronic service list.

20 **FACSIMILE:** I caused said document(s) to be transmitted by facsimile transmission. The
21 sending facsimile machine properly issued a transmission report confirming that the transmission
22 was complete and without error.

23 Dated: January 17th, 2019

24 
25 An Employee of FARMER CASE & FEDOR



1 **ORDER**
2 ANTHONY T. CASE, ESQ.
3 Nevada Bar No. 6589
4 tcase@farmercase.com
5 KATHRYN HOLBERT, ESQ.
6 Nevada Bar No. 10084
7 kholbert@farmercase.com
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12 Facsimile: (702) 739-3001
13 Attorneys for Defendants
14 **LAS VEGAS DEVELOPMENT FUND LLC**
15 and RELATED ENTITIES and INDIVIDUALS

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, STATE OF NEVADA

11 FRONT SIGHT MANAGEMENT, LLC., a
12 Nevada Limited Liability Company,
13 Plaintiff,
14 v.
15 LAS VEGAS DEVELOPMENT FUND LLC,
16 a Nevada Limited Liability Company, EB5
17 IMPACT CAPITAL REGIONAL CENTER
18 LLC, a Nevada Limited Company, EB5
19 IMPACT ADVISORS LLC, a Nevada
20 Limited Liability Company; ROBERT W.
21 DZIUBLA, individually and as President and
22 CEO of LAS VEGAS DEVELOPMENT
23 FUND LLC and EB5 IMPACT ADVISORS
24 LLC; JON FLEMING, individually and as an
25 agent of LAS VEGAS DEVELOPMENT
26 FUND LLC and EB5 IMPACT ADVISORS
27 LLC; LINDA STANWOOD, individually and
28 as Senior Vice President of LAS VEGAS
DEVELOPMENT FUND LLC and EB5
IMPACT ADVISORS LLC; CHICAGO
TITLE COMPANY, a California corporation;
DOES 1-10, inclusive; and ROE
CORPORATIONS 1-10, inclusive;
Defendants.

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

ORDER ON PLAINTIFF'S
RENEWED MOTION FOR AN
ACCOUNTING RELATED TO
DEFENDANTS LAS VEGAS
DEVELOPMENT FUND LLC AND
ROBERT DZIUBLA
and FOR RELEASE OF FUNDS

Hearing Date: December 5, 2018
Hearing Time: 9:30 a.m.

///

Front Sight Management LLC v. Las Vegas Development Fund LLC et al., Case No. A-18-781084-B Dept. No. XVI
**ORDER ON PLAINTIFF'S RENEWED MOTION FOR AN ACCOUNTING RELATED TO DEFENDANTS LAS VEGAS
DEVELOPMENT FUND LLC AND ROBERT DZIUBLA and FOR RELEASE OF FUNDS**


1 **ORDER ON PLAINTIFF'S RENEWED MOTION FOR AN ACCOUNTING**
2 **RELATED TO DEFENDANTS LAS VEGAS DEVELOPMENT FUND LLC**
3 **AND ROBERT DZIUBLA and FOR RELEASE OF FUNDS**

4 This matter having come before the Court on December 5, 2018 at 9:30 a.m. on
5 Plaintiff's Renewed Motion for an Accounting Related to Defendants Las Vegas Development
6 Fund LLC and Robert Dziubla and for Release of Funds, John P. Aldrich, Esq. appearing on
7 behalf of Plaintiff and Keith Greer, Esq. and Kathryn Holbert, Esq., appearing on behalf of
8 Defendants, the Court having reviewed the pleadings on file herein, having heard oral argument
9 by the parties, and for good cause appearing therefore,

10 **IT IS HEREBY ORDERED** that Plaintiff's Renewed Motion for an Accounting Related
11 to Defendants Las Vegas Development Fund LLC and Robert Dziubla and for Release of Funds
12 is DENIED.

13 **IT IS SO ORDERED.**

14 DATED this 8 day of ^{January, 2019} ~~December~~, 2018.

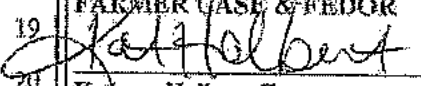

DISTRICT COURT JUDGE
A-18-781084-B
Dept 16

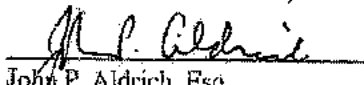
15 Respectfully submitted by:

Approved as to form and content:

16 **FARMER GASE & FEDOR**

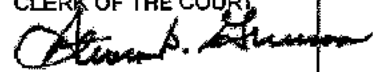
ALDRICH LAW FIRM, LTD.

17 
18 Kathryn Holbert, Esq.
19 Nevada Bar No. 10084
20 2190 E. Pebble Rd., Suite #205
21 Las Vegas, NV 89123
22 Tel: (702) 579-3900
23 Fax: (702) 739-3001


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Nevada Bar No. 6877
Catherine Hernandez, Esq.
Nevada Bar No. 8410
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Las Vegas, Nevada 89117
Tel: (702) 853-5490
Fax: (702) 227-1975
Attorneys for Plaintiff FRONT SIGHT
MANAGEMENT LLC

24 Attorneys for Defendants LAS VEGAS
25 DEVELOPMENT FUND LLC, EB5 IMPACT
26 CAPITAL REGIONAL CENTER LLC, EB5
27 IMPACT ADVISORS LLC, ROBERT W.
28 DZIUBLA, JON FLEMING and LINDA
STANWOOD

From Sight Management LLC v. Las Vegas Development Fund LLC, et al., Case No.: A-18-781084-B Dept. No.: XVI
ORDER ON PLAINTIFF'S RENEWED MOTION FOR AN ACCOUNTING RELATED TO DEFENDANTS LAS VEGAS
DEVELOPMENT FUND LLC AND ROBERT DZIUBLA and FOR RELEASE OF FUNDS



1 NTC
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21 Facsimile: (858) 613-6680

22 Attorneys for Defendants
23 LAS VEGAS DEVELOPMENT FUND LLC,
24 EB5 IMPACT CAPITAL REGIONAL CENTER, LLC,
25 EB6 IMPACT ADVISORS, LLC, ROBERT W. DZIUBLA,
26 JON FLEMING and LINDA STANWOOD

27 EIGHTH JUDICIAL DISTRICT COURT
28 CLARK COUNTY, STATE OF NEVADA

FRONT SIGHT MANAGEMENT, LLC, a)
Nevada Limited Liability Company,)
Plaintiff,)
CASE NO.: A-18-781084-B
DEPT NO.: XVI

LAS VEGAS DEVELOPMENT FUND LLC,)
a Nevada Limited Liability Company, EB5)
IMPACT CAPITAL REGIONAL CENTER)
LLC, a Nevada Limited Company, EB5)
IMPACT ADVISORS LLC, a Nevada)
Limited Liability Company; ROBERT W.)
DZIUBLA, individually and as President and)
CEO of LAS VEGAS DEVELOPMENT)
FUND LLC and EB5 IMPACT ADVISORS)
LLC, JON FLEMING, individually and as an)
agent of LAS VEGAS DEVELOPMENT)
FUND LLC and EB5 IMPACT ADVISORS)
LLC; LINDA STANWOOD, individually and)

NOTICE OF ENTRY OF ORDER
ON DEFENDANTS' MOTION TO
DISMISS PLAINTIFF'S FIRST
AMENDED COMPLAINT

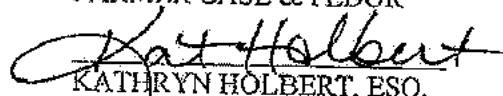
1 as Senior Vice President of LAS VEGAS)
2 DEVELOPMENT FUND LLC and EB5)
3 IMPACT ADVISORS LLC; CHICAGO)
4 TITLE COMPANY, a California corporation;)
5 DOES 1-10, inclusive; and ROE)
6 CORPORATIONS 1-10, inclusive,)
7 Defendants.)

6 **NOTICE OF ENTRY OF ORDER ON DEFENDANTS' MOTION TO**
7 **DISMISS PLAINTIFF'S FIRST AMENDED COMPLAINT**

8 PLEASE TAKE NOTICE THAT on the 10th day of January, 2019, an Order on
9 Defendants' Motion to Dismiss Plaintiff's First Amended Complaint was entered on the Court
10 docket regarding the above referenced case.

11 A copy of said Order is attached hereto.

12 DATED this 17th day of January, 2019.

13 FARMER CASE & FEDOR
14 
15 KATHRYN HOLBERT, ESQ.
16 Nevada Bar No. 10084
17 2190 E. Pebble Rd., Suite #205
18 Las Vegas, NV 89123
19 Telephone: (702) 579-3900
20 kholbert@farmercase.com
21 Attorney for Defendants
22 LAS VEGAS DEVELOPMENT FUND
23 LLC., EB5 IMPACT CAPITAL REGIONAL
24 CENTER, LLC, EB6 IMPACT ADVISORS,
25 LLC, ROBERT W. DZIUBLA, JON
26 FLEMING and LINDA STANWOOD

1 CERTIFICATE OF SERVICE and/or MAILING

2 Pursuant to NRC 5(b), I hereby certify that I am an employee of Farmer Case & Fedor,
3 and that on this date, I caused true and correct copies of the following document(s):

4 NOTICE OF ENTRY OF ORDER ON DEFENDANTS' MOTION TO
5 DISMISS PLAINTIFF'S FIRST AMENDED COMPLAINT

6 to be served on the following individuals/entities in the following manner,

7
8 John P. Aldrich, Esq. Attorneys for Plaintiff
 Catherine Hernandez, Esq. FRONT SIGHT MANAGEMENT, LLC
9 ALDRICH LAW FIRM, LTD.
10 1601 S. Rainbow Blvd., Suite 160
 Las Vegas, Nevada 89146

11 By:

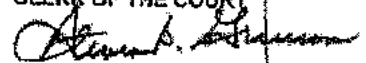
12 **ELECTRONIC SERVICE:** Said document(s) was served electronically upon all eligible
13 electronic recipients pursuant to the electronic filing and service order of the Court (NECRF 9).

14 **U.S. MAIL:** I deposited a true and correct copy of said document(s) in a sealed, postage
15 prepaid envelope, in the United States Mail, to those parties and/or above named individuals
which were not on the Court's electronic service list.

16 **FACSIMILE:** I caused said document(s) to be transmitted by facsimile transmission. The
17 sending facsimile machine properly issued a transmission report confirming that the transmission
was complete and without error.

18 Dated: January ¹⁷ 2019
19

20
21 *Kat Holbert*
22 _____
 An Employee of FARMER CASE & FEDOR
23



1 **ORDER**
2 ANTHONY T. CASE, ESQ.
3 Nevada Bar No. 6589
4 tcase@farmercase.com
5 KATHRYN HOLBERT, ESQ.
6 Nevada Bar No. 10084
7 kholbert@farmercase.com
8 **FARMER CASE & FEDOR**
9 2190 E. Pebble Rd., Suite #205
10 Las Vegas, NV 89123
11 Telephone: (702) 579-3900
12 Facsimile: (702) 739-3001
13 Attorneys for Defendants
14 **LAS VEGAS DEVELOPMENT FUND LLC**
15 and **RELATED ENTITIES and INDIVIDUALS**

16 **EIGHTH JUDICIAL DISTRICT COURT**
17 **CLARK COUNTY, STATE OF NEVADA**

18 FRONT SIGHT MANAGEMENT, LLC., a
19 Nevada Limited Liability Company,

20 Plaintiff,

21 v.

22 LAS VEGAS DEVELOPMENT FUND LLC,
23 a Nevada Limited Liability Company, EB5
24 IMPACT CAPITAL REGIONAL CENTER
25 LLC, a Nevada Limited Company, EB5
26 IMPACT ADVISORS LLC, a Nevada
27 Limited Liability Company; ROBERT W.
28 DZIUBLA, individually and as President and
CEO of LAS VEGAS DEVELOPMENT
FUND LLC and EB5 IMPACT ADVISORS
LLC; JON FLEMING, individually and as an
agent of LAS VEGAS DEVELOPMENT
FUND LLC and EB5 IMPACT ADVISORS
LLC; LINDA STANWOOD, individually and
as Senior Vice President of LAS VEGAS
DEVELOPMENT FUND LLC and EB5
IMPACT ADVISORS LLC; CHICAGO
TITLE COMPANY, a California corporation;
DOES 1-10, inclusive; and ROE
CORPORATIONS 1-10, inclusive,

Defendants.

CASE NO.: A-18-781084-B

DEPT NO.: XVI

ORDER ON DEFENDANTS'
MOTION TO DISMISS
PLAINTIFF'S FIRST AMENDED
COMPLAINT

Hearing Date: December 5, 2018
Hearing Time: 9:30 a.m.

///

Front Sight Management LLC v. Las Vegas Development Fund LLC, et al., Case No.: A-18-781084-B Dept. No.: XVI
ORDER ON DEFENDANTS' MOTION TO DISMISS PLAINTIFF'S FIRST AMENDED COMPLAINT

1 **ORDER ON DEFENDANTS' MOTION TO DISMISS**
2 **PLAINTIFF'S FIRST AMENDED COMPLAINT**

3 This matter having come before the Court on December 5, 2018 at 9:30 a.m. on
4 Defendants' Las Vegas Development Fund LLC, EB5 Impact Capital Regional Center LLC, a
5 Nevada Limited Company, EB5 Impact Advisors LLC, Robert Dziubla, Jon Fleming and Linda
6 Stanwood's Motion to Dismiss; John P. Aldrich, Esq. appearing on behalf of Plaintiff and Keith
7 Greer, Esq. and Kathryn Holbert, Esq., appearing on behalf of Defendants; the Court having
8 reviewed the pleadings on file herein, having heard oral argument as well as stipulations by the
9 parties, and for good cause appearing therefore,
10

11 **IT IS HEREBY ORDERED** that Plaintiff may file a Second Amended Complaint.
12 Such Second Amended Complaint must be filed within 30 days, which is January 4, 2019. If a
13 Second Amended Complaint is not filed by January 4, 2019, Plaintiff's First Amended Complaint
14 may be dismissed without further hearing or argument.

15 **IT IS SO ORDERED.**

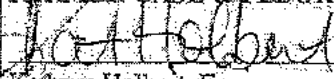
16 DATED this 9th day of December, 2018.

