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8

9 UNITED STATES BANKRUPTCY COURT
10 DISTRICT OF NEVADA

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12 In Re:

Case No. BK-N-16-51281-GWZ
Chapter 11

13 CAL-NEVA LODGE, LLC,

14 Debtor.

Hearing Date: May 2, 2017
Hearing Time: 10:00 a.m.

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CREDITORS' FIRST AMENDED

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JOINT DISCLOSURE STATEMENT

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1 **1. INTRODUCTION**

2 The Creditors' First Amended Joint Disclosure Statement (hereinafter the "Disclosure
3 Statement") is provided to creditors by the connection with the solicitation of acceptances
4 of the Creditors' First Amended Joint Plan of Reorganization (the "Creditors' Plan"),
5 proposed by Leslie P. Busick, Paul Jameson, David Marriner, Charles and Judith Munnerlyn,
6 Anthony Zabit, D4S, LLC, dba Dimension 4, Paul and Evy Paye (the "Proponents") filed on
7 March 28, 2017, or any subsequent amended plan of reorganization. The Debtor's
8 reorganization case is under Chapter 11 of the United States Code, and was initiated on **July**
9 **28, 2016**, in the United States Bankruptcy Court for the District of Nevada, as **Case No. BK-**
10 **N-16-51281-GWZ**. The Creditors' Plan provides for the treatment of claims of creditors and
11 interest of the equity security holders.^{1, 2}

12 The objective of a Chapter 11 bankruptcy case is to obtain Bankruptcy Court approval
13 of a plan of reorganization. This process is referred to as confirmation of a plan. A plan
14 describes in detail (and in language appropriate for a legal contract) the means for satisfying
15 the claims against, and equity interests in, a Debtor. After a plan has been filed, the holders
16 of such claims and equity securities that are "impaired" (a term defined in Bankruptcy Code
17 Section 1124 and discussed in detail below) are permitted to vote to accept or reject the plan.
18 Before a Debtor or other plan proponent can solicit acceptances of a plan, Bankruptcy Code
19 Section 1125 requires the proponent prepare a disclosure statement containing adequate
20 information of a kind, and in sufficient detail, to enable those parties entitled to vote on the
21 plan to make an informed judgment about the plan and whether they should accept or reject
22 the plan.

23 **1.1 Purpose of the Disclosure Statement**

24 The purpose of this Disclosure Statement is to ensure that claimants have adequate
25

26 ¹ Capitalized terms not otherwise defined herein will have the same meaning as are ascribed to such terms in
27 the Creditors' Plan which is filed contemporaneously herewith.

28 ² An equity security of the Debtor as the term is defined in Section 101(16) of the Bankruptcy Code and
includes any membership interest in the Debtor.

1 information to enable each class to make an informed judgment about the Creditors' Plan.
2 The assets and liabilities of the Debtor are summarized herein. To the extent the information
3 contained in this Disclosure Statement may be inconsistent with the Debtor's Schedules and
4 Statement of Financial Affairs, this Disclosure Statement shall supersede such Statement and
5 Schedules (as may have been amended).

6 This Disclosure Statement describes the business background and operating history
7 of the Debtor before the filing of the case. It also summarizes certain significant events that
8 have taken place during the case and describes the terms of the Creditors' Plan, which
9 divides creditor claims and the interests of shareholders into classes and provides for the
10 satisfaction of allowed claims and interests.

11 The Court will set a time and date as the last day to file acceptances or rejections of
12 the Creditors' Plan. Thereafter, a hearing on confirmation of the Creditors' Plan will be held
13 in the United States Bankruptcy Court for the District of Nevada, located at the U.S. Federal
14 Building & Courthouse, 300 Booth Street, Reno, Nevada. Creditors may vote on the
15 Creditors' Plan by filling out and mailing a special form of ballot. The form of ballot and
16 special instructions for voting will be forthcoming upon approval of the Disclosure Statement
17 by the Court. Creditors are urged to carefully read the contents of this Disclosure Statement
18 before making a decision to accept or reject the Creditors' Plan.

19 **1.2 Acceptance and Confirmation**

20 In order for the Creditors' Plan to be confirmed, each impaired class of claims or
21 interests must accept the Creditors' Plan, except as set forth below. In order for the
22 Creditors' Plan to be deemed accepted, a majority in number and two-thirds in dollar amount
23 of the claims of each class of creditors impaired under the Creditors' Plan of those that
24 actually vote, must vote for acceptance of the Creditors' Plan. Holders of claims who fail
25 to vote are not counted as either accepting or rejecting the Creditors' Plan.

26 Classes of claims that are not "impaired" under a plan are deemed to have accepted
27 the Creditors' Plan. Acceptances of the Creditors' Plan are being solicited only from those
28 persons who hold claims or interests in impaired classes. A class is "impaired" if the legal,

1 equitable or contractual rights attaching to the claims or interests of that class are modified,
2 other than by curing defaults and reinstating maturities, or by payment in full in cash. IN
3 THIS CASE ALL CREDITORS ARE IMPAIRED, AND THEREFORE VOTING IS
4 NECESSARY.

5 **1.3 Confirmation Without Acceptance By All Impaired Classes**

6 The Bankruptcy Code contains provisions for confirmation of a plan even if the
7 Creditors' Plan is not accepted by all impaired classes, as long as at least one impaired class
8 of claims has accepted the Creditors' Plan.

9 **1.4 Disclaimer**

10 No representations concerning the Debtor is authorized other than as set forth in this
11 Disclosure Statement. Any representations or inducements made to secure your acceptance
12 or rejection of the Creditors' Plan other than as contained herein have not been authorized
13 and should not be relied upon by you in making your decision, and such additional
14 representations and inducements should be reported to counsel for the Proponent, who in turn
15 should deliver such information to the Court for such action as may be deemed appropriate.
16 The information contained herein has not been subjected to a certified audit. The records
17 kept by the Debtor and other information relied on herein are dependent upon investigations
18 and accounting performed by the Proponent and others employed by the Proponent. The
19 Proponent is unable to warrant that the information contained herein is without inaccuracy,
20 although a great effort has been made to be accurate, and the Proponent believes that the
21 information contained herein is, in fact, accurate.

22 **2. INFORMATION REGARDING THE CHAPTER 11 ESTATE**

23 **2.1 Background of the Debtor**

24 The Debtor, CAL-NEVA LODGE, LLC ("Cal-Neva"), commenced its bankruptcy
25 case on June 10, 2016 in the United States Bankruptcy Court for the Northern District of
26 California (the "California Bankruptcy Court"), Santa Rosa Division. On September 28,
27 2016, the California Bankruptcy Court transferred this case and the case of Cal-Neva's
28 wholly owned subsidiary, CAL-NEVA LODGE, LLC ("New Cal-Neva") to this Court,

1 effective October 13, 2016. Cal-Neva is a holding company for New Cal-Neva, and conducts
2 no independent business operations. Information about the operations of New Cal-Neva may
3 be found in the Creditors' Plan of Reorganization and Creditors' Disclosure Statement filed
4 in Case No. 16-51282.

