



*Glenbrook*

HOMEOWNER'S ASSOCIATION  
P.O. Box 447, 238 Old Hwy 50, Glenbrook, NV 89413

## **GHOA/POSTMISTRESS SETTLEMENT: Q & A**

**Q:** What prompted this Settlement?

**A:** In June 2021, Postmistress Properties L.L.C., which is owned and managed by Mr. Larry Ruvo, filed a lawsuit against GHOA to eliminate our easement rights in a portion of Shakespeare Ranch known as the “Rodeo Grounds.” In response, the GHOA Board initiated settlement discussions with the goal of a) resolving *all* the outstanding disputes between the parties and b) avoiding the substantial cost of lengthy litigation. The case was put on hold while the parties spent the past 17 months negotiating a global and enforceable settlement.

The settlement is set forth in the accompanying Settlement Agreement and Mutual Releases, and Exhibits 1 – 10 (the “Settlement”), which will be recorded for implementation. The Settlement was unanimously approved by the GHOA Board, and has been signed by Mr. Ruvo (for himself, his Trust and Postmistress Properties L.L.C.).

The GHOA Board encourages all Members to read the Settlement and to ask any questions you may have.<sup>1</sup> To assist you in understanding the Settlement, we have prepared this Q & A:

**Q:** If the Members consent to the Settlement, what do we gain?

**A:** The Settlement provides many significant benefits to GHOA Members, including:

- Prohibiting all commercial use and development of the Ranch through recorded deed restrictions binding current and future owners. Any future development on the Ranch will be limited to construction of up to six (6) single-family residences and six (6) adjoining guest houses, each not to exceed two (2) stories;
- A deed to the beach underneath the Glenbrook Pier and the section of the “Flagpole Green Area” (the grassy area surrounding the former Glenbrook Inn) that is currently owned by Postmistress;
- Uncontested control over the use of the Glenbrook Pier;

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<sup>1</sup> This Q & A, together with the accompanying letter, are intended only to provide an overview and explanation of the Settlement. However, the terms and conditions set forth in the Settlement control, and your decision to consent to the Settlement should be based solely on the Settlement.

- A deed to 2.5 acres on the north side of Glenbrook Creek behind the cottage homes on Pray Meadow Road. These acres will be maintained as open space by GHOA; and
- Recorded access easements for trails to Shakespeare Rock across lands owned by Postmistress.

Importantly, Shakespeare Ranch is currently zoned “commercial” by Douglas County. Elimination of the threat of commercial development of the Ranch is a major benefit of the Settlement for GHOA’s Members due to the concessions made by Mr. Ruvo and Postmistress.

Under the Settlement, they have agreed to recorded deed restrictions that:

- Limit the density of any future development on the Ranch to up to a maximum of six (6) new single-family residences (one of which replaces an existing residence) and six (6) adjoining guest houses;
- Prohibit construction of condominiums, townhomes, multi-family dwellings, and fractional ownership of these new residential units;
- Restrict current and future uses on Shakespeare Ranch to match those permitted for GHOA Members;
- Permit Postmistress to use its parcels for charitable and political fundraising events, but “restaurants, hotels, motels, or service facilities serving the general public, and private membership groups or clubs for members outside the Glenbrook Community” are barred; and
- Maintain the Rodeo Grounds in its current condition, appearance, size and use.

These deed restrictions will be recorded and “run with the land.” Present and future owners of Shakespeare Ranch (including owners of all of the new residential units) are bound by these restrictions.

In sum, the most significant benefit of the Settlement for our Members – eliminating the potential for commercial development of the Ranch, and the restrictions on use and density - cannot be overstated. In this way, the Settlement will preserve the residential character of Glenbrook and protect our open spaces.

**Q:** What does Postmistress gain from the Settlement?

**A:** The Settlement is a compromise, and Postmistress likewise gains several benefits, including:

- Removal of GHOA’s access easement through the Rodeo Grounds, which is rarely used;
- Removal of GHOA’s recreational and access easements on the beach in front of Mr. Ruvo’s lakeside residence and around the Postmistress private pier, which are likewise rarely used by GHOA’s Members;
- On two areas of the Ranch where GHOA claims an easement right, Postmistress will be permitted to construct:
  - One (1) new single-family residence and one (1) adjoining guesthouse in the Hamlet Meadow that conforms in design, color and landscaping with the surrounding residences and cannot be used for a commercial purpose (*e.g.*, no short-term rental); and
  - One (1) new single-family residence north of the Rodeo Grounds grandstand that also conforms in design, color and landscaping with the surrounding residences and cannot be used for a commercial purpose.
- In areas of the Ranch where GHOA has *no* property interest, and thus *no* ability to control development, Postmistress may (but is not required to):
  - Construct up to three (3) new single-family residences with three (3) adjoining guest houses. These residential units likewise cannot be used for commercial purposes.
  - Construct one (1) new guesthouse on Mr. Ruvo’s private beachfront parcel that is subject to the same restrictions as the other new residential units.
  - Replace an existing cabin across Glenbrook Road from Mr. Ruvo’s private residence with one (1) new single-family residence and one (1) guesthouse that are subject to the same restrictions as the other new residential units.

**Q:** Why are new houses and guesthouses on Shakespeare Ranch part of the Settlement?

**A:** During the course of these extended settlement discussions, GHOA learned of plans for possible development of Shakespeare Ranch. Ultimately, we were able to strike a deal that prohibits commercial use of the Ranch (currently a permitted use under Douglas County zoning) in exchange for accepting a limited number of new residential units, none of which can be used for a commercial purpose.