17 
DISTRICT COURT JUDGE

18 A-18-781084-B

Dept 16

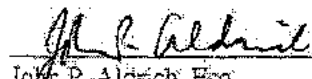
19 Respectfully submitted by:
20 **FARMER CASE & FEDOR**

21 
Kathryn Holbert, Esq.
22 Nevada Bar No. 10084
2190 E. Pebble Rd., Suite #205
23 Las Vegas, NV 89123
Tel: (702) 579-3900

24 Attorneys for Defendants **LAS VEGAS**
DEVELOPMENT FUND LLC, EB5 IMPACT
25 **CAPITAL REGIONAL CENTER LLC, EB5**
IMPACT ADVISORS LLC, ROBERT W.
26 **DZIUBLA, JON FLEMING and LINDA**
27 **STANWOOD**

Approved as to form and content:

28 **ALDRICH LAW FIRM, LTD.**

29 
John P. Aldrich, Esq.
Nevada Bar No. 6877
Catherine Hernandez, Esq.
Nevada Bar No. 8410
7856 West Sahara Avenue
Las Vegas, Nevada 89117
Tel: (702) 853-5490
Fax: (702) 227-1975

Attorneys for Plaintiff **FRONT SIGHT**
MANAGEMENT LLC

30 *Front Sight Management LLC v. Las Vegas Development Fund LLC, et al., Case No. A-18-781084-B Dept. No. XVI*

ORDER ON DEFENDANTS' MOTION TO DISMISS PLAINTIFF'S FIRST AMENDED COMPLAINT

Page 2 of 2



1 NTC
2 ANTHONY T. CASE, ESQ.
3 Nevada Bar No. 6589
4 tcase@farmercase.com
5 KATHRYN HOLBERT, ESQ.
6 Nevada Bar No. 10084
7 khobert@farmercase.com
8 **FARMER CASE & FEDOR**
9 2190 E. Pebble Rd., Suite #205
10 Las Vegas, NV 89123
11 Telephone: (702) 579-3900
12 Facsimile: (702) 739-3001

13 C. KEITH GREER, ESQ.
14 Cal. Bar. No. 135537 (*Pro Hac Vice*)
15 Keith.greer@greerlaw.biz
16 **GREER & ASSOCIATES, A.P.C.**
17 17150 Via Del Campo, Suite #100
18 San Diego, California 92128
19 Telephone: (858) 613-6677
20 Facsimile: (858) 613-6680

21 Attorneys for Defendants
22 LAS VEGAS DEVELOPMENT FUND LLC,
23 EB5 IMPACT CAPITAL REGIONAL CENTER, LLC,
24 EB6 IMPACT ADVISORS, LLC, ROBERT W. DZIUBLA,
25 JON FLEMING and LINDA STANWOOD

26
27 **EIGHTH JUDICIAL DISTRICT COURT**
28 **CLARK COUNTY, STATE OF NEVADA**

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

Plaintiff,

v.

LAS VEGAS DEVELOPMENT FUND LLC,
a Nevada Limited Liability Company, EB5
IMPACT CAPITAL REGIONAL CENTER
LLC, a Nevada Limited Company, EB5
IMPACT ADVISORS LLC, a Nevada
Limited Liability Company; ROBERT W.
DZIUBLA, individually and as President and
CEO of LAS VEGAS DEVELOPMENT
FUND LLC and EB5 IMPACT ADVISORS
LLC; JON FLEMING, individually and as an
agent of LAS VEGAS DEVELOPMENT
FUND LLC and EB5 IMPACT ADVISORS

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

NOTICE OF ENTRY OF ORDER
ON PLAINTIFF'S MOTION TO
DISQUALIFY C. KEITH GREER
AS ATTORNEY OF RECORD FOR
DEFENDANTS

Front Sight Management LLC v. Las Vegas Development Fund LLC, et al., Case No.: A-18-781084-B Dept. No.: XVI
NOTICE OF ENTRY OF ORDER ON PLAINTIFF'S MOTION TO DISQUALIFY
C. KEITH GREER AS ATTORNEY OF RECORD FOR DEFENDANTS

1 LLC; LINDA STANWOOD, individually and)
2 as Senior Vice President of LAS VEGAS)
3 DEVELOPMENT FUND LLC and EB5)
4 IMPACT ADVISORS LLC; CHICAGO)
5 TITLE COMPANY, a California corporation;)
6 DOES 1-10, inclusive; and ROE)
7 CORPORATIONS 1-10, inclusive,)
8
9 Defendants.


6
7 **NOTICE OF ENTRY OF ORDER ON PLAINTIFF'S**
8 **MOTION TO DISQUALIFY C. KEITH GREER**
9 **AS ATTORNEY OF RECORD FOR DEFENDANTS**

9 PLEASE TAKE NOTICE THAT on the 24th day of January, 2019, an Order regarding
10 Plaintiff's Motion to Disqualify C. Keith Greer as Attorney of Record for Defendants was entered
11 on the Court docket regarding the above referenced case.

12 A copy of said Order is attached hereto.

13 DATED this 25th day of January, 2019.

FARMER CASE & FEDOR



KATHRYN HOLBERT, ESQ.
Nevada Bar No. 10084
2190 E. Pebble Rd., Suite #205
Las Vegas, NV 89123
Telephone: (702) 579-3900
kholbert@farmercase.com
Attorney for Defendants
LAS VEGAS DEVELOPMENT FUND
LLC, EB5 IMPACT CAPITAL REGIONAL
CENTER, LLC, EB6 IMPACT ADVISORS,
LLC, ROBERT W. DZIUBLA, JON
FLEMING and LINDA STANWOOD

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27 *Front Sight Management LLC v. Las Vegas Development Fund LLC, et al., Case No.: A-18-781084-B, Dept. No.: XVI*

28 **NOTICE OF ENTRY OF ORDER ON PLAINTIFF'S MOTION TO DISQUALIFY
C. KEITH GREER AS ATTORNEY OF RECORD FOR DEFENDANTS**

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CERTIFICATE OF SERVICE and/or MAILING

Pursuant to NRCP 5(b), I hereby certify that I am an employee of Farmer Case & Fedor,
and that on this date, I caused true and correct copies of the following document(s):

**NOTICE OF ENTRY OF ORDER ON PLAINTIFF'S
MOTION TO DISQUALIFY C. KEITH GREER
AS ATTORNEY OF RECORD FOR DEFENDANTS**

to be served on the following individuals/entities, in the following manner,

John P. Aldrich, Esq.
Catherine Hernandez, Esq.
ALDRICH LAW FIRM, LTD.
1601 S. Rainbow Blvd., Suite 160
Las Vegas, Nevada 89146

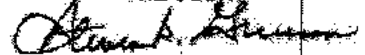
Attorneys for Plaintiff
FRONT SIGHT MANAGEMENT, LLC

By:

- ELECTRONIC SERVICE:** Said document(s) was served electronically upon all eligible electronic recipients pursuant to the electronic filing and service order of the Court (NECRF 9).
- U.S. MAIL:** I deposited a true and correct copy of said document(s) in a sealed, postage prepaid envelope, in the United States Mail, to those parties and/or above named individuals which were not on the Court's electronic service list.
- FACSIMILE:** I caused said document(s) to be transmitted by facsimile transmission. The sending facsimile machine properly issued a transmission report confirming that the transmission was complete and without error.

Dated: January 25, 2019


An Employee of FARMER CASE & FEDOR



1 **ORDR**
2 ANTHONY T. CASE, ESQ.
3 Nevada Bar No. 6589
4 tcase@farmercase.com
5 KATHRYN HOLBERT, ESQ.
6 Nevada Bar No. 10084
7 kholbert@farmercase.com
8 **FARMER CASE & FEDOR**
9 2190 E. Pebble Rd., Suite #205
10 Las Vegas, NV 89123
11 Telephone: (702) 579-3900
12 Facsimile: (702) 739-3001

13 C. KEITH GREER, ESQ.
14 Cal. Bar. No. 135537 (*Pro Hac Vice*)
15 Keith.greer@greerlaw.biz
16 **GREER & ASSOCIATES, A.P.C.**
17 17150 Via Del Campo, Suite #100
18 San Diego, California 92128
19 Telephone: (858) 613-6677
20 Facsimile: (858) 613-6680

21 Attorneys for Defendants
22 LAS VEGAS DEVELOPMENT FUND LLC,
23 EB5 IMPACT CAPITAL REGIONAL CENTER, LLC,
24 EB6 IMPACT ADVISORS, LLC, ROBERT W. DZIUBLA,
25 JON FLEMING and LINDA STANWOOD

26 **EIGHTH JUDICIAL DISTRICT COURT**
27 **CLARK COUNTY, STATE OF NEVADA**

28 FRONT SIGHT MANAGEMENT, LLC., a
Nevada Limited Liability Company,

Plaintiff,

v.

LAS VEGAS DEVELOPMENT FUND LLC,
a Nevada Limited Liability Company, EB5
IMPACT CAPITAL REGIONAL CENTER
LLC, a Nevada Limited Company, EB5
IMPACT ADVISORS LLC, a Nevada
Limited Liability Company; ROBERT W.
DZIUBLA, individually and as President and
CEO of LAS VEGAS DEVELOPMENT
FUND LLC and EB5 IMPACT ADVISORS
LLC; JON FLEMING, individually and as an
agent of LAS VEGAS DEVELOPMENT
FUND LLC and EB5 IMPACT ADVISORS

CASE NO.: A-18-781084-B

DEPT NO.: XVI

ORDER ON PLAINTIFF'S
MOTION TO DISQUALIFY C.
KEITH GREER AS ATTORNEY
OF RECORD FOR DEFENDANTS

Hearing Date: January 8, 2019
Hearing Time: 9:00 a.m.

Front Sight Management LLC v. Las Vegas Development Fund LLC, et al., Case No. A-18-781084-B Dept. No. XVI

**ORDER ON PLAINTIFF'S MOTION TO DISQUALIFY
C. KEITH GREER AS ATTORNEY OF RECORD FOR DEFENDANTS**

Page 1 of 3

21-16-19P01:53 RCVD

1 LLC; LINDA STANWOOD, individually and)
2 as Senior Vice President of LAS VEGAS)
3 DEVELOPMENT FUND LLC and EB5)
4 IMPACT ADVISORS LLC; CHICAGO)
5 TITLE COMPANY, a California corporation;)
6 DOES 1-10, inclusive; and ROE)
7 CORPORATIONS 1-10, inclusive,)
8
9 Defendants.

6
7 **ORDER ON PLAINTIFF'S MOTION TO DISQUALIFY C. KEITH GREER**
8 **AS ATTORNEY OF RECORD FOR DEFENDANTS**

9 This matter having come before the Court on January 8, 2019 at 9:00 a.m. on Plaintiff's
10 Motion to Disqualify C. Keith Greer as attorney of record for Defendants; John P. Aldrich, Esq.
11 appearing on behalf of Plaintiff and Keith Greer, Esq. and Kathryn Holbert, Esq., appearing on
12 behalf of Defendants, the Court having reviewed the pleadings on file herein, and having heard
13 oral argument by the parties, the Court finds as follows:

14 1. That Plaintiff has produced insufficient evidence to prove the existence of
15 an attorney/client relationship between Front Sight Management, Inc. and C. Keith Greer, Esq. in
16 the California class action matter;

17
18 2. That Plaintiff has failed to prove that Front Sight Management, Inc.
19 conveyed any confidential information to C. Keith Greer, Esq., during the course of the
20 California class action matter;

21 Based upon the above findings of fact and for good cause appearing therefore,

22 ///

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27 *Front Sight Management LLC v. Las Vegas Development Fund LLC, et al.*, Case No.: A-18-781084-B Dept. No.: XVI



28 **ORDER ON PLAINTIFF'S MOTION TO DISQUALIFY**
C. KEITH GREER AS ATTORNEY OF RECORD FOR DEFENDANTS

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IT IS HEREBY ORDERED that Plaintiff's Motion to Disqualify C. Keith Greer as attorney of record for Defendants is DENIED.

IT IS SO ORDERED.

DATED this 17 day of January, 2019.


DISTRICT COURT JUDGE
A-18-781084-B
Dept 16 

Respectfully submitted by:

Approved as to form and content:

FARMER CASE & FEDOR

ALDRICH LAW FIRM, LTD.






Kathryn Holbert, Esq.
Nevada Bar No. 10084
2190 E Pebble Rd., Suite #205
Las Vegas, NV 89123
Tel: (702) 579-3900
Fax: (702) 739-3001
Attorneys for Defendants LAS VEGAS
DEVELOPMENT FUND LLC, EB5 IMPACT
CAPITAL REGIONAL CENTER LLC, EB5
IMPACT ADVISORS LLC, ROBERT W.
DZIUBLA, JON FLEMING and LINDA
STANWOOD

John P. Aldrich, Esq.
Nevada Bar No. 6877
Catherine Hernandez, Esq.
Nevada Bar No. 8410
7866 West Sahara Avenue
Las Vegas, Nevada 89117
Tel: (702) 853-5490
Fax: (702) 227-1975
Attorneys for Plaintiff FRONT SIGHT
MANAGEMENT LLC

Front Sight Management LLC v. Las Vegas Development Fund LLC, et al, Case No.: A-18-781084-B Dept. No.: XVI

ORDER ON PLAINTIFF'S MOTION TO DISQUALIFY
C. KEITH GREER AS ATTORNEY OF RECORD FOR DEFENDANTS



1 **NEO**
2 **MARNI RUBIN WATKINS, ESQ.**
3 Nevada Bar No. 9674
4 **FIDELITY NATIONAL LAW GROUP**
5 1701 Village Center Circle, Suite 110
6 Las Vegas, Nevada 89134
7 Tel: (702) 667-3000
8 Fax: (702) 243-3091
9 Email: marni.watkins@fnf.com
10 *Attorneys for Defendants,*
11 *Chicago Title Company*

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DISTRICT COURT
CLARK COUNTY, NEVADA

11 FRONT SIGHT MANAGEMENT, LLC, a
12 Nevada Limited Liability Company,

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Plaintiffs,

vs.