5 **2.2 Ownership of Debtor and Its Management**

6 The sole members of Cal-Neva are:

7 IMC Investment Group CNR, LLC
8 CEA Ventures, LP
9 Oakdale Ave. Partners, LP
10 Thorpe Investments, LP
11 Arthur Prieston
12 Molly Kingston
13 Mariucci Living Trust Under Agreement dated July 5, 1989, as amended
14 Marriner Real Estate, LLC
15 Leslie P. Busick, Trustee
16 Charles R. Munnerlyn and Judith K. Munnerlyn, Trustees
17 of the Munnerlyn Revocable Trust
18 Paul and Evy Paye, LLC
19 The Erickson Family Trust
20 Dixon Family Trust dated November 1, 1994
21 Martin Family Trust dated April 20, 2000
22 Sinatra Family Cal Neva Investors

23 **2.3 Description of the Resort and Related Assets.**

24 (A) The Resort. The Debtors' principal asset is a hotel, spa & casino known
25 as the Cal-Neva Resort Hotel & Casino. The Resort is comprised of over 13.5 acres located
26 along the North Shore of Lake Tahoe, stretching over two states in Crystal Bay, Nevada and
27 Kings Beach, California. The Resort includes 191 hotel guestrooms, cabins and terrace
28 rooms, a full service spa, the Frank Sinatra Showroom, the Indian Room, a casino with a
17,000 square-foot gaming floor, the historic Circle Bar, a specialty restaurant, the Casino
bar, a terrace level family restaurant, the Boardroom & Wine Cellar, a gourmet market, a kids
adventure center, an outdoor pool and patio, boutiques (retail), state of the art fitness facility,
approximately 16,000 square feet of indoor/outdoor meeting space, parking for 248 vehicles,
and potentially the conversion of 28 tourist accommodation units into condominiums. The
Plan Proponents' have reached an agreement for the rights to the Fairwinds Estate - a
lakefront estate that includes a beach and a private pier.

1 The Resort was originally developed in 1926, burned down in 1937, and was
2 reconstructed within approximately 30 days. After numerous owners, including Frank
3 Sinatra, Cal-Neva purchased the equity in New Cal-Neva Lodge in April 2013, and the
4 Debtors have owned the Resort since that date.

5 In 2014, the Debtors closed the Resort and acquired funds through loans and equity
6 to undertake a substantial redevelopment of the Resort. Construction progressed throughout
7 2015, at which point the construction ran into difficulty for various reasons, and renovation
8 ceased.

9 (B) The Furniture, Fixtures and Equipment. To date, New Cal-Neva has
10 purchased most of the furniture, fixtures and equipment necessary to open and operate the
11 Resort (the “FF&E”). All FF&E for guest rooms has been purchased with the exception of
12 terrace rooms and cabins. The FF&E is being stored off-site in Sparks, Nevada.

13 (C) The Fairwinds Estate. The Fairwinds Estate is located at 9898 Lake
14 Street, Kings Beach, California, which property is adjacent to the Resort. The Fairwinds
15 Estate is comprised of a 1.7 acre lot and a 5,400 square foot house, with 7 bedrooms and 7
16 bathrooms, lake access and a multiple boat dock. The Fairwinds Estate is encumbered by a
17 mortgage in favor of Capital One Bank. The outstanding amount owed on the mortgage is
18 approximately \$4.5 million. In October 2014, the Fairwinds Estate was owned by 9898
19 Lake, LLC. Paul and Evy Paye, LLC (“Paye”) owned 100% of the membership interests in
20 9898 Lake, LLC. In October 2014, Paye and the Debtors entered into an Exchange
21 Agreement, whereby title to the Fairwinds Estate was to be transferred CR Lake Tahoe, LLC
22 (“CR Lake Tahoe”) in exchange for Paye and Marriner Real Estate, LLC (Paye’s broker)
23 receiving an equity interest in the Debtor. The sole member of CR Lake Tahoe is New Cal-
24 Neva. The Debtors and Paye valued the equity in the property at \$2 million. Paye received
25 an equity interest in Cal Neva of 6.19% and Marriner received an equity interest of 0.65%.
26 Pursuant to the Exchange Agreement, Paye has the right to reacquire the Fairwinds Estate,
27 and a dispute has arisen as to the Debtors’ rights to the property. The Plan Proponents have
28 negotiated a new agreement with Paye to include the Fairwinds Estate in the Debtors’

1 project.

2 **2.4 Reasons for the Chapter 11 Filings**

3 Prior to the Chapter 11 filings, Hall and Ladera made loans to New Cal-Neva to
4 finance the renovation of the Resort. The principal amount advanced by Hall was
5 approximately \$22 million, and the principal amount advanced by Ladera was \$6 million.
6 The Hall loan is secured by a first priority deed of trust against the real property and
7 substantially all of New Cal-Neva's personal property. The Ladera loan is secured by a
8 junior deed of trust against the real property, a junior deed of trust against New Cal-Neva's
9 personal property, and the pledge of Cal-Neva's membership interests in New Cal-Neva.
10 Penta was the general contractor for the renovation of the Resort. Penta asserts mechanics'
11 liens on behalf of itself and certain sub-contractors to secure claims in the range of \$7.5 to
12 \$9 million. Penta has commenced legal actions asserting that its mechanics' liens are senior
13 to the Hall and Ladera deeds of trust, which are pending adversary proceedings in the
14 Bankruptcy Cases. The Resort has been closed since 2014 while the Debtors pursued the
15 renovation of the Resort. Work on the project stopped in late 2015 because the available
16 remaining funding was not sufficient to complete the renovation of the Resort. As a result,
17 the Hall and Ladera loans went into default. Hall filed and served a notice of default election
18 to sell the Real Property on March 15, 2016, and thereafter, filed and served a notice of sale
19 of the Real Property, scheduling the sale for August 1, 2016. New Cal-Neva filed its Chapter
20 11 case on July 28, 2016 to preserve its equity in the Resort.

21 **3. DEVELOPMENTS DURING THE COURSE OF THIS CHAPTER 11 CASE**

22 **3.1 The Cal-Neva Schedules and Statement of Financial Affairs.**

23 The Debtor timely filed its Schedules of Assets and Liabilities and Statement of
24 Financial Affairs, and duly appeared and was examined at the Meeting of Creditors
25 conducted pursuant to Bankruptcy Code § 341 on July 15, 2016. The Debtor is current in the
26 filing of its Monthly Operating Reports.

27 **3.2 The Cal-Neva Claims Bar Date.**

28 The Claims bar date in the Cal-Neva case was October 13, 2016.

1 **3.3 The Employment of Cal-Neva Professionals and Interim Compensation.**

2 The only professionals employed in the Cal-Neva case is the Debtor’s legal counsel,
3 Jeffer Mangels Butler & Mitchell LLP (“JMBM”), whose employment was approved by
4 order of the Bankruptcy Court entered August 4, 2016, and Hartman & Hartman, whose
5 employment was approved by order of the Bankruptcy Court entered November 28, 2016.
6 JMBM’s First Interim Application for Approval of Attorneys’ Fees and Expenses was heard
7 on February 21, 2017, at which hearing JMBM sought court approval of fees in the amount
8 of \$66,132.50 and expenses of \$2,216.06, and to apply the prepetition retainer it received in
9 the amount of \$58,443.50 to such amount. The JMBM fee application was approved at the
10 February 21, 2017 hearing.