**Q:** What more can you tell us more about these potential new residential units?

**A:** The simple answer is that, at time of our Settlement, Postmistress has no specific plans, renderings or timetable for construction of these new residential units. However, the Settlement stipulates that:

- None can be used for **any** commercial purpose. For example, they cannot be used for short-term rentals, and fractional ownership is not allowed;
- None can exceed two (2) stories in height;
- If Postmistress does not receive approval to construct any of the new residential units (from Douglas County and/or TRPA) this Settlement remains in force. In other words, if they are not approved by these local agencies, GHOA will still enjoy the many benefits of the Settlement; and
- While we do not know all the details of possible future development of the Ranch, there are several key points for the Members to keep in mind:
  - The alternative to the Settlement is the potential for *commercial development* of the Ranch. Except for the two areas where GHOA claims an easement, GHOA has *no* legal right to control development of the parcels owned by Postmistress. Thus, it is possible that, in the absence of the Settlement, Postmistress (or a subsequent owner) could develop the Ranch for non-residential uses and to a greater density than what we have achieved through the Settlement.
  - We have negotiated several restrictions that will protect and preserve the residential character of the Glenbrook community (*i.e.*, size, design, color and landscaping).

**Q:** If any of these new residential units are built, will their owners be able to use GHOA's Common Elements (*e.g.*, beaches, parks, etc.)?

**A:** No. The Settlement provides that only Mr. Ruvo and his "family members" may use our Common Elements and only for so long as one of the parcels on the Ranch remain owned or controlled by Mr. Ruvo or a family member. So, owners of any of the new residential units (other than Mr. Ruvo or a family member) cannot use our Common Elements and if the Ranch were to be sold in its entirety, the new owner will not be able to use the Common Elements.

**Q:** What are "deed restrictions," and how are they different from "easements"?

**A:** Without getting into the "legal weeds," a deed restriction is recorded against a specific piece of property, is in the public record and limits the use of the property as set forth in the deed. Since it is recorded, it binds the current and all future owners of the property.

Easements convey a right to use someone else's property and take a variety of forms. That right of use can be gained and lost under different circumstances which explains why Postmistress filed its quiet title to extinguish GHOA's easement in the Rodeo Grounds.

As a general rule, a deed restriction provides the strongest protection for future use of a specific property. Under the Settlement, the various deed restrictions limit the present use and future of Shakespeare Ranch and provide that GHOA can enforce these restrictions.

**Q:** Does the Settlement affect the rights of non-GHOA members who are property owners within Glenbrook (*i.e.*, GPOA)?

**A:** No. GHOA does not have the power to bind non-GHOA members. However, as the settlement negotiations progressed, the GHOA Board shared the Settlement with non-GHOA owners, some represented by personal legal counsel. We received valuable comment/input on the terms of the Settlement. GHOA's goal has been to ensure the Settlement protects GHOA's interests while also benefiting the whole Glenbrook Community by resolving all disputes and charting a new path forward for all concerned.

**Q:** If the Settlement becomes final, is this the end of the disputes between GHOA and Postmistress?

**A:** Yes. As to the outstanding disputes covered by the Settlement, it calls for the mutual releases of *all* outstanding claims between the parties of any kind or nature, whether known or unknown or suspected to exist. At this time, GHOA is not aware of any disputes not addressed by the Settlement. Going forward, the parties' relationships will be governed by the Settlement.

**Q:** When will the Settlement become final?

**A:** There are several conditions that must be met before the Settlement becomes final. 75% of all GHOA Members must provide a Written Member Consent to the Settlement. (This number is set by GHOA's CC&Rs.) Approval of the Settlement also must be secured from several third parties (Douglas County, TRPA and the District Court). Pending these approvals, the "deal points" in the Settlement cannot be changed absent mutual agreement by GHOA and Postmistress.

**Q:** What is the GHOA's Board recommendation to us?

**A:** The Board has voted unanimously to approve the Settlement, and without reservation requests that all Members provide their consent to the Settlement. While the Settlement is complex, it provides the Members with a clear choice between:

- Consenting to a Settlement that is comprehensive, accepting its many benefits, including preservation of the residential nature of Glenbrook, protection of our open spaces and avoiding the significant expense of lengthy litigation

*or*

- Failing to provide your consent to Settlement, thus accepting the status quo (including possible commercial development of the Ranch) and face the certainty of years of very expensive litigation.

**Q:** How do I provide my consent to the Settlement?

**A:** You may do **any** of the following:

1. Sign the enclosed consent letter, with your name and property address, and return it to the GHOA Office in the enclosed, stamped and self-addressed envelope.
2. Sign the enclosed consent letter and bring it in person to the GHOA Office.
3. Use one of the electronic options below:
  - For Digital Signature – [click here](#) or contact the GHOA office via email [Settlement@GlenbrookTahoe.org](mailto:Settlement@GlenbrookTahoe.org) or phone (775-749-5266).
  - Sign the enclosed consent letter, scan the signed letter and email it to the GHOA Office at [Settlement@GlenbrookTahoe.org](mailto:Settlement@GlenbrookTahoe.org).
  - Photograph the signed consent letter with your cell phone and email it to the GHOA Office at [Settlement@GlenbrookTahoe.org](mailto:Settlement@GlenbrookTahoe.org).

Regardless of the method you choose, the Board encourages *all* Members to provide their written consent to the Settlement.

**Q:** What happens if the Settlement does not become final for any reason?

**A:** As noted, Postmistress's lawsuit against GHOA remains pending. If the Settlement does not become final for any reason, GHOA will be required to respond and defend against Postmistress's Complaint to quiet title to GHOA's claim of easement access to the Rodeo Grounds, and GHOA will prosecute all of its various claims against Postmistress. The litigation will involve extensive factual discovery and a trial. *This will be lengthy litigation and certainly very expensive.* Importantly, your annual dues will not cover the cost of the litigation; rather, it will be necessary for GHOA to levy special assessments over several years to fund the litigation.