15 LAS VEGAS DEVELOPMENT FUND LLC, a
16 Nevada Limited Liability Company; EB5
17 IMPACT CAPITAL REGIONAL CENTER
18 LLC,
19 a Nevada Limited Liability Company; EB5
20 IMPACT ADVISORS LLC, a Nevada Limited
21 Liability Company; ROBERT W. DZIUBLA,
22 individually and as President and CEO of LAS
23 VEGAS DEVELOPMENT FUND LLC and EB5
24 IMPACT ADVISORS LLC; JON FLEMING,
25 individually and as an agent of LAS VEGAS
26 DEVELOPMENT FUND LLC and EB5
27 IMPACT ADVISORS LLC; LINDA
28 STANWOOD, individually and as Senior Vice
President of LAS VEGAS DEVELOPMENT
FUND LLC AND EB5 IMPACT ADVISORS
LLC; CHICAGO TITLE COMPANY, a
California corporation; DOES 1-10, inclusive;
and ROE CORPORATIONS 1-10, inclusive,

Defendants.

Case No.: A-18-781084-B

Dept. No.: XVI

**NOTICE OF ENTRY OF
DISCLAIMER OF INTEREST OF
CHICAGO TITLE COMPANY AND
STIPULATION AND ORDER FOR
DISMISSAL**

**NOTICE OF ENTRY OF DISCLAIMER OF INTEREST OF CHICAGO TITLE
COMPANY AND STIPULATION AND ORDER FOR DISMISSAL**

PLEASE TAKE NOTICE that on December 5, 2018 the Court entered a DISCLAIMER

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OF INTEREST OF CHICAGO TITLE OF NEVADA AND STIPULATION AND ORDER
FOR DISMISSAL in the above-entitled matter, a copy of which is attached hereto as Exhibit 1.

DATED this 2nd day of February, 2019.

FIDELITY NATIONAL LAW GROUP



MARNI RUBIN WATKINS, ESQ.
Nevada Bar No. 9674
1701 Village Center Circle, Suite 110
Las Vegas, Nevada 89134
Attorneys for Plaintiff

CERTIFICATE OF SERVICE

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The undersigned employee of Fidelity National Law Group, hereby certifies that she served a copy of the foregoing NOTICE OF ENTRY OF DISCLAIMER OF INTEREST OF CHICAGO TITLE COMPANY AND STIPULATION AND ORDER FOR DISMISSAL upon the following parties on the date below entered (unless otherwise noted), at the fax numbers and/or addresses indicated below by: [X] (i) placing said copy in an envelope, first class postage prepaid, in the United States Mail at Las Vegas, Nevada, [] (ii) via facsimile, [] (iii) via courier/hand delivery, [] (iv) via overnight mail, [] (v) via electronic delivery (email), and/or [X] (vi) via electronic service through the Court's Electronic File/Service Program.

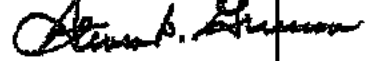
JOHN P. ALDRICH, ESQ.
CATHERINE HERNANDEZ, ESQ.
7866 West Sahara Avenue
Las Vegas, NV 89117
*Attorneys for Plaintiff
Front Sight Management, LLC.*

ANTHONY T. CASE, ESQ.
KATHRYN HOLBERT, ESQ.
FARMER CASE & FEDOR
2190 E. Pebble Road, Suite 205
Las Vegas, Nevada 89123
Attorneys for Defendants

DATED: 2/5/19


An employee of Fidelity National Law Group

EXHIBIT 1



1 **DIS/SAO**
2 **MARNI RUBIN WATKINS, ESQ.**
3 **Nevada Bar No. 9674**
4 **FIDELITY NATIONAL LAW GROUP**
5 **1701 Village Center Circle, Suite 110**
6 **Las Vegas, Nevada 89134**
7 **Tel: (702) 667-3000**
8 **Fax: (702) 433-3091**
9 **Email: marni.watkins@fnf.com**
10 **Attorneys for Defendants,**
11 **Chicago Title Company**

7 **DISTRICT COURT**

8 **CLARK COUNTY, NEVADA**

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

Case No.: A-18-781084-B

Dept. No.: XVI

11 **Plaintiff,**

12 **vs.**

DISCLAIMER OF INTEREST OF
CHICAGO TITLE COMPANY AND
STIPULATION
AND ORDER FOR DISMISSAL

13 **LAS VEGAS DEVELOPMENT FUND LLC, a**
14 **Nevada Limited Liability Company; EB5**
15 **IMPACT CAPITAL REGIONAL CENTER LLC,**
16 **a Nevada Limited Liability Company; EB5**
17 **IMPACT ADVISORS LLC, a Nevada Limited**
18 **Liability Company; ROBERT W. DZIUBLA,**
19 **individually and as President and CEO of LAS**
20 **VEGAS DEVELOPMENT FUND LLC and EB5**
21 **IMPACT ADVISORS LLC; JON FLEMING,**
22 **individually and as an agent of LAS VEGAS**
23 **DEVELOPMENT FUND LLC and EB5 IMPACT**
24 **ADVISORS LLC; LINDA STANWOOD,**
25 **individually and as Senior Vice President of LAS**
26 **VEGAS DEVELOPMENT FUND LLC AND**
27 **EB5 IMPACT ADVISORS LLC; CHICAGO**
28 **TITLE COMPANY, a California corporation;**
DOES 1-10, inclusive; and ROE
CORPORATIONS 1-10, inclusive,

29 **Defendants.**

30 Plaintiff FRONT SIGHT MANAGEMENT, LLC. ("Plaintiff"), by and through their
31 attorneys of record, Aldrich Law Firm, Ltd.; and Defendant CHICAGO TITLE COMPANY
32 ("Chicago Title") by and through their attorneys of record, Fidelity National Law Group, hereby
33 stipulate and agree as follows:

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WHEREAS,

1. Plaintiff named Chicago Title as a defendant in this action;

2. Chicago Title hereby disclaims any interest in the property bearing Assessor Parcel Numbers 045-481-05, and 045-481-06;

3. Pursuant to NRS 40.020, Plaintiff may not recover costs or attorney's fees against Chicago Title as a result of this disclaimer of interest.

4. On October 17, 2018, Chicago Title filed a Motion to Dismiss the Complaint ("Motion") in Department XVI, and a hearing on the Motion was set for December 5, 2018 at 9:30 a.m. Said hearing is moot and can now be vacated.

IT IS HEREBY STIPULATED AND AGREED Chicago Title has no claim to or interest in the property bearing Assessor Parcel Numbers 045-481-05, and 045-481-06;

IT IS FURTHER STIPULATED AND AGREED that Chicago Title shall be dismissed from this action, without prejudice, because it has no claim to or interest in the Property.

IT IS FURTHER STIPULATED AND AGREED that each party shall bear its own attorney's fees and costs.

IT IS FURTHER STIPULATED AND AGREED that the Motion to Dismiss the

///
///

1 Complaint scheduled for a hearing on December 5, 2018 at 9:30 a.m. is moot and hereby
2 vacated.

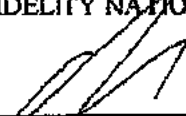
3 DATED this 30th day of November, 2018.

DATED this ____ day of November, 2018.

4 ALDRICH LAW FIRM, LTD.

FIDELITY NATIONAL LAW GROUP

5
6 
7 JOHN P. ALDRICH, ESQ.


8 MARNI RUBIN WATKINS, ESQ.

9 Nevada Bar No. 6877
10 CATHERINE HERNANDEZ, ESQ.
11 Nevada Bar No. 8410
12 7866 West Sahara Avenue
13 Las Vegas, NV 89117
14 Attorneys for Plaintiff
15 Front Sight Management, LLC.

Nevada Bar No. 9674
1701 Village Center Circle, Suite 110
Las Vegas, Nevada 89134
Attorneys for Defendants
Chicago Title Company

ORDER


12 IT IS SO ORDERED.

13
14 
15 DISTRICT COURT JUDGE

December 5, 2018

CT

16 Respectfully submitted by:
17 FIDELITY NATIONAL LAW GROUP

18 
19 MARNI RUBIN WATKINS, ESQ.
20 Nevada Bar No. 9674
21 1701 Village Center Circle, Suite 110
22 Las Vegas, Nevada 89134
23 Attorneys for Defendants
24 Chicago Title Company
25
26
27
28

Steven D. Grierson

1 MRCVR
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3 Admitted *pro hac vice*
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12 **FARMER CASE & FEDOR**
13 2190 E. Pebble Rd., Suite #205
14 Las Vegas, NV 89123
15 Telephone: (702) 579-3900
16 Facsimile: (702) 739-3001

12 Attorneys for Defendants
13 LAS VEGAS DEVELOPMENT FUND LLC, EB5
14 IMPACT CAPITAL REGIONAL CENTER LLC,
15 EB5 IMPACT ADVISORS LLC, ROBERT W. DZIUBLA,
16 JON FLEMING and LINDA STANWOOD

15 **EIGHTH JUDICIAL DISTRICT COURT**
16 **CLARK COUNTY, NEVADA**

17 FRONT SIGHT MANAGEMENT LLC, a
18 Nevada Limited Liability Company,

18 Plaintiff,

19 vs.

20 LAS VEGAS DEVELOPMENT FUND LLC,
21 et al.,

22 Defendants.

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

) DEFENDANT LAS VEGAS
) DEVELOPMENT FUND LLC, MOTION
) FOR APPOINTMENT OF A RECEIVER
) AND REQUEST FOR ORDER
) SHORTENING TIME

Hearing Date: 2/28/19
Time: 9:00 A.M.



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28
DEFENDANT LVD FUND'S MOTION FOR APPOINTMENT OF A RECEIVER


02-05-19A10:01 RCVD

1 Pursuant to Nevada Revised Statutes ("NRS") §32.010 and §107.100, Defendant LAS
2 VEGAS DEVELOPMENT FUND LLC ("LVD Fund" or "Lender"), hereby moves this Court to
3 appoint a receiver for Plaintiff FRONT SIGHT MANAGEMENT LLC ("Front Sight" or
4 "Borrower"). This motion is based on Borrower's multiple, material and ongoing breaches of the
5 Construction Loan Agreement ("CLA") between Lender and Borrower, which have resulted in
6 serious harm to Lender and its EB-5 immigrant investors, and will result in irreparable harm if a
7 receiver is not immediately appointed to stop the wrongful actions of Plaintiff's founder and
8 director, Ignatius Piazza. Lender further requests that costs associated with the receivership be
9 borne by Front Sight, pursuant to the terms of the CLA.

10 This Motion is based on the pleadings and papers on file herein, the Memorandum of
11 Points and Authorities attached hereto and incorporated herein by this reference, the Declaration
12 of Robert Dziubla filed herewith, the Declaration of C. Keith Greer filed herewith, and such
13 other and further oral or written evidence as may be presented at the hearing for this Motion.

14
15 Dated: 2-5-19

FARMER CASE & FEDOR
2190 E. Pebble Rd., Suite #205
Las Vegas, NV 89123
Telephone: (702) 579-3900
Facsimile: (702) 739-3001

16
17
18 
19 Kathryn Holbert, Esq.
Attorney for Defendants

20 LAS VEGAS DEVELOPMENT FUND LLC, a
21 Nevada Limited Liability Company; EB5 IMPACT
22 CAPITAL REGIONAL CENTER, LLC, a Nevada
23 Limited Liability Company; EB5 IMPACT
24 ADVISORS LLC, a Nevada Limited Liability
25 Company; ROBERT W. DZIUBLA, an individual;
26 JON FLEMING; an individual; and LINDA
27 STANWOOD, an individual.
28

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3 **AFFIDAVIT OF C. KEITH GREER IN SUPPORT OF MOTION FOR ORDER**
4 **SHORTENING TIME**

5 STATE OF CALIFORNIA)
6) ss:
7 COUNTY OF SAN DIEGO)

8 I, C. Keith Greer, hereby state and declare, based on my personal knowledge as follows:

9 1. I am an attorney at law in good standing before State Bar of California and have
10 been admitted pro hac vice to serve as one of the attorneys for the defendants in this matter:

11 2. This motion for appointment of a receiver is being brought based on Borrower's
12 numerous and material alleged breaches of the Construction Loan Agreement between the
13 parties, including: (1) improper use of loan proceeds, including the apparent misappropriation of
14 more than \$18 million; (2) failure to provide government approved Plans for construction; (3)
15 material delays in construction, in violation of the USCIS approved construction schedule; (4)
16 failure to report material changes in project costs; (5) failure to comply with senior debt
17 financing requirements; (6) failure to provide monthly evidence of project costs; (7) failure to
18 notify Lender of events of default; (8) refusal to allow Lender to inspect books and records; (9)
19 refusal to allow site inspections by Lender's representatives; (10) failure to provide information
20 necessary for EB-5 reporting as required by the U.S. Citizenship and Immigration Service
21 ("USCIS"); (10) failure to pay default interest; and (11) failure to pay Lender's legal fees relating
22 to enforcing Borrower to comply with the terms of the CLA.

23 3. Due to the rigid procedures and timelines that must be followed in order to
24 comply with the EB-5 requirements, these breaches of the USCIS approved business plan and
25 schedule for the Project will result in the EB-5 investors losing their money and their opportunity
26 for citizenship if immediate action isn't taken to stop the financial abuse and wasting of assets
27 being perpetrated by Ignatius Piazza, and get the development project back on track. With the
28 contractually required project completion date of October 4, 2019, each day that Borrower
is allowed to waste the assets and divert funds away from the project and into the pockets

1 of its founder, Ignatius Piazza, makes it more likely that the EB-5 investors will fail in
2 their legal quest for citizenship. Therefore, if a receiver is not immediately appointed, the assets
3 securing the loan will be irreparably impaired and Lender's EB-5 immigrant investors will suffer
4 irreparable harm through loss of their investment and their chance for citizenship through the
5 EB-5 Immigrant Investor Program.

6 4. Accordingly, Lender LVD Fund specifically requests appointment of a receiver
7 with broad powers to assure completion of the subject development project consistent with the
8 construction plans and schedule approved by the USCIS, including, without limitation, the power
9 to: (1) take over and complete such construction in accordance with the USCIS approved
10 construction plans, with such changes therein as the receiver may, in its discretion, after
11 consultation with LVD Fund for EB-5 compliance purposes, deem appropriate; (2) assume or
12 reject any contracts entered into by Borrower in connection with construction of the USCIS
13 approved project; (3) enter into additional or different contracts for work, services, labor and
14 materials required, in the judgment of the receiver, after consultation with LVD Fund for EB-5
15 purposes, to complete the project; (4) pay, compromise and settle all claims in connection with
16 construction of the improvements; (5) prevent misappropriation of project funds for the personal
17 aggrandizement of Front Sight's principal, Ignatius Piazza; (6) provide Lender access to inspect
18 Front Sight's books and records as required under § 5.4 of the CLA for protection of the EB-5
19 Investors; AND (7) ALLOW Lender's representatives to inspect the site and have questions
20 answered.