11 **3.4 Transfer of Venue to Reno, Nevada.**

12 On August 2, 2016, The Penta Building Group, Inc. (“Penta”), the general contractor
13 for the renovation of the Real Property, filed a Motion to Transfer Venue of the Cases to the
14 District of Nevada (Reno) (the “Venue Motion”). The Debtors duly opposed the Venue
15 Motion. Notwithstanding, pursuant to a tentative ruling issued by Judge Jaroslovsky, it was
16 apparent that venue would be transferred to the Bankruptcy Court in Reno. Accordingly, the
17 Debtors consented to a transfer of venue, and a consensual order transferring venue of the
18 Cases from Santa Rosa to Reno was entered September 28, 2016, with the effective date of
19 the transfer being October 13, 2016. Upon the transfer of the Cases to Reno, they were
20 initially assigned to Bankruptcy Judge Beasley, but were later reassigned to Bankruptcy
21 Judge Zive.

22 **3.5 The Ladera Motion for Relief from the Automatic Stay.**

23 On March 1, 2017, Ladera filed a motion with the Bankruptcy Court for relief from
24 the automatic stay in the Cal-Neva cases, seeking an order from the Bankruptcy Court
25 allowing it to conduct a postpetition foreclosure sale of Cal-Neva’s membership interests in
26 New Cal-Neva. Cal-Neva opposed the motion on various grounds, including, but not limited
27 to, the membership interests are absolutely necessary to the successful reorganization of Cal-
28 Neva. A hearing on the motion is set for May 2, 2017, at the same time that the Bankruptcy

1 Court will consider approval of this Disclosure Statement.

2 **3.6 The U.S. Trustee's Motion to Dismiss.**

3 On March 3, 2017, the U.S. Trustee filed a motion to dismiss the Cal-Neva case,
4 which motion alleges that Cal-Neva is unable to confirm a Chapter 11 plan. The motion is
5 set for hearing on May 2, 2017, at the same time as the hearing on this Disclosure Statement.
6 The U.S. Trustee filed a similar motion in the New Cal-Neva case.

7 **3.7 The New Cal-Neva Schedules and Statement of Financial Affairs.**

8 New Cal-Neva timely filed its Schedules of Assets and Liabilities and Statement of
9 Financial Affairs, and duly appeared and was examined at the Meeting of Creditors
10 conducted pursuant to Bankruptcy Code § 341 on September 2, 2016. New Cal-Neva is
11 generally current in the filing of its Monthly Operating Reports.

12 **3.8 Use of Cash Collateral and DIP Financing.**

13 By orders entered September 19, 2016 and January 4, 2017, the Bankruptcy Court
14 approved New Cal-Neva's use of cash collateral and post-petition financing from Hall, both
15 of which are needed to maintain and preserve the Real Property, pending completion of the
16 renovation, particularly during the winter season.

17 **3.9 The New Cal-Neva Claims Bar Date.**

18 The Claims bar date in the New Cal-Neva case was December 1, 2016.

19 **3.10 Appointment of New Cal-Neva Unsecured Creditors' Committee.**

20 An Unsecured Creditors' Committee was appointed in the New Cal-Neva case on
21 September 13, 2016.

22 **3.11 Employment of New Cal-Neva Professionals.**

23 The professionals employed in the New Cal-Neva case are (i) the Debtor's legal
24 counsel, (a) Keller & Benvenuti LLP, whose employment was approved by order of the
25 Bankruptcy Court entered August 15, 2016; (b) Hartman & Hartman, whose employment was
26 approved by order of the Bankruptcy Court entered December 5, 2016 and (c) JMBM as
27 special Bankruptcy Code § 327(e) counsel, whose employment was approved by order of the
28 Bankruptcy Court entered August 17, 2016; (ii) the Debtor's real estate broker, CBRE, Inc.,

1 whose employment was approved by order of the Bankruptcy entered January 6, 2017; (iii)
2 legal counsel employed by the Committee, (a) Pachulski Stang Ziehl & Jones LLP, whose
3 employment was approved by order entered November 7, 2016, and (b) Fennemore Craig,
4 P.C., whose employment was approved by order of the Bankruptcy Court entered November
5 7, 2016, and (c) the Committee's financial advisor, Province, Inc., whose employment was
6 approved by order of the Bankruptcy Court entered November 7, 2016.

7 **3.12 Approval of Professional Fees.**

8 Keller & Benvenuti's First Interim Application for Approval of Attorneys' Fees and
9 Expenses was heard by the Bankruptcy Court on February 21, 2017, at which hearing it
10 sought court approval of fees in the amount of \$236,240.00 and expenses of \$262.07, and to
11 apply the prepetition retainer it received in the amount of \$96,500.00 to such amount. At the
12 February 21, 2017 hearing, the Bankruptcy Court approved the Keller & Benvenuti fee
13 application.

14 **3.13 Transfer of New Cal-Neva Case to Reno, Nevada.**

15 As set forth in Section 3.4 above, the New Cal-Neva case has been transferred from
16 the U.S. Bankruptcy Court in Santa Rosa and is now pending in the Bankruptcy Court in
17 Reno along with the Cal-Neva case.

18 **3.14 The Hall Motion For Relief from the Automatic Stay.**

19 Subsequent to the auction being cancelled, on February 23, 2017, Hall filed a motion
20 with the Bankruptcy Court, seeking relief from the automatic stay to foreclose on the Real
21 Property (the "Hall RFS Motion"). As of the date of this Disclosure Statement, the first
22 substantive hearing on the Hall RFS Motion is set for May 2, 2017, at the same as the hearing
23 to consider approval of this Disclosure Statement.

24 **3.15 Mayer Expense Reimbursement Motion.**

25 In connection with the investment by Mayer, New Cal-Neva sought and obtained
26 Bankruptcy Court approval to provide Mayer with an Allowed Administrative Claim for
27 expense reimbursement of up to \$150,000, payable only on certain conditions. It is
28 undetermined as of the date of this Disclosure Statement if Mayer will meet the conditions

1 entitling it to expense reimbursement.

2 **3.16 U.S. Trustee's Motion to Dismiss New Cal-Neva Case.**

3 As set forth in Section 3.6 above, on March 3, 2017, the U.S. Trustee filed a motion
4 to dismiss the Cal-Neva case. The U.S. Trustee also filed a substantially similar motion in
5 the New Cal-Nevada case, which motion is set for hearing on May 2, 2017.

