

1 CASE NO. CV01-05332

2 DEPT. NO. 7

3

4

5

6

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

9 CLARIDGE POINTE HOMEOWNERS  
ASSOCIATION, a Nevada Non-profit  
10 Corporation, and LINDA TREAT, an individual,  
and SOCRATES DELIANIDES, an individual,  
11 and DANIEL KELSAY, an individual, on their  
own behalf and on behalf of all others similarly  
12 situated,

13 Plaintiffs,

**SPECIAL MASTER ALLOCATION  
AND ORDER FOR DISBURSEMENT  
TO PLAINTIFF CLASS FOR PRIOR  
REPAIRS PURSUANT TO COURT  
ORDER**

14 vs.

15 DHS CONSTRUCTION COMPANY, a Nevada  
Corporation, EQUITY FINANCIAL RESOURCES  
16 LLC, a Nevada Limited Liability Company,  
CLARIDGE POINTE HOME SALES, INC., a  
17 Nevada Corporation, RUSSELL DAVID  
MILLARD, individually, DAVID R. MILLARD,  
18 individually, ROBERT L. MILLARD,  
individually, and DOES 1 through 10, inclusive,

19 Defendants.

20 \_\_\_\_\_/

21 AND RELATED CROSS-ACTIONS AND  
22 THIRD-PARTY ACTIONS \_\_\_\_\_/

23 **SPECIAL MASTER ALLOCATION AND ORDER FOR DISBURSEMENT TO  
PLAINTIFF CLASS FOR PRIOR REPAIRS PURSUANT TO COURT ORDER.**

24 On June 14, 2003 the Court entered its Order approving settlement of the above entitled Class  
25 Action Lawsuit. Included in that order was a provision specifically approving the allocation of funds  
26 designated in the Notice of Settlement To Plaintiff Class for reimbursement of homeowners for costs  
27 of repairs made by said homeowners out of pocket. The specific allocation of funds approved by  
28 the Court for this purpose was \$37,000.

1 The Claridge Pointe Homeowners Association received requests for reimbursement  
2 subsequent to the settlement of the case which indicated that the limited amount of settlement  
3 proceeds set aside for reimbursement might well be exceeded. The Association then requested an  
4 independent review of their recommendation for reimbursement. On September 24, 2003 the Court  
5 entered its Order appointing the Special Master to approve or disapprove, or amend, each requested  
6 reimbursement. The fees for the Special Master's performance of this task are to be paid by the  
7 Association from the settlement proceeds. The Court ordered that the decision of the Special Master  
8 in this matter is final.

9 The Special Master has now reviewed all the material provided by the Claridge Pointe  
10 Homeowners Association, Robert C. Maddox and Associates, Harry P. Tolles as Chair of the  
11 Lawsuit Funds Distribution Committee, and individual homeowners. The total amount requested  
12 for reimbursement exceeds the \$37,000 Court approved allocation of funds.

13 Two of the requests received merit particular comment. Beverly Gorst requests an allocation  
14 of funds for repair of her kitchen floor. No funds were ever expended by her for such repair;  
15 therefore, she is not entitled to an allocation from the reimbursement fund. If such repair is  
16 authorized by the Association it will have to be paid from other settlement proceeds. Harry P. Tolles  
17 has requested reimbursement in the amount of \$17,047.92 for home repairs. Over \$6,700 of the  
18 amount requested is designated as labor costs for kitchen repair. Mr. Tolles acknowledges that he  
19 performed the labor himself rather than hire someone to do the work. The Special Master has  
20 received a written objection to Mr. Tolles' request by a homeowner on behalf of that person and  
21 other concerned homeowners. The Special Master is not in a position to evaluate the full extent and  
22 necessity of the repairs made; however, Mr. Tolles appears to be clearly entitled to significant  
23 reimbursement.

24 Additionally, there were requests for reimbursement made by four (4) property owners who  
25 subsequently sold their homes and left the Association. As a result of said sales it will be assumed  
26 that the cost of the out of pocket repair was recovered in the sale. Those prior homeowners will  
27 therefore not be allowed to share in the reimbursement fund.

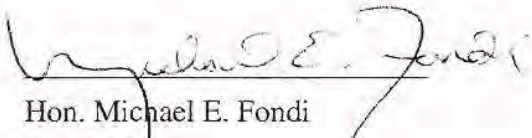
28 ///

1 NOW THEREFORE IT IS HEREBY ORDERED that the following distributions be made by the  
 2 Claridge Pointe Homeowners Association from the Court Approved \$37,000 Reimbursement

3 Fund:

| 4  | <u>Number</u> | <u>Street Name</u>   | <u>Name</u>                 | <u>Total Requested</u> | <u>Special Master Authorized Payment</u> |
|----|---------------|----------------------|-----------------------------|------------------------|--|
| 5  | 7800          | N. Claridge Pointe   | Delianides                  | 454.72                 | 454.72                                   |
| 6  | 7550          | S. Claridge Point    | Frankenberry                | 1,234.58               | 1,234.58                                 |
| 7  | 7581          | Diamond Pointe       | Hogg                        | 250.48                 | 250.48                                   |
| 8  | 7555          | Claridge Pointe Pkwy | Klein                       | 1,240.00               | 1,240.00                                 |
| 9  | 7650          | Diamond Pointe       | Lindem                      | 1,348.31               | 1,348.31                                 |
| 10 | 7681          | Diamond Pointe       | Lyons                       | 4,404.74               | 4,404.74                                 |
| 11 | 7620          | Diamond Pointe       | MacGregor                   | 45.00                  | 45.00                                    |
| 12 | 7725          | N. Claridge Pointe   | McGuire                     | 40.00                  | 40.00                                    |
| 13 | 7615          | S. Claridge Pointe   | Metscher                    | 895.18                 | 895.18                                   |
| 14 | 7535          | Claridge Pointe Pkwy | Nedry                       | 770.00                 | 770.00                                   |
| 15 | 7620          | S. Claridge Pointe   | Palmer                      | 812.46                 | 812.46                                   |
| 16 | 7540          | S. Claridge Pointe   | Schopfer                    | 70.55                  | 70.55                                    |
| 17 | 7545          | S. Claridge Pointe   | Shields                     | 2,575.82               | 2,575.82                                 |
| 18 | 7500          | S. Claridge Pointe   | Tolles                      | 17,047.92              | 14,248.40                                |
| 19 | 120           | Platinum Pointe      | Wilson, Addie               | 2,529.76               | 2,529.76                                 |
| 20 | 7631          | Diamond Pointe       | Wilson, Richard             | 686.00                 | 686.00                                   |
| 21 |               | Homeowners Assoc.    | Association                 | 4,894.00               | 4,894.00                                 |
| 22 |               | Special Master       | Michael E. Fondi            | 500.00                 | 500.00                                   |
| 23 |               |                      | <u>Subtotal</u>             | <u>39,799.52</u>       | <u>37,000.00</u>                         |
| 24 |               |                      | <u>Court Allocated Fund</u> | <u>37,000.00</u>       | <u>37,000.00</u>                         |
| 25 |               |                      | <u>Balance</u>              | <u>(2,799.52)</u>      | <u>-0-</u>                               |

22 Dated this 34 March, 2004.

23  
 24   
 25 Hon. Michael E. Fondi  
 26 Special Master  
 27  
 28