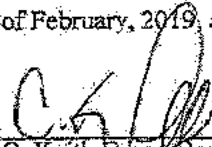
21 5. LVD Fund further moves, pursuant to §6.3 of the CLA, and §§ 7.2(d) and §4.7 of the
22 operative Deed of Trust (Dziubla Decl., Ex. 1); that costs related to and incurred by the receiver
23 be borne by the Borrower, Plaintiff Front Sight.

24 6. Based on these exigent circumstances, I respectfully request that Pursuant to
25 EDCR 2.26 this Court grant Defendant Las Vega Development Fund, LLC's Order
26 Shortening Time and set the motion on shortened time on February 28, 2019 at 9:00 a.m.,
27 concurrent with Plaintiff's already calendared Motion to Compel.

28 7. This request for an Order Shortening Time is made in good faith and without dilatory

1 motive.

2 I declare under penalty of perjury under the laws of Nevada and California that the
3 foregoing is true and correct, executed this 5th day of February, 2019, at San Diego, California.

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6 C. Keith Greer, Esq.

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ORDER Shortening Time (PV)
NOTICE OF MOTION

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TO: ALL INTERESTED PARTIES

Please take Notice that the undersigned will bring the foregoing Motion to for Appointment of a Receiver for hearing on the 28 day of February, 2019 at the hour of 9:00, in Department XVI of the above entitled court.

Dated: 2-5-19



JUDGE OF THE EIGHTH JUDICIAL
DISTRICT COURT

EE + TEW

1 MEMORANDUM OF POINTS AND AUTHORITIES

2 **I. INTRODUCTION**

3 Defendant Las Vegas Development Fund LLC (hereafter "LVD Fund" or "Lender")
4 brings this Motion pursuant to NRS §32.010 and §107.100, and §7.2(d) of the Deed of Trust¹, for
5 appointment of a receiver to take control of the real property and development of the Project
6 (defined herein), and also over the assets and business operations of Plaintiff Front Sight
7 Management, LLC ("Front Sight" or "Borrower"). This motion is necessary because of
8 Borrower's misappropriation and diversion of construction loan proceeds for the personal benefit
9 of its principal, Ignatius Piazza, and Borrower's breach of multiple material provisions of the
10 Construction Loan Agreement (the "CLA")², including its failure to meet the construction
11 schedule, material changes to the Project scope, failure to provide government approved
12 construction plans, failure to obtain senior debt, failure to meet its reporting obligations to
13 Lender under the CLA and EB-5³ regulations, refusing to give Lender access to its books and
14 records, refusal to allow a site inspection and answer questions by Lender's representatives,
15 failure to pay default interest, and failure to pay Lender's legal fees relating to enforcing
16

17
18 ¹ "Deed of Trust" refers to the "Construction Deed of Trust, Security Agreement, Assignment
19 of Leases and Rents, and Fixture Filing," recorded in the official records of Nye County, Nevada,
20 as "DOC #860867" on October 13, 2016, a copy of which is attached as Exhibit 1 to the Declaration
21 of Robert Dziubla, filed herewith (hereinafter "Dziubla Decl."), as amended by the "First
22 Amendment to Construction Deed of Trust, Security Agreement and Fixture Filing," recorded in the
23 official records of Nye County, Nevada, as "DOC #886510" on January 12, 2018, a copy of which
24 is provided as Dziubla Decl., Ex. 2.

25 ² "CLA" refers to the Construction Loan Agreement dated October 6, 2016, between Front
26 Sight Management LLC ("Borrower") and Las Vegas Development Fund LLC ("Lender"). (See
27 Dziubla Decl., Ex. 3).

28 ³ The EB-5 Immigrant Investor Program, which is administered by the United States
Citizenship and Immigration Services ("USCIS"), provides certain immigrant investors, who can
demonstrate that their investments are creating jobs in this country, with a potential avenue to lawful
permanent residency in the United States. The program sets aside EB-5 visas for participants who
invest in commercial enterprises approved by USCIS, frequently administered by entities called
"regional centers." (8 U.S.C.A. § 1153(b)(5)(B); *Securities and Exchange Commission v. Hui Feng*
(C.D. Cal., Aug. 10, 2017, No. 15-CV-09420) 2017 WL 6551107, at 1).

1 Borrower to comply with the terms of the CLA. (See Dziubla Decl., Ex. 5, Notice of Default).
2 Moreover, Borrower's recent actions of delaying construction, refusing to grant Lender's
3 representatives access to the property and concealing its books and records, raise serious
4 questions regarding Front Sight's continued solvency (which is a required loan covenant) and
5 thus its ability to complete the Project.

6 The CLA was made to fund construction of the Front Sight Resort & Vacation Club ("FS
7 Resort") and an expansion of the facilities and infrastructure of the Front Sight Firearms Training
8 Institute (the "Training Facilities") located on a 550-acre site in Pahrump, Nevada (the "Project").
9 All of the loan funds came from foreign citizens participating in the Federal Immigrant Investor
10 Program, known as "EB-5." Material departures from the U.S. Citizenship and Immigration
11 Service ("USCIS") approved plans for the Project, including delays in construction, and
12 diversion of funds from the Project to general corporate or personal uses, are all significant
13 breaches of the CLA and also potentially jeopardize the immigration status of the EB-5
14 investors.⁴ The CLA, as well as the USCIS approved business plan and Confidential Offering
15 Memorandum that comply with both EB-5 legislation and U.S. securities laws and regulations,
16 specifically require that loan proceeds and disbursements be applied toward construction of the
17 Project and the creation of jobs. The CLA also includes a contractually agreed upon construction
18 schedule and construction budget that were specifically approved by the USCIS and must be
19 substantially complied with in order to meet the immigrant investors' obligations under the EB-5
20

21
22 ⁴According to the US Citizenship and Immigration Services, the Immigrant Investor Program,
23 also known as "EB-5," was created to stimulate the U.S. economy through job creation and capital
24 investment from immigrant investors by creating a new commercial enterprise or investing in a
25 troubled business. In this case, the immigrant investors are attempting to gain lawful permanent
26 residence for themselves and their families by participating in a Regional Center Pilot Program,
27 which requires them to make a capital investment of \$500,000, since this region is deemed to be a
28 Targeted Employment Area ("TEA"), i.e., "a rural area or an area that has experienced high
unemployment of at least 150 percent of the national average." The new commercial enterprise must
create or preserve 10 full-time jobs for qualifying U.S. workers *within two years* (or under certain
circumstances, within a reasonable time after the two year period) of the immigrant investor's
admission to the United States as a Conditional Permanent Resident (CPR)."
<https://www.uscis.gov/archive/blog/2010/11/what-is-eb-5-program> 30

1 Program.

2 Section 6.3 of the CLA (Exhibit 3)⁵ and Section 7.2(d) of the Deed of Trust (Exhibit 1)
3 specifically authorize Lender to take over and complete construction of the Project in accordance
4 with the USCIS approved plans and construction schedule in the event of certain defaults which
5 place timely completion of the project in jeopardy. There is no doubt that Front Sight will not
6 voluntarily accede to assumption of control of the Project by Lender.

7 Accordingly, appointment of a receiver is necessary to assure completion of the Project in
8 accordance with the USCIS approved plans, to preserve the value of the property, and to protect
9 the EB-5 investors from potentially draconian consequences, up to and including possible
10 deportation. Because certain of the defaults are due to Front Sight and Ignatius Piazza
11 unlawfully siphoning CLA loan proceeds for general corporate and personal benefit, it is
12 necessary and appropriate that a receiver be appointed to take over control of the daily operations
13 of Front Sight.

14 **II. STATEMENT OF FACTS**

15 **A. EB-5 FOREIGN INVESTOR FUNDING**

16 The Construction Loan Agreement dated October 6, 2016 (the "CLA") (as amended)⁶ is
17 the operative agreement for purposes of determining Front Sight's obligations as the "Borrower,"
18 and the remedies available to LVD Fund as the "Lender."⁷ The source of the funds for the CLA

19
20 ⁵Citations to "Exhibit ____" refer to exhibits attached to the Declaration of Robert Dziubla
21 filed herewith.

22 ⁶The Construction Loan Agreement is attached as Exhibit 3 to the Declaration of Robert
23 Dziubla. The First Amendment to the Construction Loan Agreement is attached to the Dziubla
24 Declaration as Exhibit 4. The Second Amendment to the Construction Loan Agreement is attached
25 to the Dziubla Declaration as Exhibit 10.

26 ⁷ The "Project" is described as construction of the Front Sight Resort & Vacation Club
27 ("FSRVC") and an expansion of the facilities and infrastructure of the Front Sight Firearms Training
28 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.

1 is a group of immigrant investors, each of whom was required to invest a minimum of \$500,000
2 and, through the EB-5 Immigrant Investor Program, are anticipated to receive permanent
3 foreign resident status within the United States *assuming compliance with the EB-5 program*
4 *requirements and creation of 10 US jobs per investor.*

5 ///

6 **B. DEFINITION OF EVENT OF DEFAULT**

7 Pursuant to the terms of §6.1 of the CLA, each of the following, without limitation,
8 constitutes an Event of Default:

9 “(a) Borrower shall default in any payment of principal or interest . . .

10 * * *

11 (c) Borrower shall default in the performance or observance of any
12 agreement, covenant or condition required to be performed or
13 observed by Borrower under the terms of this Agreement, or any
14 other Loan Document, other than a default described elsewhere in
15 this Section . . .

14 * * *

15 (j) A default occurs in the performance of Borrower's obligations in
16 any of Section 5.6, 5.7, 5.8, 5.10, 5.13, 5.16, 5.18, 5.19, 5.22, 5.23
17 or 5.24, hereof;

17 * * *

18 (m) Any failure by Borrower to timely deliver the EB-5
19 information, which failure continues more than 5 days following
20 notice of such failure from Lender.”

21 As set forth below, Borrower is in default under each of these provisions.

22 **C. REMEDIES IN EVENT OF DEFAULT**

23 In the event of default, Lender can, *inter alia*: suspend the obligation to make further
24 advances of funds (CLA §6.2(b)); foreclose on the Deed of Trust (CLA §6.2(e)); and “*take over*
25 *and complete such construction in accordance with the Plans, with such changes therein as*
26 *Lender may, in its discretion, deem appropriate, all at the risk, cost and expense of Borrower.*”
27 (CLA §6.3).

28 By seeking a receiver at this juncture, Lender is in part seeking interim protection of its
contractual right, due to Borrower's multiple events of default, to take over the project and see
that construction is completed in a manner consistent with the plans and schedule approved by

1 the USCIS.

2 **D. BORROWER'S BREACHES AND DEFAULT UNDER THE CLA**

3 **Breach Number 1: Improper Use of Loan Proceeds - CLA § 1.7(e)**

4 Section 1.7(e) of the CLA provides that "Borrower shall use the proceeds of the Loan
5 solely for the purpose of funding directly, or advancing to Affiliates to pay, the costs of the
6 Project, in accordance with the terms and conditions of this Agreement, as set forth in the Budget
7 and the Project documents submitted to, and approved by, USCIS." However, in its October 30,
8 2018 report to LVD Fund regarding EB-5 compliance, a copy of which is attached hereto as
9 Exhibit 15, Front Sight revealed that although it has spent all of the \$6,375,000 in loan proceeds
10 since the initial disbursement in October 2016, less than \$2.7 million of the proceeds were
11 actually spent on construction of the EB-5 project. Thus, more than \$3.675 million of EB-5 loan
12 proceeds have been diverted to fund matters that are not related to completion of the approved
13 EB-5 plan, such as payment of Front Sight's general overhead expenses, thereby severely
14 prejudicing the EB-5 investors.

15 It should also be noted that during the past two years, while Front Sight has been using
16 EB-5 loan proceeds to pay its general overhead operating costs, pre-existing debt service, and
17 multi-million shareholder distributions to Ignatius Piazza, Piazza meretriciously asserts that the
18 project has been languishing due to an alleged lack of funds. To wit, Front Sight's principal,
19 Ignatius Piazza, pulled out \$10,968,803 in 2016, and \$7,505,895 in 2017 (in addition to his
20 \$250,000 annual salary).⁶ Assuming that his withdrawals for 2018 are comparable, he will have
21 diverted out of Front Sight, for his personal benefit, enough capital to have completed the Front
22 Sight Resort Project well within the time constraints approved by the USCIS for the EB-5

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⁶ As confirmed in Front Sight's tax returns, Ignatius Piazza pulled \$10,968,803 out of Front Sight in 2016 (\$4,903,525 as income to him and his two Dynasty Trusts and \$6,065,278 in "loans" from Front Sight). (Dziubla Decl., Ex. 6). Then in 2017, he pulled another \$7,505,895 out for himself and his trusts in 2017. This is in addition to his \$250,000 annual salary (Dziubla Decl., Ex. 7).

1 Project. By diverting profits generated by Front Sight's operations to himself, and using EB-5
2 investor funds to pay Front Sight's operating expenses and pre-existing loans, Ignatius Piazza is
3 misappropriating loan proceeds and endangering Front Sight's solvency. Thus, the immediate
4 appointment of a receiver is essential to protect EB-5 investor funds.

5 **Breach Number 2: Failure to Provide Government Approved Plans-CLA §3.2(b)**

6 Section 3.2 (b)(i) of the CLA requires that prior to the Commencement Date⁹ Front Sight
7 provide LVD Fund with "Plans, in the form previously submitted to Lender, as finally approved
8 for construction by the Project Architect and the applicable Governmental Authority." (Dziubla
9 Decl., Ex. 1, pg. 20). This is to include "a schedule listing all Contractors, and primary contracts
10 relating to the Project having a contracts sum in excess of \$250,000 for any such Contractor, and
11 construction contracts, subcontracts and schedules relating to the Project. (*Id.* CLA §3.2(b)(ii)). In
12 a letter dated August 28, 2018, Robert Dziubla, on behalf of LVD Fund, gave notice to Front
13 Sight that it was in default for failure to provide construction plans and the related lists of
14 contractors, licenses, agreements and permits relating to the construction as required under
15 §§3.2(b)(i) and (ii) of the CLA. (Dziubla Decl., ¶15 and Ex.12, pg. 2, "Updated Plans and
16 Construction Schedule"). Front Sight remains in default under these provisions of the CLA.
17 (Dziubla Decl. ¶14). The only way to enforce Lender's right to have copies of the required
18 construction plans and supporting documentation is for a receiver to be appointed.