6 **4. PENDING LITIGATION**

7 **4.1 Cal-Neva Litigation.**

8 On its petition date, Cal-Neva was a party to one lawsuit, entitled *George Stuart*
9 *Yount, individually and in his capacity as Owner of George Stuart Yount IRA & Criswell*
10 *Radovan, LLC, CR Cal Neva, LLC, Robert Radovan, William Criswell, Cal Neva Lodge,*
11 *LLC, Powell, Coleman and Arnold LLP, David Marriner; and Marriner Real Estate, LLC,*
12 filed in the Second Judicial District Court of the State of Nevada, in and for the County of
13 Washoe, for breach of contract, breach of duty, fraud, negligence, conversion, and punitive
14 damages, in connection with a \$1 million loan or investment allegedly made by the plaintiff,
15 concerning one or more of the above defendants. As to the Debtor, the litigation has been
16 stayed since the Cal-Neva petition date.

17 **4.2 New Cal-Neva Litigation.**

18 On its petition date, New Cal-Neva was a party to three lawsuits:

19 The first, generally styled as *Xavier Moulin v. Criswell Radovan, LLC, New Cal-Neva*
20 *Lodge, et al.*, filed in the Second Judicial District Court of the State of Nevada, in and for the
21 County of Washoe, claiming breach of contract arising out of an alleged employment
22 agreement, which complaint seeks damages of approximately \$103,000. As to New Cal-
23 Neva, the litigation has been stayed since the New Cal-Neva petition date.

24 The second and third lawsuits are interrelated, and are between Penta and other
25 holders of Mechanics' Lien Claims against Hall and New Cal-Neva, concerning lien priority
26 between the holders of mechanics' lien claims (including Penta) and Hall. As the Real
27 Property is situated in both California and Nevada, similar lawsuits were pending in the
28 Superior Court of the State of California, County of Placer, and in the Second Judicial

District Court of the State of Nevada, Washoe County. Since the filing of New Cal-Neva's petition, both of those state court actions were moved and otherwise transferred to the Bankruptcy Court in Reno. Since the New Cal-Neva's petition date, there has been no substantive activity in either of these cases. These cases are referred to as the "Secured Creditors' Adversary Proceedings" in the Plan.

5. DESCRIPTION OF ASSETS

Description	Estimated Value
Cash on hand	\$ 5,000.00 (estimated)
Real Property (as described in Section 2.3 above)	\$35,000,000.00 (subject to appraisal)
Personal Property (as described in Section 2.3 above)	\$ 2,000,000.00 (subject to appraisal)
Potential Claims for recovery	Unknown
CR Lake Tahoe, LLC (Fairwinds Estate)	Unknown (subject to resolution of dispute)
Est. Value of Total Assets:	\$37,005,000.00

6. DESCRIPTION OF DEBTS

6.1 Administrative Claims

(A) Attorneys' Fees. The Debtors will be obligated to pay attorneys' fees and costs owed to its various counsel and professionals, subject to Court approval. The Plan Proponents estimate such fees to be in the range of \$500,000 to \$700,000, but as such fees continue to be incurred, a more accurate statement cannot be made at this time.

(B) U.S. Trustee Fees. All fees required to be paid to the U.S. Trustee have been maintained current during the pendency of these cases.

(C) Super-Priority Administrative Fees to Hall. Pursuant to its agreement to provide sums to preserve the Property, Hall is entitled to a super-priority administrative fee (which is also secured by the Property). As of this date, that fee is estimated at \$1,000,000, although the Plan Proponents have not received an accounting from Hall.

(D) Attorneys' Fees to Counsel for Plan Proponents. In the event the

1 Creditors' Plan is confirmed, counsel for the Plan Proponents will be paid by the Plan
2 Proponents.

3 6.2 Priority Claims

4 The New Cal-Neva has scheduled against it, or has proofs of claim filed against
5 it, for priority claims as set forth in **Exhibit "A"** attached hereto. No priority claims are
6 scheduled against Cal-Neva.

7 6.3 Secured Claims

8 The Debtor has scheduled against it, or has proofs of claims filed against it, as set
9 forth in **Exhibit "B"** attached hereto. The Plan Proponents believe that a number of the
10 claims are by subcontractors, and are duplicative of or included within the Penta claim.

11 6.4 Unsecured Claims

12 The Debtors have scheduled against them various unsecured claims, and in addition
13 certain proofs of claim have been filed against it. Attached hereto as **Exhibits "C" and "D"**
14 are charts of the scheduled claims and the proofs of claim filed.

15 7. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

16 The Debtor is a party to certain executory contracts as identified below:

17 Contract	Description of Contract
18 Collaborative Design Studio	Architectural and engineering services contract
19 CR Hospitality, LLC	Operating agreement
20 NorthStar Demolition and Remediation, LP	Contracting services contract
21 Paul Duesing Partners	Design services contract
22 The Penta Building Group	Construction contract
23 Thannisch Development Services Inc.	Development consulting services contract
24 The Sheraton LLC	Franchise Agreement
25 CBRE, Inc.	Exclusive Sales Listing Agreement
26 Dixon, Michael and Sharon	Condominium Purchase Discount Agreement
27 Iverson, Brandyn	Condominium Purchase Discount Agreement
28 Jameson, Paul	Condominium Purchase Discount Agreement

Munnerlyn, Charles R. and Judy G.	Condominium Purchase Discount Agreement
Hill, Heather	Condominium Purchase Discount Agreement
Pacey-Willis, Lisa	Condominium Purchase Discount Agreement

8. SUMMARY OF CREDITORS' PLAN OF REORGANIZATION

THE FOLLOWING IS A BRIEF SUMMARY OF THE CREDITORS' PLAN OF REORGANIZATION WHICH IS FILED CONCURRENTLY HERewith (the "Creditors' Plan"), AND SHOULD NOT BE RELIED UPON FOR VOTING PURPOSES. THE SUMMARY IS NOT COMPLETE, AND CREDITORS ARE URGED TO READ THE CREDITORS' PLAN IN FULL. A COPY OF THE CREDITORS' PLAN OF REORGANIZATION WILL BE PROVIDED TO ALL CREDITORS. TO THE EXTENT THE FOLLOWING SUMMARY INCLUDES DEFINED TERMS, THOSE DEFINITIONS ARE INCLUDED IN THE CREDITORS' PLAN FILED CONCURRENTLY HERewith. ALL CAPITALIZED TERMS HEREINAFTER HAVE THE MEANINGS SET FORTH IN THE CREDITORS' PLAN.

8.1 Classification of Claims and Interests

Pursuant to Section 1122 of the Bankruptcy Code, set forth below is a designation of classes of Claims and Interests. Administrative Claims and Priority Claims of the kinds specified in Sections 507(a)(1) and 507(a)(8) of the Bankruptcy Code have not been classified and are excluded from the following classes in accordance with Section 1123(a)(1) of the Bankruptcy Code.

Class 1: The Allowed Claim of Hall against New Cal-Neva secured by the Property, as evidenced by its promissory note, deed of trust, and related loan documents.

Class 2: The Allowed Claim of Ladera against New Cal-Neva secured by the Property and the membership interest in New Cal-Neva, as evidenced by its promissory note, deed of trust, and related loan documents.

Class 3: The Allowed Claim of Penta against New Cal-Neva to the extent

1 secured by a valid mechanic’s lien against the Property.

