TO R.E. Reno, LLC Members
November 11, 2010

Re: Sale of the Siena Hotel

As you may have heard, the Siena Hotel (the "Hotel ") was sold at a public auction in the United States Bankruptcy Court in Reno (the "Bankruptcy Court") on the afternoon of November 10, 2010. The Hotel had been closed for a few weeks, and the sale process was extremely expedited because Wild Game Ng, LLC and One South Lake, LLC (the "Debtors") had no cash with which to insure or secure the property after the end of this week. The Debtors were forced to close the Hotel because they had no money to pay employees, payroll taxes, insurance or utility bills. Until the last two weeks, the Debtors had continued efforts to raise new financing, rather than to sell the Hotel. They agreed to sell the Hotel only after they were quite literally out of cash. As a result, the Hotel had to be closed and then had to be sold in just two weeks. This short time window made it impossible for R.E. Reno to raise additional capital to enable it to bid on the Hotel or even to secure and insure the Hotel during a more extended sale process.

The Debtors engaged Innovation Capital, which ran a two week sale process. Innovation Capital was able to find three bidders willing to bid on the closed Hotel. The opening bid was $3,000,000 and the ultimate sale price for the Hotel and all related personal property, was $3,900,000. The sale was scheduled to close on November 12, 2010 and the buyer deposited the full purchase price on that date. Because the Bankruptcy Court order has not yet been entered the sale has not closed as of November 15, 2010, but should close this week.

Assuming the sale closes, R.E. Reno, LLC will need to reach an agreement or obtain an order of the Bankruptcy Court determining how much of the $3,900,000 is distributable to R.E. Reno, in the capacity as the holder of a mortgage on the building and land. The real estate and building were owned by an entity called One South Lake Street ("One South") and was leased to Wild Game Ng ("WGN"). Barney Ng was the managing member and sole equity holder of both companies. R.E. Reno's mortgage was only on One South Lake's assets. If a resolution of the appropriate allocation can be negotiated, it may be resolved quickly. It is, however, possible, that there will be litigation by the competing claimants to the cash proceeds.

It is not yet possible to determine the total distribution that will be received by R.E. Reno from the chapter 11 cases of the Debtors. Certain tax liens, costs of sale and administrative expenses of the Debtors' bankruptcy cases must be paid from the proceeds. The Debtors may have litigation claims the prosecution of which could enhance recoveries. That said, it appears likely that the aggregate distribution to R.E. Reno from the sale proceeds will be in the range of $2 million to $2.5 million. As I noted in my last letter, while this is very disappointing to all concerned, R.E. Reno investors have received over the life of the investment aggregate distributions of $32,250,000. When we have additional information regarding the competing claims to the funds and the litigation claims that may be available to the Debtors or the timing of R.E. Reno's receipt of the proceeds of the real estate collateral, I will send an additional update.

Barney Ng has apparently informed some of you that counsel for R.E. Reno was some how responsible for the truncated marketing process or the failure of WGN to raise sufficient capital to continue operating The Siena. He has apparently indicated that counsel refused to meet with a proposed "white knight" who was purportedly offering to provide new senior secured debt financing, which would have subordinated R.E. Reno's mortgage, to fund WGN's continuing losses. These statements are untrue. At no time did R.E. Reno or its counsel refuse to meet with either WGN or any proposed investor. R.E. Reno informed WGN and the proposed investor that R.E. Reno was prepared to meet, but absent something extraordinary, R.E. Reno would not be willing to subordinate its debt to new loans that would be used to fund ongoing losses. R.E. Reno asked for a business plan and suggested that at least part of any new money would probably have to be invested as equity, junior to R.E. Reno's secured debt. No such business plan was ever submitted by WGN or the proposed new financing source.

It is very unfortunate that The Siena was sold at an expedited auction sale for only $3.9 million. The depressed sales price was undoubtedly the result of many factors, including the depressed Reno real estate market. The most important factors were probably the fact The Siena was closed before WGN agreed even to start trying to market it, and the fact that WGN did not start the marketing process until it had so little cash that it could only secure and insure the closed hotel for a few days. R.E. Reno did not own the hotel and did not control WGN's decision not to start marketing The Siena months earlier, when WGN still had the cash to fund operations during the marketing process.

Very truly yours,

Walter Ng