19 **Breach Number 3: Failure to Timely Complete Construction - CLA § 5.1**

20 Pursuant to Section 5.1 of the CLA, Front Sight was required to complete construction by
21 the "Completion Date" which is defined as "the date that is no later than thirty-six (36) months
22 from the Commencement Date." (Dziubla Decl. Ex. 1, CLA pg. 3). Pursuant to the First
23 Amendment to the Loan Agreement, the "Commencement Date" is defined as "October 4, 2016."
24 (Dziubla Decl. Ex. 2, §1). Therefore, construction of the project must be completed on or before
25 October 4, 2019.

26
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28 ⁹ The "Commencement Date" for the Project is defined in the First Amendment to Loan Agreement effective July 1, 2017 as "October 6, 2016." (Dziubla Decl., Ex. 2).

1 Front Sight has explicitly acknowledged in writing that it is in default of this requirement,
2 warning LVD Fund in a letter dated August 25, 2018 that "[i]n the members' eyes, you will be
3 the overly aggressive lawyer who foreclosed on Front Sight over **VERY QUESTIONABLE**
4 accusations, not any failure to pay, and the foreclosure killed the project when it was 18
5 months away from being completed." (See Exhibit **, pg. 3) (Capitalization emphasis in
6 original; bold emphasis added.) Thus, even by Plaintiff Front Sight's written projection as of
7 August 25, 2018, the Project will not be completed by the contractual Completion Date of
8 October 4, 2019, i.e., 36 months after the commencement date as stated in the First Amendment
9 to Loan Agreement.

10 This is a material event of Default, and is particularly prejudicial to the EB-5 investors
11 who risk losing their EB-5 benefits if the project is not completed in accordance with the
12 schedule approved by the USCIS. Immediate appointment of a receiver is essential to make sure
13 that the construction timeline is met.

14 **Breach Number 4: Material Change of Costs, Scope or Timing of Work - CLA § 5.2**

15 Section 5.2 of the CLA states in pertinent part:

16 Borrower shall deliver to Lender revised, estimated costs of the
17 Project, showing changes in or variations from the original
18 Estimated Construction Cost Statement, as soon as such changes
19 are known to Borrower. Borrower shall deliver to Lender a revised
20 construction schedule, if and when any target date set forth therein
21 has been delayed by twenty (20) consecutive days or more, or when
22 the aggregate of all such delays equals thirty (30) days or more.
23 Borrower shall not make or consent to any change or modification
24 in such Plans, contracts or subcontracts, and no work shall be
25 performed with respect to any such change or modification,
26 without the prior written consent of Lender, if (i) such change or
27 modification would in any material way alter the design or
28 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.

1 Front Sight has made multiple changes to the plans and schedule without obtaining
2 written consent from LVD Fund or the USCIS, including, *inter alia*, reducing the size of the
3 "Patriot Pavilion" from 85,000 square feet, as represented to USCIS, to approximately 25,000
4 30,000 square feet, while also modifying plans to eliminate foundations. (See Exhibit 8, July 30,
5 2018 Notice of Multiple Defaults). This appears to be a material change from the plans approved
6 by the USCIS, which could jeopardize the EB-5 investors' benefits under the EB-5 Program.
7 Without appointment of a receiver, Lender will not be able to get sufficient information to
8 analyze the extent to which Borrower has deviated from the USCIS approved plans, and certainly
9 will not have any ability to compel Borrower to follow the plans.

10 **Breach Number 5: Refusal to Comply Regarding Senior Debt - CLA § 5.27**

11 Front Sight was required to obtain Senior Debt from a traditional construction lender,
12 originally by March 31, 2016 (Dziubla Decl. Ex.1, CLA, pg. 11 "Senior Debt" defined), then was
13 given an extension to December 31, 2017 (Dziubla Decl. Ex. 2, CLA 1st Amend., ¶4), and then
14 was given an extension to June 30, 2018 (Dziubla Decl. Ex. 3, CLA 2nd Amend., ¶1). To date,
15 Front Sight has not secured a Senior Debt that meets the requirements of the CLA. (Dziubla Ex.
16 11, NOD). While Front Sight was only required to use its best efforts to obtain the Senior Debt,
17 because Front Sight failed to obtain the Senior Debt, LVD Fund has the right, pursuant to
18 Section 5.27 of the CLA, to impose provisions "similar to those customarily found in
19 construction loans made by institutional lenders." Front Sight is in breach of this provision of the
20 CLA because it has refused to allow LVD Fund to impose such provisions. (Exhibit 9, at pages 5
21 and 6).

22 **Breach Number 6: Failure to Provide Monthly Project Costs - CLA § 3.2(a)**

23 "From and after the date of the first Advance of the Loan, Borrower shall deliver to
24 Lender on a monthly basis evidence of the Project costs funded during the preceding month."
25 (CLA § 3.2(a)). Front Sight has not delivered the required Monthly Evidence of Project Costs.
26 Without a receiver being appointed, Lender will not have access to information for which it has a
27 right under CLA and which is essential in order for Lender to adequately monitor construction
28 progress, confirm that loan proceeds are being used properly and ensure compliance with the

1 USCIS approved construction timeline and plans.

2 **Breach Number 7: Failure to Notify of Event of Default - CLA § 5.10**

3 Section 5.10(d) of the CLA requires the Borrower to notify Lender of the occurrence of
4 an Event of Default. "Within five (5) Business Days after the occurrence of any event
5 actually known to Borrower which constitutes a Default or an Event of Default, notice of
6 such occurrence, together with a detailed statement of the steps being taken to cure such
7 event, and the estimated date, if known, on which such action will be taken." Front Sight has
8 failed to notify LVD Fund of either (1) the existence of certain events of default or (2) a detailed
9 statement of the steps being taken to cure the event of default. And Lender will not have access
10 to this information, or have any ability to correct the deficiencies unless a receiver is appointed.

11 **Breach Number 8: Refusal to Allow Inspection of Records - CLA § 5.4**

12 Section 5.4 of the CLA provides:

13 **Keeping of Records.** Borrower shall set up and maintain accurate
14 and complete books, accounts and records pertaining to the Project.
15 Borrower will permit representatives of Lender to have reasonable
16 access to and to inspect and copy such books, records and
17 contracts of Borrower and to inspect the Project and to discuss
18 Borrower's affairs, finances and accounts with any of its principal
19 officers, all at such times and as often as may reasonably be
20 requested by Lender.

21 LVD Fund made a demand to inspect the Books and Records by Notice of Default and Letter
22 dated July 30, 2018. (See Exhibit 8, pg. 4 ("Pursuant to articles 3.3 and 5.4 of the CLA, we
23 hereby serve you notice that we and our representatives will inspect the Project and your books
24 and records on Monday, August 27 commencing promptly at 9 a.m. We of course know where
25 the project is. Please immediately inform us the location of your corporate books and records.))

26 Front Sight explicitly refused to comply with this obligation under the CLA, as stated in
27 the letter from Ignatius Piazza dated August 20, 2018. It states "Borrower is not in breach; thus,
28 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

1 any of its obligations under the Loan Agreement; thus, **Borrower will not authorize any**
2 **inspections whatsoever by Lender or its representatives of the Project or its books and**
3 **records on the proposed date of August 27 [2018], or at any other time.”** (Exhibit 9, pg. 13,
4 emphasis added).

5 However, the right of inspection with advance notice pursuant to §3.3 and §5.4 of the
6 CLA is **not** contingent on whether there is an Event of Default. Thus, Borrower’s refusal to
7 permit the inspection constitutes a separate Event of Default acknowledged in writing by Front
8 Sight.

9 Moreover, the right of inspection is generally considered important for the construction
10 lender to determine, *inter alia*, appropriate use of loan proceeds, construction progress, and
11 possible impairment of security, which is necessary for the lender to protect its interests. Failure
12 to cooperate will justify proceeding to secure the Lender’s interests. *See, Elizabeth Retail*
13 *Properties, LLC v. KeyBank Nat’l Assoc.*, No. 3:13-CV-02045-SB, 2017 WL 1407662, at *12 (D.
14 Or. Mar. 10, 2017), report and recommendation adopted, No. 3:13-CV-2045-SB, 2017 WL
15 1430611 (D. Or. Apr. 19, 2017), appeal dismissed, No. 17-35425, 2017 WL 6262200 (9th Cir.
16 June 22, 2017)(“Plaintiffs were far from diligent in providing financial information to
17 KeyBank”); *Capitol Radiology, LLC v. Sandy Spring Bank*, 439 F. App’x 222, 226–27 (4th Cir.
18 2011)(Lender properly declared borrower to be in default and accelerate principal balance where
19 borrower ignored lenders requests for information.”)

20 Here, Front Sight, as the borrower, affirmatively refused LVD Fund’s requested exercise
21 of the contractual right of inspection of relevant books and records, and thus further breached the
22 terms of the CLA and created yet another Event of Default. In order for Lender to be able to
23 exercise its right to inspect the borrower’s books and records, a receiver must be appointed.

24 **Breach Number 9: Refusal to Allow Inspection of the Project - CLA § 3.3**

25 Section 3.3 of the CLA provides:

26 **Inspections:** Lender and its representatives shall have access to the
27 Project at all reasonable times and shall have the right to enter the
28 Project 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

1 have occurred and be continuing. Lender shall provide to borrower
2 prior to the notice of not less than seventy-two (72) hours of any
3 such inspections and such inspection shall be subject to the rights
of club members (i.e., owners of timeshare interests) and any
tenants under any applicable leases.”

4 As discussed in the section above, on July 30, 2018, LVD Fund made a demand to Front
5 Sight for permission to inspect the Project, with more than 72 hours notice, even though Events
6 of Default negated the need for advanced notice. (See Exhibit 8, July 30, 2018 Notice of Default,
7 at pg. 4: “Pursuant to articles 3.3 and 5.4 of the CLA, we hereby serve you notice that we and
8 our representatives will inspect the Project and your books and records on Monday, August 27,
9 2018.”) In response, Front Sight explicitly refused to comply with this obligation under the CLA,
10 stating: “Borrower will not authorize any inspections whatsoever by Lender or its
11 representatives of the Project or its books and records on the proposed date of August 27
12 [2018], or at any other time.” (Exhibit 9, August 20, 2018 letter from Ignatius Piazza, pg. 13)

13 This is a material breach of the CLA justifying court intervention because the right of
14 inspection is necessary for Lender to determine, *inter alia*, appropriate use of loan proceeds,
15 construction progress, and possible impairment of security, which is necessary for Lender to
16 protect its interests. See, *Elizabeth Retail Properties, LLC, supra*, 2017 WL 107662, at *12;
17 *Capitol Radiology, LLC, supra*, 439 F. App'x at 226-27 (4th Cir. 2011). Lender's
18 representatives will not be allowed to inspect the Project as allowed by §3.3 of the CLA unless a
19 receiver is appointed.

20 **Breach Number 10: Failure to Provide EB-5 Information - CLA § 1.7(f)**

21 In order to verify continuing eligibility for participation in the EB-5 Investor Program
22 with the USCIS, Front Sight was required to submit certain EB-5 information on a continuing
23 basis as a condition of the loan. “Borrower shall submit to Lender the EB-5 information. Failure
24 of Borrower to use the proceeds of the Loan in accordance with the terms and conditions of
25 this Agreement or to provide the EB-5 information shall be a default pursuant to Section
26 6.1.” (Exhibit 3). This obligation was further specified in the First Amendment to the CLA
27 requiring “Borrower [to] provide Lender with copies of major contracts, bank statements,
28 receipts, invoices and cancelled checks or credit card statements or other proof of payment

1 reasonably acceptable to Lender that document that Borrower has invested in the Project at least
2 the amount of money as has been disbursed by Lender to Borrower on or before the First
3 Amendment Effective Date.” (See July 1, 2017 First Amendment to Loan Agreement, attached
4 hereto as Exhibit 4).

5 Front Sight has failed to provide the required EB-5 Information. Therefore, a receiver is
6 necessary in order to give Lender access to the information needed in order to meet its
7 obligations to its EB-5 investors so the investors don't lose their investment and their path to
8 citizenship.

9 **Breach Number 11: Non Payment of Default Interest - CLA § 1.2**

10 Section 1.2 of the CLA provides that if there is an Event of Default, interest shall be
11 charged at the “Default Rate.” The “Default Rate” is defined as “the lesser of five percent (5%)
12 per annum in excess of the Loan Rate or the maximum lawful rate of interest which may be
13 charged.” (Exhibit 3, CLA, pg. 4, “Default Rate Defined.”) Because Front Sight is in default
14 under multiple provisions of the CLA as detailed above, the Default Rate provisions of Section
15 1.2 were properly triggered. Plaintiff Front Sight has failed and refused to pay the Default Rate
16 despite the demand therefor. (See Exhibit 9, August 20, 2018 Piazza letter, at pg. 17, ¶14; see
17 also, Exhibit 5, Notice of Default). Plaintiff Front Sight is therefore, despite protestations to the
18 contrary, in monetary default as well as non-monetary default under the terms of the CLA.

19 **Breach Number 12: Non Payment of Legal Fees - CLA § 8.2**

20 Section 8.2(a) of the CLA provides that “Borrower agrees to pay and reimburse Lender
21 upon demand for all reasonable expenses paid or incurred by Lender (including reasonable
22 fees and expenses of legal counsel) in connection with the collection and enforcement
23 of the Loan Documents, or any of them.” This obligation was specifically reaffirmed in ¶7 of the
24 First Amendment to the Loan Agreement (Exhibit 4), with respect to failure to provide the EB-5
25 Information. LVD Fund has incurred legal fees in connection with the Notices of Default and
26 has made demand of payment therefor from Front Sight. To date, Front Sight has refused to pay
27 such fees and this constitutes a monetary default under §6.1(b) of the CLA. LVD Fund has also
28 incurred attorneys’ fees and costs in excess of \$135,000 in defense of this action and pursuing it

1 rights and remedies under the CLA and Deed of Trust, for which Front Sight is contractually
2 liable. (Exhibit 5, Notice of Default).