2 Class 4: The Allowed Claims of Subcontractors against New Cal-Neva against
3 the Property.

4 Class 5: The Allowed Claims of Unsecured Creditors of New Cal-Neva.

5 Class 6: The Allowed Claims of Unsecured Creditors of Cal-Neva.

6 Class 7: The Allowed Secured Claim of Capital One Bank (USA), N.A.

7 Class 8: The membership interest in New Cal-Neva held by Cal-Neva.

8 Class 9: The membership interests in Cal-Neva.

9 **8.2 Unimpaired Classes**

10 All classes are impaired under the Plan.

11 **8.3 Treatment of Claims and Interests**

12 **8.3.1 Class 1 (Hall)**. The Allowed Claim of Hall (the “Hall Claim”) shall be
13 treated as set forth in 8.3.4 infra.

14 **8.3.2 Class 2 (Ladera)**. The Allowed Claim of Ladera (the “Ladera Claim”) shall be treated as set forth in 8.3.4 infra.

15 **8.3.3 Class 3 (Penta)**. The Allowed Claim of Penta (the “Penta Claim”) shall be treated as set forth in 8.3.4 infra.

16 **8.3.4 Treatment of Classes 1, 2 and 3.**

17 (A) Secured Portion of Claims (Classes 1, 2 and 3).

18 On or before the Effective Date a sum equal to the value of the Property
19 (the “Property Value”) shall be deposited into a segregated escrow account
20 (the “Secured Creditor Fund”). The value of the Property shall be determined
21 by appraisal evidence presented at the Confirmation Hearing. The Hall Claim,
22 Ladera Claim (as secured by the Property) and Penta Claim (Penta, Hall, and
23 Ladera are sometimes collectively referred to as the “Secured Creditors”) shall
24 share in and shall be limited by the Secured Creditor Fund based upon: (i) the
25 final order of priority as determined by the outcome of the Secured Creditors’
26 Adversary Proceedings whether by litigation or settlement, and (ii) the final
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1 order determining any claim objections filed against any of the Secured
2 Creditors.

3 (B) Ladera’s Claim As Secured By Interest In Cal-Neva Lodge.

4 On account of its claim secured by the membership interest in New Cal-
5 Neva, Ladera shall be entitled to a cash disbursement on the Effective Date
6 equal to the difference between the Property Value and the total of all Claims
7 against New Cal-Neva (the “Equity In New Cal-Neva”). If the Equity in New
8 Cal-Neva is less than zero, there shall be no distribution to Ladera on account
9 of its secured interest in the membership interest of New Cal-Neva.

10 (C) Deficiency Claims Of Secured Creditors.

11 Any of the Secured Creditors may be entitled to a deficiency claim (the
12 “Deficiency Claim”) against the Debtor, based upon: i) the amount by which
13 the Allowed Claim exceeds the Property Value less all senior secured claims;
14 ii) the final outcome of the Secured Creditors’ Adversary Proceedings; and iii)
15 the final outcome of any objections to any claims of the Secured Creditors. In
16 full and final satisfaction of the Deficiency Claim the sum of Two Hundred
17 Thousand Dollars (\$200,000) shall be distributed to the party (or parties)
18 entitled to the Deficiency Claim.

19 **8.3.5 Class 4 (Subcontractors)**

20 The Allowed Claims of Subcontractors shall receive no disbursement under this Plan,
21 but shall be paid by Penta according to the manner and amount as determined by Penta, and
22 subject to the provisions of §5.4 above.

23 **8.3.6 Class 5 (Unsecured Creditors of New Cal-Neva)**

24 The Allowed Claims of Unsecured Creditors shall receive a prorata distribution of the
25 New Cal-Neva Unsecured Creditor Fund. The undisputed portion of the claim shall be paid
26 on the Effective Date. The portion of the claim that is disputed shall be maintained in the
27 New Cal-Neva Disputed Unsecured Claims Account and shall be paid if and when the claim
28 is adjudicated an Allowed Claim following the Claim Objection Procedure.

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8.3.7 Class 6 (Unsecured Creditors of Cal-Neva)

The Allowed Claims of Unsecured Creditors shall receive a prorata distribution of the Cal-Neva Unsecured Creditor Fund. The undisputed portion of the claim shall be paid on the Effective Date. The portion of the claim that is disputed shall be maintained in the Cal-Neva Disputed Unsecured Claims Account and shall be paid if and when the claim is adjudicated an Allowed Claim following the Claim Objection Procedure.

8.3.8 Class 7 (Capital One Bank)

The Allowed Claim of Capital One Bank shall be cured on the Effective Date, and thereafter shall be paid as agreed. All loan documents shall remain in effect to the extent not inconsistent with this Plan.

8.3.9 Class 8 (Membership Interest in New Cal-Neva)

The membership interests in New Cal-Neva held by Cal Nevada shall be canceled.

8.3.10 Class 9 (Membership Interests in Cal-Neva)

The membership interests in Cal-Neva shall be cancelled.

8.4 Treatment of Unclassified Claims

8.4.1 Administrative Claims

Claims arising during the administration of both the Cal-Neva bankruptcy case and the New Cal-Neva bankruptcy case are entitled to priority under Section 507(a)(1) of the Bankruptcy Code are not classified under the Plan. Holders of such claims shall be paid in full on the latter of the Effective Date, or fifteen (15) days after entry of an order allowing the Administrative Claim. Counsel for the Plan Proponents shall be paid directly by the Plan Proponents.

8.4.2 Administrative Claims Bar Date

Requests for payment of Administrative Claims must be filed and served no later than forty-five (45) days after the Effective Date. Holders of Administrative Claims that are required to, but do not, file and serve a request for payment of such Claims by such date shall be forever barred, estopped, and enjoined from asserting such claims against the Debtors, the Reorganized Debtor, or their assets or Property and such Claims shall be deemed discharged

1 as of the Effective Date. Objections to such requests, if any, may be filed and served
 2 according to applicable bankruptcy rules. Notwithstanding the foregoing, no request for
 3 payment of an Administrative Claim need be filed with respect to an Administrative Claim
 4 previously Allowed by a Final Order, including any and all Administrative Claims expressly
 5 Allowed under the Plan.

6 **8.4.3 Fees to the United States Trustee**

7 All fees required to be paid to the United States Trustee will be paid in full upon the
 8 Effective Date of the Plan, and shall remain current until the case is fully administered,
 9 closed, converted or dismissed, whichever occurs first. Such fees shall be paid from the Plan
 10 Fund.

11 **8.4.4 Priority Claims**

12 Allowed Priority Claims shall bear interest prior to the Effective Date at the rate
 13 specified under Nevada law and, to the extent no objection has been filed, shall be paid on
 14 the Effective Date. Any objection to any Priority Claim shall be filed prior to the Effective
 15 Date.