3 **E. DANGER OF IRREPARABLE HARM TO EB-5 INVESTORS**

4 Due to the nature of the EB-5 Investor Program, Front Sight's material breaches of the
5 CLA have created a substantial risk of irreparable harm to the EB-5 Investors who were the
6 source of the funds for the CLA. Because the EB-5 Program is closely regulated and monitored
7 by the USCIS, a failure to comply with material conditions of the program and material
8 departures from the approved project plans submitted to the USCIS could seriously jeopardize
9 the immigration status of the EB-5 Investors through no fault of their own.

10 If the Project is not built substantially in accordance with the plan and schedule that was
11 submitted to, and approved by, USCIS as part of the EB-5 approval process, the EB-5 investors
12 who have funded the construction loan to Borrower may not receive their permanent green cards
13 and will be subject to deportation from the United States - all after having uprooted themselves
14 and their families from their home countries to move to the United States, the land of their
15 dreams. Indeed, the vast majority of EB-5 fraud cases involve situations where the U.S. real
16 estate developer establishes his own EB-5 regional center and the requisite "new commercial
17 enterprise," and then misuses any EB-5 funds that are raised for purposes other than those stated
18 in the USCIS business plan. In these cases, the EB-5 investor not only loses his \$500,000 EB-5
19 investment but he loses any chance of receiving his permanent green card and is deported, along
20 with his family, back to his home country.

21 **III. LEGAL STANDARD FOR APPOINTMENT OF A RECEIVER**

22 Appointment of a receiver was originally a tool of a court sitting in equity, although such
23 appointment has now been authorized by various statutes. "[A] receiver may be appointed by the
24 court in which an action is pending in all cases where receivers have heretofore been appointed
25 by the usages of the courts of equity." *Bowler v. Leonard*, 70 Nev. 370, 383, 269 P.2d 833, 839
26 (1954). "The appointment of a receiver *pendente lite*, like the granting of an interlocutory
27 injunction, is to a considerable extent a matter resting in the discretion of the court to which the
28 application is made, to be governed by a consideration of the entire circumstances of the case."

1 *Bowler v. Leonard*, 70 Nev. 370, 383, 269 P.2d 833, 839 (1954)(quoting High on Receivers 4th
2 Ed. P. 12 §7).

3 "A receiver is an indifferent person between the parties to a cause, appointed by the court
4 to receive and preserve the property or fund in litigation *pendente lite*, when it does not seem
5 reasonable to the court that either party should hold it. He is not the agent or representative of
6 either party to the action, but is uniformly regarded as an officer of the court, exercising his
7 functions in the interest of neither plaintiff nor defendant, but for the common benefit of all
8 parties in interest. He should be a person wholly impartial and indifferent to all parties in interest.
9 Being an officer of the court, the fund or property entrusted to his care is regarded as being *in*
10 *custodia legis* for the benefit of whoever may finally establish title thereto, the court itself having
11 the care of the property by its receiver, who is merely its creature or officer, having no powers
12 other than those conferred upon him by the order of his appointment, or such as are derived from
13 the established practice of courts of equity." *Bowler v. Leonard*, 70 Nev. 370, 382-83, 269 P.2d
14 833, 839 (1954)(*quoting* High on Receivers, 4th ed., p. 2, § 1); *Lynn v. Ingalls*, 100 Nev. 115,
15 120, 676 P.2d 797, 800 (1984).

16 Appointment of a receiver in the present case is appropriate pursuant to NRS §§32.010
17 and §107.100. NRS §32.010(2) and §107.100 are particularly applicable herein where
18 appointment of a receiver is specifically authorized in cases involving a default under a deed of
19 trust and where necessary to preserve the value of the property *pendente lite*. "A condition of
20 fraud and deceit, and a showing that, until the rights of the parties under their contract are
21 determined, [a party] is likely to suffer loss and depreciation of the remedy which may finally
22 accrue to him, present facts of an equitable nature, which will be sufficient to support the petition
23 for a receiver." *McWilliams v. Hopkins*, 11 F.2d 793, 795 (S.D. Cal. 1926); *See Goes v. Perry*,
24 18 Cal. 2d 373, 382, 115 P.2d 441, 446 (1941)(Receiver justified where money due lender under
25 deed of trust "had been misappropriated and used for the purchase of the furniture, furnishings
26 and fixtures that were in the building. To remove this furniture from the building in which it was
27 in use would be to impair its value, as well as lessen, if not destroy, the income from the real
28 Property."). The decision to appoint a receiver lies within the sound discretion of the court.

1 *Bowler v. Leonard*, 70 Nev. 370, 383, 269 P.2d 833, 839 (1954).

2 **IV. ARGUMENT**

3 **A. APPOINTMENT OF A RECEIVER IS NECESSARY IN THIS**
4 **CASE TO ASSURE TIMELY COMPLETION OF THE PROJECT**
5 **AND EB-5 COMPLIANCE AND REPORTING**

6 As set forth more fully above in Section II (Statement of Facts), the CLA sets forth
7 contractually mandated criteria and timelines for construction of the Project, which were
8 approved by the USCIS pursuant to the EB-5 Immigrant Investor Program, and must be met in
9 order for the EB-5 investors and their families to attain the right to citizenship. Borrower has
10 already failed to meet certain deadlines set forth in the approved construction timeline, and has
11 stated both orally and in writing that it will not be able to meet the contractually mandated
12 completion date of October 4, 2019. In fact, the current most optimistic estimate would result in
13 completion in early 2020. Under these circumstances, Lender is specifically authorized by the
14 Construction Loan Agreement and the Deed of Trust to declare Borrower in default and to take
15 over construction of the project due to the material construction delays. (Exhibit 3, CLA §6.3,
16 Exhibit 1, Deed of Trust §7(d) and (e)).

17 Because Borrower will not permit Lender access to the Project's books and records, nor
18 even permit a site visitation by Lender's representatives, at this point Lender is without the
19 ability to assume control over construction of the Project without the appointment of a receiver.
20 Such an appointment is necessary both to preserve the value of the Project by completing the
21 construction and also to protect the immigration status of the EB-5 Investors whose permanent
22 residency status is dependent upon timely completion of the Project and creation of the specified
23 number of U.S. resident jobs as outlined in the plan approved by the USCIS.

24 **B. EB-5 INVESTORS WILL SUFFER IRREPARABLE HARM IF THE**
25 **PROJECT IS NOT TIMELY COMPLETED IN SUBSTANTIAL**
26 **COMPLIANCE WITH THE PLANS APPROVED BY THE USCIS**

27 The EB-5 application process requires that the parties seek approval of the project plans
28 from the USCIS. The EB-5 Program is closely regulated and monitored by the USCIS. A failure
to comply with material conditions of the program and material departures from the approved
project plans submitted to the USCIS could seriously jeopardize the immigration status of the

1 EB-5 investors through no fault of their own. If the Project is not built substantially in
2 compliance with the plan that was submitted to, and approved by, USCIS as part of the EB-5
3 approval process, then the EB-5 investors who have funded the construction loan to Borrower
4 will not receive their permanent green cards and will be subject to deportation from the United
5 States. Because compliance with the EB-5 Program requirements is essential, these matters were
6 specific terms of the CLA. (Exhibit 3, *See generally* CLA §1.7).

7 A significant part of the EB-5 approval process is the projected increase in U.S. jobs in
8 connection with the timely completion of the project. If the Project is not timely completed, the
9 requisite job creation will not occur within the time frame of the projections that were part of the
10 plan submitted to and approved by USCIS. In addition, if the Project is substantially modified,
11 for example the size of the Patriot Pavilion is reduced by 32% from the approved Project Plans,
12 the Project may not be able to support the projected employment opportunities.

13 This timely job creation is the *sine qua non* of the EB-5 Investor Program. Without
14 timely and sufficient job creation from the Project the immigration status of the EB-5 Investors is
15 placed at substantial risk. "The creation of jobs for U.S. workers is a critical element of EB-5. It
16 is not enough that the immigrant investor invests funds into the U.S. economy. The investment of
17 the required amount of capital must be in a new commercial enterprise that creates at least 10
18 jobs for qualifying employees." (USCIS Policy Manual, Volume 6, Part G).

19 Moreover, the CLA contains specific provisions prohibiting material departures from the
20 USCIS approved Plans or material delays in the construction timeline. (CLA §5.2). As set forth
21 below, the CLA specifically authorizes Lender to assume control of construction of the Project in
22 the event of default under these provisions of the CLA. As discussed above, Borrower has
23 materially defaulted on these CLA provisions by materially modifying the approved Plans and
24 modifying construction and by failing to meet contractually mandated timelines.

25 **C. THE CLA AND DEED OF TRUST SPECIFICALLY AUTHORIZE**
26 **LENDER TO ASSUME CONTROL OF THE PROJECT IN CASE OF AN**
EVENT OF DEFAULT AND APPOINTMENT OF A RECEIVER

27 The existence of a clause in the agreement specifically authorizing LVD Fund to take
28 control of the project and assume management of the construction project is another factor in

1 favor of appointment of a receiver. "In considering the relevant factors, the Court concludes that
2 Wells Fargo is entitled to the relief it seeks. [¶] . . . the Loan Agreement specifically provides that
3 after an 'Event of Default,' Wells Fargo may apply for the appointment of a receiver to manage
4 and operate the property." *Wells Fargo Bank, N.A. v. CCC Atl., LLC*, 905 F. Supp. 2d 604, 615
5 (D.N.J. 2012); *See also Sterling Sav. Bank v. Citadel Dev. Co.*, 656 F. Supp. 2d 1248, 1252 (D.
6 Or. 2009) ("The Deed of Trust also reflects that the parties contemplated the appointment of a
7 receiver by the court in the event of Citadel's default").

8 Section 6.3 of the CLA specifically authorizes Lender to take certain actions upon the
9 occurrence of an Event of Default such as has occurred here. Section 6.3 provides, *inter alia*,
10 that "in case of the occurrence of an Event of Default specified in Section 6.1(f)⁴⁰ hereof, or any
11 Event of Default caused by, or which results in, Borrower's failure, for any reason, to continue
12 with the completion of the construction of the Improvements as required by this Agreement, then
13 Lender may (but shall not be obligated to), in addition to, or in concert with, the other remedies
14 referred to above, take over and complete such construction in accordance with the Plans, with
15 such changes therein as Lender may, in its discretion, deem appropriate, all at the risk, cost and
16 expense of Borrower. Lender may assume or reject any contracts entered into by Borrower in
17 connection with the Project with the exception of timeshare purchase contracts, may enter into
18 additional or different contracts for work, services, labor and materials required, in the judgment
19 of Lender, to complete the Project, may pay, compromise and settle all claims in connection with
20 the construction of the Improvements." (Exhibit 3, CLA §6.3).

21 Moreover, Section 7.2(d) of the Deed of Trust states, in pertinent part: "As a matter of
22 right without regard to the adequacy of security, and to the extent permitted by law without

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⁴⁰ Section 6.1(f) provides that it is an Event of Default if "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." (Exhibit 3, CLA §6.1(f)(emphasis added)).

1 notice to Grantor [Front Sight], Lender shall be entitled, upon application to a court of competent
2 jurisdiction, to the immediate appointment of a receiver for all or any part of the Property and
3 Rents. . . " (Exhibit 1).

4 Because the unreasonable delay and inability to complete the Project by the contractually
5 mandated Completion Date along with the substantial unapproved departures from the USCIS
6 approved project plans have placed the timely completion of the Project in significant jeopardy,
7 Lender has the contractual right to assume control of the Project in order to complete
8 construction of the Project. Because Borrower will not permit Lender to inspect its books and
9 records and will not allow Lender's representatives to inspect the Project site,¹¹ at this time a
10 court appointed receiver is necessary and appropriate.

11 **D. APPOINTMENT OF A RECEIVER IS NECESSARY TO STOP FRONT**
12 **SIGHT FROM WASTING, ENCUMBERING AND DIVERTING ASSETS**
13 **SECURING THE EB-5 CONSTRUCTION LOAN**

14 It is well established that where there is a danger that waste will impair the value of the
15 collateral for a secured creditor, appointment of a receiver is appropriate. *Omaha Hotel Co. v.*
16 *Kountze*, 107 U.S. 378, 395 (1883); *Freedman's Saving & Tr. Co. v. Shepherd*, 127 U.S. 494,
17 503-04 (1888); *View Crest Garden Apartments, Inc. v. U.S.*, 281 F.2d 844 (9th Cir.1960).
18 The danger of waste is also a factor that may justify expanding the duties of a receiver over real
19 property to include full management. "The additional factors warranting appointment of a
20 receiver to manage the property may include: 'the danger of waste[;] delays in foreclosure,'
21 *Canada Life Assurance Co.*, 563 F.3d at 845 (internal citation and quotation omitted); the
22 defendant's 'fraudulent conduct'" *Wells Fargo Bank, N.A. v. CCC Atl., LLC*, 905 F. Supp. 2d
23 604, 614-15 (D.N.J. 2012). "The additional factor may be the danger of waste," delays in
24 foreclosure, or "any circumstance which commends itself to a court of equity as a reason for

25 ¹¹ Section 3.3. of the CLA provides that Lender "and its representatives shall have access to
26 the Project at all reasonable times and shall have the right to enter the project and to conduct such
27 inspections thereof as they shall deem necessary or desirable for the protection of Lender's interests.
28 . . ."

1 granting the relief sought.” *View Crest*, 281 F.2d at 849.