16 **8.5. Executory Contracts**

17 The Debtor's executory contracts with various entities shall be assumed or rejected
 18 as set forth below:

19 Contract	Description of Contract	Treatment
20 Collaborative Design Studio	Architectural and engineering services contract	Rejected - subject to renegotiation
21 CR Hospitality, LLC	Operating agreement	Rejected
22 NorthStar Demolition and Remediation, LP	Contracting services contract	Rejected - subject to renegotiation
23 Paul Duesing Partners	Design services contract	Rejected - subject to renegotiation
24 The Penta Building Group	Construction contract	Rejected
25 Thannisch Development Services Inc.	Development consulting services contract	Rejected
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1	Starwood/Marriot	Franchise Agreement	Assumed
2	CBRE, Inc.	Exclusive Sales Listing Agreement	Rejected
3	Dixon, Michael and Sharon	Condominium Purchase Discount Agreement	Rejected
4	Iverson, Brandyn	Condominium Purchase Discount Agreement	Rejected
5	Jameson, Paul	Condominium Purchase Discount Agreement	Rejected
6	Munnerlyn, Charles R. And Judy G.	Condominium Purchase Discount Agreement	Rejected
7	Hill, Heather	Condominium Purchase Discount Agreement	Rejected
8	Pacey-Willis, Lisa	Condominium Purchase Discount Agreement	Rejected
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12 **8.6 Means of Implementing the Plan**

13 **8.6.1 New Financing to Fund Plan**

14 The Plan will be funded by the New Financing.

15 **8.6.2 Merger with Cal-Neva Lodge, LLC**

16 Upon the Effective Date, New Cal-Neva will be merged with Cal-Neva, with
 17 the surviving entity being Cal-Neva Lodge, LLC (the “Reorganized Debtor” or the
 18 “Reorganized Cal-Neva Lodge”). All assets, licenses, construction permits for Washoe and
 19 Placer Counties, all TRPA permits and BMP certificates, all gaming licenses, and all other
 20 property of any nature shall be transferred from New Cal-Neva Lodge, LLC to the
 21 Reorganized Cal-Neva Lodge. The membership interest of Cal-Neva Lodge, LLC in the
 22 Debtor shall be canceled. The membership interest in the Reorganized Cal-Neva Lodge,
 23 LLC shall be determined by the investor/lender providing the New Financing.

24 **8.6.3 Revesting of Assets in the Reorganized Cal-Neva Lodge, LLC**

25 Upon confirmation of the Plan, all property of the estate of the Debtor shall be
 26 vested in the Reorganized Cal-Neva Lodge, which shall retain such property as the
 27 Reorganized Debtor free and clear of all claims and interests of the creditors, except as set
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1 forth in the Plan.

2 **8.6.4 Disbursing Agent**

3 The Plan Proponents shall designate a disbursing agent (the “Disbursing
4 Agent”), who shall disburse all money to be distributed under the Plan. The Disbursing
5 Agent may employ or contract with other entities to assist in or to perform the distribution
6 of the property and shall serve without bond. The Disbursing Agent shall be allowed
7 reasonable compensation for his services.

8 **8.6.5 Completion of Improvements**

9 Following confirmation of the Plan, the Reorganized Debtor anticipates
10 completing all improvements necessary to bring the Property to full operation.

11 **8.6.6 Post-Confirmation Management of the Debtor**

12 The Debtor shall be managed post-confirmation by a reputable manager to be
13 determined by the Plan Proponents and the investor/lender.

14 **8.6.7 Post-Confirmation Litigation**

15 The Reorganized Cal-Neva Lodge anticipates conducting a forensic accounting
16 following the Effective Date, and anticipates filing actions for the recovery of funds
17 wrongfully diverted, embezzled, or fraudulently converted from New Cal-Neva or from Cal-
18 Neva. The Plan Proponents are not able to identify all potential defendants at this time. All
19 claims and choses in action held by New Cal-Neva or Cal-Nev, are transferred to the
20 Reorganized Cal-Neva. In addition, the Reorganized Cal-Neva Lodge intends to evaluate
21 and potentially object to various claims, as well as continuing prosecution of claim objections
22 existing as of the Confirmation Date.

23 **8.6.8 Exemption from Certain Taxes and Fees**

24 Pursuant to Bankruptcy Code section 1146(a), any transfers of property
25 pursuant to the Plan shall not be subject to any stamp, real estate transfer, sales, use tax or
26 other similar state or local tax or governmental assessment in the United States, and the
27 Confirmation Order shall direct and be deemed to direct the appropriate state or local
28 governmental officials or agents to forego the collection of any such tax or governmental

1 assessment and to accept for filing and recordation instruments or other documents pursuant
2 to such transfers of property without payment of any such tax or governmental assessment.

3 **8.6.9 Amendment of Operating Agreement**

4 On the Effective Date, or as soon as practicable thereafter, the Reorganized
5 Debtor shall amend its operating agreement to contain the provisions required by Section
6 1123(a)(6) of the Code, as well as provisions consistent with this Plan.

7 **9. POST-CONFIRMATION FINANCIAL CONDITION OF THE DEBTOR**

8 Following Creditors' Plan confirmation, the Debtor believes that its post-confirmation
9 financial condition shall be as set forth in **Exhibit "E"** attached hereto.

10 **10. ALTERNATIVES TO THE CREDITORS' PLAN**

11 The Proponent believes that the Creditors' Plan provides its creditors with the earliest
12 and greatest possible value that can be realized on their claims. All unsecured creditors are
13 to be paid in full under the Creditors' Plan.

14 **10.1 Tax Consequences of the Creditors' Plan**

15 The Proponent believes that there are no federal income tax consequences peculiar to
16 its Creditors' Plan. EACH HOLDER OF A CLAIM IS STRONGLY URGED TO
17 CONSULT WITH HIS/HER TAX ADVISOR REGARDING THE FEDERAL, STATE,
18 LOCAL AND FOREIGN TAX CONSEQUENCES TO HIM/HER OF THE CREDITORS'
19 PLAN.

20 **10.2 Liquidation Analysis**

21 Should the Debtor be forced to terminate its business operations or convert its case
22 to Chapter 7 and have a trustee conduct the liquidation of its assets, Proponent estimates that
23 such a liquidation will result in distributions as set forth in **Exhibit "F"** attached hereto.

24 **11. CONFIRMATION OF THE CREDITORS' PLAN**

25 **11.1 Confirmation of the Creditors' Plan**

26 Pursuant to Section 1128(a) of the Bankruptcy Code, the Bankruptcy Court will
27 conduct a hearing regarding confirmation of the Creditors' Plan at the United States
28 Bankruptcy Court, 300 Booth Street, Reno, Nevada 89509, pursuant to separate notice

1 provided to creditors and interested parties.

2 **11.2 Objections to Confirmation of the Creditors' Plan.**

3 Section 1128(b) provides that any party-in-interest may object to confirmation of a plan. Any
4 objections to confirmation of the Creditors' Plan must be in writing, must state with specificity the
5 grounds for any such objections and must be filed with the Bankruptcy Court and served upon the
6 following parties so as to be received on or before the time fixed by the Bankruptcy Court:

7 Counsel for Creditor: Alan R. Smith
8 Law Offices of Alan R. Smith
9 505 Ridge Street
10 Reno, NV 89501
11 Telephone: (775) 786-4579
12 Facsimile: (775) 786-3066

13 For the Creditors' Plan to be confirmed, the Creditors' Plan must satisfy the requirements stated in
14 Section 1129 of the Bankruptcy Code.

15 **DATED** this 28th day of March, 2017.

16 LAW OFFICES OF ALAN R. SMITH

17 By: /s/ Alan R. Smith
18 ALAN R. SMITH, ESQ.
19 Attorney for Creditor, Leslie P. Busick
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EXHIBIT "A"
PRIORITY CLAIMS

Name	Scheduled Amount	Proof of Claim Amount
Dept of Employment Training & Rehab	\$ 0.00	No POC filed
Employment Development Dept.	\$ 0.00	No POC filed
Franchise Tax Board	\$ 0.00	\$ 1,798.32
Internal Revenue Service	\$ 0.00	\$ 100.00
Nevada Dept of Taxation	\$ 0.00	No POC filed
No Lake Tahoe Fire Protection District	\$17,418.05	\$17,418.05
Placer County Tax Collector	\$ 0.00	\$ 60,815.53
State Board of Equalization	\$ 0.00	No POC filed
Washoe County	\$ 0.00	No POC filed

Exhibit "B"

Unsecured Claims

Name	Scheduled Amount	Proof of Claim Amount
Advance Installations Inc.	\$22,285.35	No POC Filed
Affordable Linen Services LLC	\$127.47	No POC Filed
Alert Security	\$28,111.75	No POC Filed
ALSCO	\$71.70	No POC Filed
Arbor Care of Tahoe	\$3,920.00	No POC Filed
AT&T	\$149.33	No POC Filed
Belfor USA Group, Inc.	Not Scheduled	\$89,742.11
Bray Whaler, Inc.	\$23,826.95	No POC Filed
Bright Business Media, LLC	Not Scheduled	\$4,000.00
Capitol Corporate Services	\$420.00	No POC Filed
Capitol One Mortgage Payment	\$114,421.45	No POC Filed
Case Development Services, LLC	\$84,626.68	No POC Filed
Charter Communications	Not Scheduled	\$481.36
Collaborative Design Studio	\$158,287.64	No POC Filed
Craig Roberts Associates	\$7,151.63	No POC Filed
Criswell Associates	\$1,739.65	No POC Filed
Criswell Radovan	\$409,261.92	No POC Filed
Dale Cox Architects	Not Scheduled	\$5,105.00
Dimension 4	\$452,306.86	No POC Filed
Eighme, Jim	\$5,416.65	No POC Filed
Galager, Arthur J.	\$1,823.54	No POC Filed
Galaxy Hotel Systems	\$29,596.43	No POC Filed
Gary David Group	\$29,175.05	No POC Filed
Glodow Nead Communications	\$97,529.87	No POC Filed

1	Gold County Termite Control	\$300.00	No POC Filed
2	George Stuart Yount	Not Scheduled	\$1,000,000.00
3	Hall, Thomas J.	\$87.50	No POC Filed
4	High Sierra Elevator Inspections	\$750.00	No POC Filed
5	Hill Planning, Inc.	\$4,311.00	No POC Filed
6	Hinckley, Allen & Snyder	\$3,536.00	No POC Filed
7	Hospitality Careers Online, Inc.	\$3,699.00	No POC Filed
8	IPFS Corporation	\$10,269.81	No POC Filed
9	IPREP Acquisition, LLC		\$75,000.00
10	JKGD Architecture Engineering	\$18,543.36	No POC Filed
11	Koch Elevator Co.	Not Scheduled	\$6,199.97
12	Kolesar & Leatham	Not Scheduled	\$527.00
13	Law Offices if Thomas J. Hall	\$1,796.75	No POC Filed
14	Leslie P. Busick		
15	Lifescapes International Inc.	\$5,118.00	No POC Filed
16	Lisa Monroe & Associates, Inc.	\$700.00	No POC Filed
17	Lumos & Associates, Inc.	\$15,864.74	\$16,319.10
18	Marriner, Dave	\$1,525.75	
19	Moulin, Xavier	\$103,482.35	No POC Filed
20	National Corporate Research Ltd.	\$178.00	No POC Filed
21	Nevada Secretary of State	\$1,050.00	No POC Filed
22	New Cal-Neva Lodge, LLC	\$50,000.00	No POC Filed
23	New World Concept Group	\$32,086.55	No POC Filed
24	NEXTIVA, Inc.	\$16,645.29	No POC Filed
25	North Lake Tahoe Fire Protection District	\$17,418.05	No POC Filed
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1	North Lake Tahoe Chamber	\$270.41	No POC Filed
2	North Shore Ace Hardware	\$435.64	No POC Filed
3	North Tahoe Business Assoc.	\$250.00	No POC Filed
4	North Tahoe Public Utility District	\$566.46	No POC Filed
5	Northstar Demolition	\$96,201.18	No POC Filed
6	NV Energy	\$9,847.56	NO POC Filed
7	Okubo, Marx	\$5,695.36	No POC Filed
8	Paul Duesing Partners	\$90,380.88	No POC Filed
9	Pezionella Associates, Inc.	\$34,609.25	No POC Filed
10	Powell Coleman & Arnold LLP	\$13,157.00	No POC Filed
11	Quick Space	\$474.00	No POC Filed
12	Rapid Space, LLC	Not Scheduled	\$1,896.00
13	Reno Ornamental Iron, Ltd.	Not Scheduled	\$201.95
14	Ricca Design	\$855.00	No POC Filed
15	Rothgerber, Lewis Roca	\$1,135.50	No POC Filed
16	Sabre Hospitality Solutions	\$108.00	No POC Filed
17	Sky Fiber Internet	\$3,000.00	No POC Filed
18	Smart Meeting	\$4,000.00	No POC Filed
19	Southwest Gas Corp.	\$1,907.14	No POC Filed
20	Spectrum CPA Group, LLP	\$35,485.79	No POC Filed
21	Star Reports	\$475.00	No POC Filed
22	Starwood Hotels & Resort Worldwide, Inc.	\$30,278.39	No POC Filed
23	SWRCB Storm Water Section	\$513.00	No POC Filed
24	Tahoe Tech Group	\$35.00	No POC Filed
25	Tahoe Truckee Sanitation	\$448.59	No POC Filed
26	Thannisch Development Services, Inc.	\$82,039.69	No POC Filed
27	The Penta Building Group	\$7,119,902.80	No POC Filed
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USPS	\$310.00	No POC Filed
Verizon	\$240.87	No POC Filed
Vision Control Assoc. of Nevada, Inc.	\$23,724.48	No POC Filed
Weig, Rozlynn Lilliana	\$2,666.00	\$2,666.00
Weig, Rozlynn Lilliana	Not Scheduled	\$406,643.00

EXHIBIT "C"

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CAL NEVA GENERAL UNSECURED CLAIMS