2 **1. A Receiver is Needed to Stop Ignatius Piazza from Misappropriating**
3 **and Diverting Fronts Sight’s Assets for His Personal Benefit**

4 In *Canada Life Assur. Co. v. LaPeter*, 563 F.3d 837, 844–45 (9th Cir. 2009), appointment
5 of a receiver was justified where rents from the subject shopping mall were being mismanaged
6 and diverted instead of being used to service the debt. “Here, the district court’s appointment of a
7 receiver was well within its discretion. It determined that the appointment was necessary because
8 the Mall “and the rents associated therewith, constituting the collateral” were “in danger of
9 substantial waste and risk of loss because income from the [Mall was] being diverted and not
10 applied to servicing the debt.” *Id.*

11 The present case is similar, in that the EB-5 loan proceeds and Front Sight’s substantial
12 annual income are being diverted away from the proper purposes of paying construction costs for
13 the Project, and instead being stripped from Front Sight by its principal, Ignatius Piazza. The
14 delay in construction and impact on Front Sight’s financial viability caused by Piazza diverting
15 nearly \$20 million away from Front Sight, and instead using EB-5 investor funds to pay Front
16 Sight’s debt service and operating expenses, while also paying Piazza enormous amounts of
17 money, is potentially devastating to the EB-5 investors and must stop. (Greer Decl., Ex. A and
18 Ex. B). The value of Lender’s collateral is significantly impaired and timely completion of the
19 Project is in extreme jeopardy. Therefore, Piazza’s misuse of EB-5 loan proceeds and
20 misappropriation of Front Sight’s revenues are additional factors that strongly support
21 immediately appointing a receiver.

22 **2. A Receiver is Needed to Stop Ignatius Piazza From Jeopardizing**
23 **Front Sight’s Assets by Illegally Selling Unregistered Securities**

24 Front Sight has published a sales solicitation on its website entitled: “Extremely
25 Confidential Front Sight Members Only Emergency Action Alert.” (Greer Dec. Ex. “D”). As of
26 this date, the Emergency Action Alert is still published and publicly viewable at
27 “<https://www.frontsight.com/enemy/index.asp>.” (Greer Dec. at ¶3). The solicitation was emailed

1 to over 200,000 current members of Front Sight Fire Arms Training Institute.

2 In the solicitation, Front Sight is selling "Front Sight Credits," whereby participants pay
3 Front Sight an amount of between \$10 and \$1,000, and in return they receive Front Sight Credits
4 in an amount that is twenty times the amount paid. (id., pg. 7). They also receive multiple
5 "Patriot Lifetime Memberships," and multiple training course certificates. Accordingly, each
6 dollar Piazza raised results in Front Sight incurring more than \$20 in future liability. This
7 diminishes the value of Front Sight's assets which are security for the CLA and Deed of Trust.

8 Moreover, the sales pitch also provides that:

9 once the resort is completed, financially self-sufficient, [and] self-sustaining, . . . I
10 will gently and generously turn the operation of Front Sight over to you . . . so you
11 and your families can own and operate Front Sight . . . [¶] When it is time to turn
12 over Front Sight Firearms Training Institute to you, I will allow you to **trade in
your surplus credits, memberships, and certificates for your percentage of
ownership.** (Bold emphasis added)

13 There can hardly be a more transparent sale of securities. In exchange for payment to Front Sight
14 of a specified amount of money, Piazza is offering a percentage ownership interest in Front Sight
15 at an unspecified date in the future. *S.E.C. v. W.J. Howey Co.*, (1946) 328 U.S. 293, 299. In light
16 of the "statutory purpose of compelling full and fair disclosure relative to the issuance of the
17 many types of instruments that in our commercial world fall within the ordinary concept of a
18 security," courts disregard form and evaluate the economic realities of the subject transaction.
19 (id.) (quotation omitted). The analysis therefore is "flexible" and "capable of adaptation to meet
20 the countless and variable schemes devised by those who seek the use of the money of others on
21 the promise of profits." *Baroi v. Platinum Condominium Development, LLC* (D. Nev. 2012) 914
22 F.Supp.2d 1179, 1192.

23 Applying this test, Front Sight's "Exchange in Abundance," which results in the purchase
24 of a certificate which can be exchanged at a future date for a percentage of ownership of Front
25 Sight, is clearly a security, which is most akin to a stock option purchase. Moreover, because
26

1 both Nevada¹² and Federal law require such securities to be registered prior to public sales, Front
2 Sight's solicitation of contributions to its "Exchange in Abundance" Program is *per se* an illegal
3 sale of an unregistered security.

4 Therefore, a receiver is necessary to stop this illegal practice which is creating a massive
5 potential liability to Front Sight and thus severely impacting Lender's security, i.e., Front Sight's
6 assets. This illegal practice also constitutes breaches of §5.13 of the CLA (Compliance with
7 Applicable Laws) and §5.15 (Contingent Liability) of the CLA.¹³

8 **3. Without Court Intervention Piazza Will Continue to Violate the Law and**
9 **Breach the CLA and Deed of Trust**

10 Piazza's use of this law suit as incentive to solicit money from the public is not a new
11 practice for Front Sight. In response to the previous class action brought against Ignatius Piazza
12 and Front Sight,¹⁴ Piazza also used the law suit as incentive to solicit sales from the public,
13 publishing propaganda referring to the plaintiffs as "three malcontents," counsel as the "dirt bag
14 attorney" and Federal District Judge Ware as "The Lying Court Judge." (Greer Decl., Ex. A).
15 Piazza even used the gag order against him as a basis to sell more "lifetime memberships" in
16 Front Sight. (Greer Decl., Ex. B). Even after the case settled for one hundred cents on the dollar,
17 plus interest and attorneys' fees, the District Court was compelled to appoint a receiver, finding
18 that: "Good cause exists that Front Sight is deliberately failing to comply with the Judgment and
19 will continue to do so." (Greer Decl., Ex. C). What this shows is that Piazza brazenly disregards
20 the law, and will continue to do so until the Court steps in.

21 This is further supported by Piazza's recent publication of his third propaganda hit piece,
22

23 ¹²Nevada law makes it unlawful to sell or offer to sell an unregistered security in the State, Nev.
24 Rev. Stat. § 90.460. A "security" includes an "investment contract." *Id.* § 90.295" *Baroi v. Platinum Condo*
Dev., LLC, 914 F. Supp. 2d 1179, 1191 (D. Nev. 2012).

25 ¹³ CLA §5.15 provides that "Borrower shall not assume, guarantee, endorse or otherwise
26 become directly or contingently liable in connection with any obligation . . ."

27 ¹⁴ *Stacy James, et al., v. Ignatius Piazza, et al.*, No. C 05-04532 JW (N. Dist. Cal. 2005).

1 entitled "Enemy Update #3. (Greer Decl., Ex. D). In the hit piece, Piazza calls Mr. Dziubla a
2 "Lying, two faced, gun grabbing, Hillary Clinton supporting con man." (Id., pg. 1). He also states
3 that: "It did not take long for the Judge to deny Con Man's Motion to Dismiss and
4 encouraged us to amend (strengthen) our complaint, now that we received preliminary
5 accounting that shows the Con Man couldn't account for about \$200,000 . . ." (Id.). Piazza
6 further touts that: "Although we have already won MAJOR victories in this case . . ." (Id., pg.
7 2), of course followed by: "Because of your participation, we can continue to RAPIDLY
8 advance the construction of Front Sight while we deliver fast, furious, and well deserved
9 legal justice to the man who tried to steal Front Sight for his our greed, and to cover his
10 tracks of misconduct." (Id.).

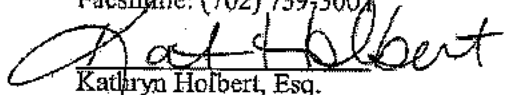
11 These misrepresentations to the public and use of the litigation to further solicit illegal
12 sales will continue until a receiver is appointed to oversee Front Sight's operations.

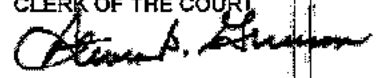
13 **IV. CONCLUSION**

14 For the reasons set forth above, this Court should immediately appoint a receiver to: (1)
15 Complete the Project pursuant to the plans and schedule approved by the USCIS; and (2) to
16 conduct oversight and daily management of Front Sight Management, LLC ("Front Sight").

17 Dated: 2-5-19

FARMER CASE & FEDOR
2190 E. Pebble Rd., Suite #205
Las Vegas, NV 89123
Telephone: (702) 579-3900
Facsimile: (702) 739-3004


Kathryn Holbert, Esq.
Attorney for Defendants



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13 Attorneys for Defendants
14 LAS VEGAS DEVELOPMENT FUND LLC, EB5
15 IMPACT CAPITAL REGIONAL CENTER LLC,
16 EB5 IMPACT ADVISORS LLC, ROBERT W. DZIUBLA,
17 JON FLEMING and LINDA STANWOOD

18 EIGHTH JUDICIAL DISTRICT COURT
19 CLARK COUNTY, NEVADA

20 FRONT SIGHT MANAGEMENT LLC, a
21 Nevada Limited Liability Company,
22
23 Plaintiff,

24 vs.

25 LAS VEGAS DEVELOPMENT FUND LLC, a
26 Nevada Limited Liability Company, EB5
27 IMPACT CAPITAL REGIONAL CENTER
28 LLC, a Nevada Limited Liability Company,
EB5 IMPACT ADVISORS LLC, a Nevada
Limited Liability Company, ROBERT W.
DZIUBLA, an individually and as President and
CEO of LAS VEGAS DEVELOPMENT FUND
LLC and EB5 IMPACT ADVISORS LLC; JON
FLEMING, individually and as an agent of LAS
VEGAS DEVELOPMENT FUND LLC and EB5
IMPACT ADVISORS LLC; and LINDA
STANWOOD, individually and as Senior Vice
President of LAS VEGAS DEVELOPMENT
FUND LLC and EB5 IMPACT ADVISORS
LLC, CHICAGO TITLE COMPANY, a
California corporation; DOES 1-10, inclusive;
and ROE CORPORATIONS 1-10, inclusive,
Defendants.

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

DECLARATION OF ROBERT W.
DZIUBLA IN SUPPORT OF LAS
VEGAS DEVELOPMENT FUND
LLC'S MOTION FOR APPOINTMENT
OF A RECEIVER

Hearing Date: TBD
Time: TBD

DECLARATION OF ROBERT W. DZIUBLA

1 STATE OF CALIFORNIA)
2 COUNTY OF SAN DIEGO) ss:

3 Affiant, being duly sworn, deposes and states the following:
4

5 1. I, Robert W. Dziabla, am an individual and a resident of the State of California,
6 County of San Diego.

7 2. I am currently an officer of Las Vegas Development Fund, LLC ("LVD Fund") and
8 am authorized to make this Declaration on behalf of LVD Fund. I am the custodian of records for
9 LVD Fund.

10 3. I make this Declaration of my personal knowledge and the matters stated herein are
11 true and correct. If called as a witness herein, I could, and would, testify competently thereto.
12 Each of the documents identified herein is maintained as a business record of LVD Fund in the
13 ordinary course of business.

14 4. Attached hereto as Exhibit 1 is a true and correct copy of the "Construction Deed
15 of Trust, Security Agreement, Assignment of Leases and Rents, and Fixture Filing", recorded on
16 October 13, 2016 with the Nye County Recorder, DOC #860867.

17 5. Attached hereto as Exhibit 2 is a true and correct copy of the "First Amendment to
18 Construction Deed of Trust, Security Agreement, and Fixture Filing", recorded on January 12,
19 2018 with the Nye County Recorder, DOC #885510.

20 6. Attached hereto as Exhibit 3 is a true and correct copy of the "Construction Loan
21 Agreement" ("CLA" or "Loan Agreement"), dated as of October 6, 2016, between Las Vegas
22 Development Fund, LLC ("LVD Fund" or "Lender"), as Lender, and Front Sight Management,
23 LLC ("Front Sight"), as Borrower.

24 7. Attached hereto as Exhibit 4 is a true and correct copy of the "First Amendment to
25 Loan Agreement," dated effective as of July 1, 2017, between LVD Fund and Front Sight.

26 8. Attached hereto as Exhibit 6 are true and correct copies of select pages from the
27 2016 tax returns for Front Sight Management Inc., as redacted.
28

1 9. Attached hereto as Exhibit 7 are true and correct copies of select pages from the
2 2017 tax returns for Front Sight Management Inc., as redacted.

3 10. On or about July 30, 2018, I caused to be delivered to Front Sight a document
4 entitled "Notice of Multiple Defaults/Notice of Inspection/Monthly Proof of Project Costs." A
5 true and correct copy of this notice is attached hereto as Exhibit 8. I believe the events, actions
6 and circumstances constituting Events of Default described in this document to be true and
7 correct.

8 11. By letter dated August 20, 2018, Front Sight refused to remedy any of the Events
9 of Default identified the July 30, 2018 Notice of Multiple Defaults (see prior paragraph). A true
10 and correct copy of the August 20, 2018 "Response to Notice of Default dated July 30, 2018" is
11 attached hereto as Exhibit 9.

12 12. Attached hereto as Exhibit 10 is a true and correct copy of the "Second
13 Amendment to Loan Agreement," dated effective as of February 28, 2018, between LVD Fund
14 and Front Sight.

15 13. On or about August 24, 2018, I caused to be delivered to Front Sight an additional
16 document entitled: "Notice of Multiple Defaults/Notice of Inspection/Monthly Proof of Project
17 Costs." A true and correct copy of this notice is attached hereto as Exhibit 11. I believe the
18 events, actions and circumstances constituting Events of Default described in this document to be
19 true and correct.

20 14. On or about August 28, 2018, I caused to be delivered to Front Sight a third
21 document entitled: "Notice of Multiple Defaults/Notice of Inspection/Monthly Proof of Project
22 Costs." A true and correct copy of this notice is attached hereto as Exhibit 12. I believe the events,
23 actions and circumstances constituting Events of Default described in this document to be true
24 and correct.

25 15. On October 24, 2018, I emailed Front Sight a Demand to Cure Default, a true and
26 correct copy of which is attached hereto as Exhibit 13. Front Sight has not cured any of the Events
27 of Default referenced in the notice.
28

DECLARATION OF ROBERT W. DZIUBLA

1 16. Front Sight continues to be in default under the Loan Agreement for the reasons
2 stated in the Notices of Default which I caused to be delivered on or about July 30, 2018, August
3 24, 2018, August 28, 2018 and October 24, 2018. Front Sight has not cured any of the Events of
4 Default identified in those four Notices of Default.

5 17. In addition, the occurrence of multiple Events of Default triggered the application
6 of the "Default Rate" of Interest and the obligation of Front Sight to pay for certain costs of
7 enforcement pursuant to the terms of the CLA. Neither these amounts due under the terms of the
8 CLA nor the accrued penalties have been paid by Front Sight, thus creating monetary Events of
9 Default as reflected on the Notice of Default recorded in Nye County on January 18, 2019, DOC
10 #905512. A true and correct copy of this document is attached hereto as Exhibit 5. I am aware
11 that Front Sight claims entitlement to an offset of \$36,000 for a fee paid to EB5 Impact Advisors,
12 which I have agreed to apply as an offset to the amount owed.

13 18. Attached hereto as Exhibit 14 is a true and correct copy of the "Emergency Action
14 Alert" published on Front Sight's website at <https://www.frontsight.com/enemy/index.asp>.

15 19. Attached hereto as Exhibit 15 is a true and correct copy of the October 30,
16 2018 report from Front Sight to Las Vegas Development Fund, LLC, regarding the
17 documentation and information required for EB-5 reporting purposes for the period July 1, 2017
18 through October 31, 2018. This document confirms that of the \$6,375,000 in loan proceeds Front
19 Sight received from LVD Fund, less than \$2.7 million were actually spent on construction of the
20 USCIS approved Project. Thus more than \$3.65 million of EB-5 loan proceeds have been diverted
21 to fund matters not related to completion of the EB-5 plan, thereby severely prejudicing the EB-5
22 investors.

23 I declare under penalty of perjury under the laws of the State of Nevada and the State of
24 California that the foregoing is true and correct, and that this Declaration was executed on
25 February 4, 2019 at San Diego, California.

26 
27 Robert W. Dziubla
28

EXHIBIT 1

EXHIBIT 1

DOC #860867

RECORDING REQUESTED BY:)
AFTER RECORDING, RETURN TO:)

LAS VEGAS DEVELOPMENT FUND LLC
C/O EB5 Impact Capital
PO BOX 3003
Incline Village, NV 89450
APN
045-481-05
045-481-06

Official Records Nye County NV
Daborah Beatty - Recorder
10/13/2016 08:32:24 AM
Requested By: CHICAGO TIMESHARE ESC
Recorded By: tc RPTT:\$0
Recording Fee: \$51.00
Non Conformity Fee: \$25.00
Page 1 of 38

57285-NBL/43090176-426

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 10, 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.

(c) 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 HERINAFTER 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 mortgage 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 undischursed 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 GROUNDFLESS, 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 FSFTD) 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 the result 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 (A) an Event of Default or (B) 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 to 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 these 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. GRANITOR 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 GRANITOR 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.

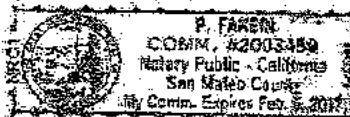
STATE OF California
COUNTY OF SAN FRANCISCO

On OCT 06, 2016 before me, P. FAREN
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 KNOWN 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, 989.73 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° 53' 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, 1338.86 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 KNOWN 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

EXHIBIT 2

DOC #886510

Official Records Nye County NV
Deborah Beatty - Recorder
01/12/2018 01:28:10 PM
Requested By: FNTR NCS (LAS VEGAS)
Recorded By: MJ RPTT:SD
Recording Fee: \$35.00
Non Conformity Fee: \$
Page 1 of 6

APP 045-48785 and 06
RECORDING REQUESTED BY:)
AFTER RECORDING, RETURN TO:)
ROBERT DEIBLA
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".

THIS DEED 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 I 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

Title: Manager

LENDER:

LAS VEGAS DEVELOPMENT FUND, LLC,
A Nevada Limited Liability Company

By: 

Name: Robert Dziuba

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 in which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Sonoma

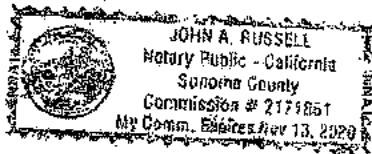
On Nov 14, 2017 before me, John A Russell Notary Public

Here Insert Name and Title of the Officer

personally appeared Juanita 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 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 Deal & Trust Agreement

Document Date: 11/14/17

Number of Pages: 3

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:

Signer's Name:

- Corporate Officer - Title(s):
- Partner - Limited General
- Individual Attorney in Fact
- Trustee Guardian of Conservator
- Other:

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 Dzurba

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.

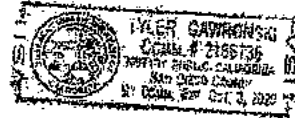
State of California
County of San Diego

On January 12th 2018 before me, Tyler Carranski, Notary Public
(Insert name and title of the officer)

personally appeared Robert W. Drubka
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

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

TABLE OF CONTENTS

Page

RECITALS

Recital A	1
Recital B	1
Recital C	1

DEFINITIONS

Definitions	1
-------------	---

**ARTICLE I
LOAN**

Section 1.1	Principal	12
Section 1.2	Interest	13
Section 1.3	Prepayment	14
Section 1.4	Payments	14
Section 1.5	Fees	17
Section 1.6	Extension of Maturity Date	15
Section 1.7	EB-5 Program Requirements	16

**ARTICLE II
CONDITIONS OF BORROWING**

Section 2.1	Pre-Closing Requirements	17
Section 2.2	Loan Documents	18
Section 2.3	Title Insurance	18
Section 2.4	Opinion of Borrower's Attorneys	19

**ARTICLE III
ADVANCES OF LOAN PROCEEDS**

Section 3.1	General	19
Section 3.2	Draw Requests	20
Section 3.3	Inspections	20
Section 3.4	Lender's Responsibilities	20
Section 3.5	Procedures for Advances	21
Section 3.6	Stop Notices	21
Section 3.7	Use of Loan Proceeds	22

**ARTICLE IV
REPRESENTATIONS AND WARRANTIES**

Section 4.1	Borrower's Formation and Powers	22
Section 4.2	Authority	22
Section 4.3	No Approvals	22

TABLE OF CONTENTS
(continued)

		<u>Page</u>
Section 4.4	Legal and Valid Obligations	23
Section 4.5	Litigation.....	23
Section 4.6	Title	23
Section 4.7	Defects and Hazards	23
Section 4.8	Payment of Taxes.....	23
Section 4.9	Agreements	24
Section 4.10	No Defaults under Loan Documents or Other Agreements.....	24
Section 4.11	Boundary Lines; Conformance with Governmental Requirements and Restrictions	24
Section 4.12	Project Costs.....	25
Section 4.13	Utilities.....	25
Section 4.14	Personal Property	25
Section 4.15	Condemnation	25
Section 4.16	Separate Lots	25
Section 4.17	Federal Reserve Regulations	25
Section 4.18	Investment Company Act	26
Section 4.19	Unregistered Securities.....	26
Section 4.20	Accuracy of Information.....	26
Section 4.21	ERISA Compliance.....	26
Section 4.22	Compliance	26
Section 4.23	Consents.....	27
Section 4.24	Environmental Laws	27
Section 4.25	Anti-Terrorism Regulations	27
Section 4.26	Subsidiaries	28
Section 4.27	Leases.....	28
Section 4.28	Ownership and Control of Borrower	28
Section 4.29	Use of Loan Proceeds	28
Section 4.30	Insurance	29

ARTICLE V

(A) COVENANTS OF BORROWER		30
Section 5.1	Completing Construction	30
Section 5.2	Changing Costs, Scope or Timing of Work.....	30
Section 5.3	Using Loan Proceeds	31
Section 5.4	Keeping of Records.....	31
Section 5.5	Providing Evidence of Completion.....	31
Section 5.6	Maintaining Insurance Coverage	32
Section 5.7	Transferring, Conveying or Encumbering the Project or Borrower's Ownership Interests	32
Section 5.8	Complying with the Loan Documents and Other Documents	33
Section 5.9	Updated Appraisals.....	33
Section 5.10	Reporting Requirements	33

TABLE OF CONTENTS
(continued)

		<u>Page</u>
Section 5.11	Taxes and Claims.....	34
Section 5.12	Maintain Existence.....	34
Section 5.13	Compliance with Applicable Laws.....	35
Section 5.14	Notice.....	35
Section 5.15	Contingent Liability.....	35
Section 5.16	Merger, Consolidation, and Management.....	35
Section 5.17	Loss of Note or other Loan Documents.....	35
Section 5.18	Distributions.....	35
Section 5.19	Permits and Licenses.....	36
Section 5.20	Patriot Act.....	36
Section 5.21	Related Party Transactions.....	36
Section 5.22	Leases.....	37
Section 5.23	Debt, Operations and Fundamental Changes of Borrower.....	38
Section 5.24	Accessibility Regulation.....	38
Section 5.25	Reports and Returns.....	38
Section 5.26	Management Agreement.....	38
Section 5.27	Senior Debt.....	39
(B) COVENANT OF LENDER.....		39

ARTICLE VI
DEFAULTS

Section 6.1	Events of Default.....	39
Section 6.2	Rights and Remedies.....	41
Section 6.3	Completion of Project by Lender.....	42

ARTICLE VII
INTEREST, FEES AND EXPENSES

Section 7.1	Interest, Fees, and Expenses.....	43
Section 7.2	Authorization to Make Loan Advances to Cure Borrower's Defaults.....	43

ARTICLE VIII
MISCELLANEOUS

Section 8.1	Waiver and Amendment.....	44
Section 8.2	Expenses and Indemnities.....	44
Section 8.3	Binding Effect; Waivers; Cumulative Rights and Remedies.....	46
Section 8.4	Incorporation By Reference.....	46
Section 8.5	Survival.....	46
Section 8.6	Governing Law; Waiver of Jury Trial; Jurisdiction.....	46
Section 8.7	Counterparts.....	47
Section 8.8	Notices.....	47
Section 8.9	No Third Party Reliance.....	48

TABLE OF CONTENTS
(continued)

	<u>Page</u>
Section 8.10 Lender Assignment.....	48
Section 8.11 Time of the Essence.....	48
Section 8.12 No Oral Modifications.....	48
Section 8.13 Captions.....	48
Section 8.14 Borrower-Lender Relationship.....	48

EXHIBITS

EXHIBIT A	Budget
EXHIBIT B	Draw Request
EXHIBIT C	Draw Request Certificate
EXHIBIT D	Legal Description
EXHIBIT E	Estimated Construction Cost Statement
EXHIBIT F	Improvements
EXHIBIT G	Ownership and Control

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 PSFTI, 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 PSFTI 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 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 Affiliates.

"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, subsols 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 encumbrance 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-HFLV, 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 is 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 3.10(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 here by.

(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 enforcement. 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 abridgments 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(a) 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 5.34, 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 C to this Agreement and the indirect owners set forth therein 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 PSFTI 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 5.8 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. § 560 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 Complete Construction. Borrower shall commence construction of the Improvements not 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 3.2 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 Compliance 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 undistributed 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-liable 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

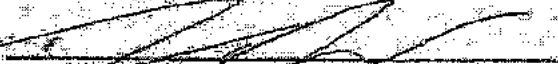
On Oct 06, 2016 before me, P. Fakeri, Notary Public,
(Here insert name and title of the officer)

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/hers/their authorized capacity(ies), and that by his/hers/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 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)

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 wording does not require the notary to do something that is illegal for a notary in California (i.e. verifying 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 acknowledgment 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 out or type name as it appears within his or her commission followed by acronym and then your title (notary public).
- Sign the name(s) of document signer(s) who personally appear at the time of notacknowledgment.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they is/are) by circling the correct form. 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 is unclear, to 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 raised 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).
- Separately attach this document to the signed document.

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other

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

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 of 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, 2013, 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, 2013. 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 EB-5 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.

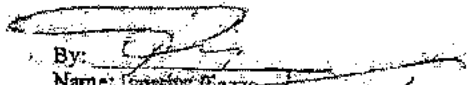
10. BINDING AGREEMENT. This First Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

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]

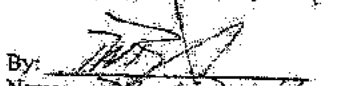
IN WITNESS WHEREOF, Lender and Borrower have signed this First Amendment as of the First Amendment Effective Date.

BORROWER: FRONT SIGHT MANAGEMENT, LLC,
A Nevada Limited Liability Company

By: 
Name: Genesis Chavez
Title: Manager

LENDER:

LAS VEGAS DEVELOPMENT FUND, LLC,
A Nevada Limited Liability Company

By: 
Name: Robert DeArbelle
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.

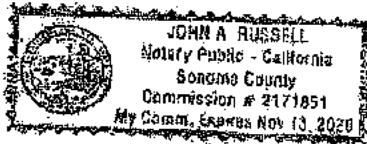
State of California

County of Sonoma

On November 14, 2017 before me, John A. Russell, Notary Public

personally appeared Ignatius Anthony Piazza II

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) was/were 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 of John A. Russell

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 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:

Corporate Officer - Title(s):

Partner - Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other:

Signer is Representing:

Signer's Name:

Corporate Officer - Title(s):

Partner - Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other:

Signer is Representing:

EXHIBIT 5

EXHIBIT 5

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; \$154,655.62 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
Page 1 of 2

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 & Redor, 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

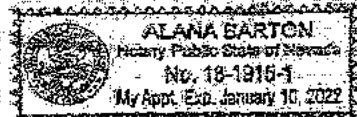
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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, 2015 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 10
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 obligor/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 obligor's 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

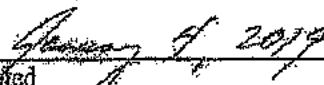
AFIDAVIT OF AUTHORIZATION

Page 2 of 3

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.

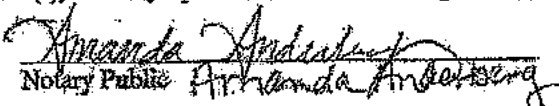

Robert W. Dzomba, President and CEO of beneficiary
LAS VEGAS DEVELOPMENT FUND, LLC


Dated January 9, 2019

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 9, 2019~~ before me, Amanda Andersberg, a Notary Public, Personally appeared Robert W. Dzomba, 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 Andersberg



STATEMENT OF AUTHORIZATION

EXHIBIT 8

EXHIBIT 8

**Las Vegas Development
Fund LLC**

Las Vegas Development Fund, LLC
916 SOUTHWOOD BOULEVARD, SUITE 10
P.O. BOX 3003
INCLINE VILLAGE, NEVADA 89450
Telephone: (844) 839-9028
Facsimile: (852) 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.