Cal Neva Unsecured Claims

Name	Scheduled Amount	Proof of Claim Amount
Advance Installations Inc.	\$22,285.35 C, D	No POC Filed
Affordable Linen Services LLC	\$127.47	No POC Filed
Alert Security	\$28,111.75 C, D	No POC Filed
ALSCO	\$71.70	No POC Filed
Arbor Care of Tahoe	\$3,920.00	No POC Filed
AT&T	\$149.33 C, D	No POC Filed
Belfor USA Group, Inc,	Not Scheduled	\$89,742.11
Bray Whaler, Inc.	\$23,826.95	No POC Filed
Bright Business Media, LLC	\$4,000.00	\$4,000.00
Capitol Corporate Services	\$420.00	No POC Filed
Capitol One Mortgage Payment	\$114,421.45	No POC Filed
Case Development Services, LLC	\$84,626.68	No POC Filed
Charter Communications	Not Scheduled	\$481.36
Collaborative Design Studio	\$158,287.64	No POC Filed
Craig Roberts Associates	\$7,151.63 C, D	No POC Filed
Criswell Associates	\$1,739.65	No POC Filed
Criswell Radovan	\$409,261.92	No POC Filed
Dale Cox Architects	\$5,105.00	\$5,105.00
Dimension 4	\$452,306.86 C, D	No POC Filed
Eighme, Jim	\$5,416.65	No POC Filed
Galager, Arthur J.	\$1,823.54	No POC Filed
Galaxy Hotel Systems	\$29,596.43	No POC Filed
Gary David Group	\$29,175.05	No POC Filed
Glodow Nead Communications	\$97,529.87	No POC Filed
Gold County Termite Control	\$300.00	No POC Filed

George Stuart Yount	Not Scheduled	\$1,000,000.00
Hall, Thomas J.	\$87.50 C, D	No POC Filed
High Sierra Elevator Inspections	\$750.00	No POC Filed
Hill Planning, Inc.	\$4,311.00	No POC Filed
Hinckley, Allen & Snyder	\$3,536.00 C,D	No POC Filed
Hospitality Careers Online, Inc.	\$3,699.00	No POC Filed
IPFS Corporation	\$10,269.81	No POC Filed
IPREP Acquisition, LLC	Not Scheduled	\$75,000.00
JKGD Architecture Engineering	\$18,543.36	No POC Filed
Koch Elevator Co.	\$6,517.85	\$6,199.97
Kolesar & Leatham	\$382.50	\$527.00
Law Offices of Thomas J. Hall	\$1,796.75	No POC Filed
Leslie P. Busick	Not Scheduled	\$0.00
Lifescapes International Inc.	\$5,118.00	No POC Filed
Lisa Monroe & Associates, Inc.	\$700.00	No POC Filed
Lumos & Associates, Inc.	\$15,864.74 C,D	\$16,319.10
Marriner, Dave	\$1,525.75	
Moulin, Xavier	\$103,482.35	No POC Filed
National Corporate Research Ltd.	\$178.00	No POC Filed
Nevada Secretary of State	\$1,050.00	No POC Filed
New Cal-Neva Lodge, LLC	\$50,000.00	No POC Filed

Name	Scheduled Amount	Proof of Claim Amount
New World Concept Group	\$32,086.55	No POC Filed
NEXTIVA, Inc.	\$16,645.29 C, D	No POC Filed
North Lake Tahoe Fire Protection District	\$17,418.05 C, D	No POC Filed
North Lake Tahoe Chamber	\$270.41	No POC Filed
North Shore Ace Hardware	\$435.64	No POC Filed
North Tahoe Business Assoc.	\$250.00	No POC Filed
North Tahoe Public Utility District	\$566.46	No POC Filed
Northstar Demolition	\$96,201.18 C, D	No POC Filed
NV Energy	\$9,847.56 C, D	NO POC Filed
Okubo, Marx	\$5,695.36 C,D	No POC Filed
Paul Duesing Partners	\$90,380.88 C, D	No POC Filed
Pezonella Associates, Inc.	\$34,609.25 C, D	No POC Filed
Powell Coleman & Arnold LLP	\$13,157.00	No POC Filed
Quick Space	\$474.00	No POC Filed
Rapid Space, LLC	Not Scheduled	\$1,896.00
Reno Ornamental Iron, Ltd.	Not Scheduled	\$201.95
Ricca Design	\$855.00	No POC Filed
Rothgerber, Lewis Roca	\$1,135.50	No POC Filed
Sabre Hospitality Solutions	\$108.00	No POC Filed

Name	Scheduled Amount	Proof of Claim Amount
Sky Fiber Internet	\$3,000.00	No POC Filed
Smart Meeting	\$4,000.00	No POC Filed
Southwest Gas Corp.	\$1,907.14 C, D	No POC Filed
Spectrum CPA Group, LLP	\$35,485.79	No POC Filed
Star Reports	\$475.00 C, D	No POC Filed
Starwood Hotels & Resort Worldwide, Inc.	\$30,278.39	No POC Filed
SWRCB Storm Water Section	\$513.00	No POC Filed
Tahoe Tech Group	\$35.00	No POC Filed
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USPS	\$310.00 C, D	No POC Filed
Verizon	\$240.87 C, D	No POC Filed
Vision Control Assoc. of Nevada, Inc.	\$23,724.48 C, D	No POC Filed
Weig, Rozlynn Lilliana	\$2,666.00	\$2,666.00

EXHIBIT "D"

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NEW CAL-NEVA UNSECURED CREDITORS

New Cal-Neva Unsecured Claims

Name	Scheduled Amount	Proof of Claim Amount
Advance Installations Inc.	\$22,285.35	\$20,413.00
Alert Security	\$28,111.75	No POC Filed
AT&T	\$149.33	No POC Filed
Belfor USA Group	Not Scheduled	\$89,742.11
Charter Business	\$680.03	No POC Filed
Craig Roberts Associates	\$7,151.63	No POC Filed
Dimension 4	\$452,306.86	\$452,306.86
Dixon, Michael and Sharon	\$100,000.00	No POC Filed
George Stuart Yount	Not Scheduled	\$1,000,000.00
Hall, Thomas J.	\$87.50	\$2,758.92
Hill, Heather	\$4,400.00	No POC Filed
Hinckley, Allen & Snyder	\$3,536.00	No POC Filed
Iverson, Brandyn	\$100,000.00	No POC Filed
Jameson, Paul	\$50,000.00	No POC Filed
Jeffer Mangels Butler & Mitchell LLP	Not Scheduled	\$92,646.07
Jordan Knighton Architects, Inc.	Not Scheduled	\$30,684.36
Law Offices of Thomas J. Hall	\$1,796.75	\$2,758.92
Lumos & Assoc.	Not Scheduled	\$16,319.00
Moulin, Xavier	\$103,482.35	\$191,093.30
Munnerlyn, Charles R. And Judy G.	\$100,000.00	No POC Filed
National Corporate Research Ltd.	\$178.00	No POC Filed
Nextiva Inc.	\$16,645.29	No POC Filed
No. Lake Tahoe Fire Protection District	\$17,418.05	\$17,418.05
Northstar Demolition	\$96,201.18	No POC Filed
NV Energy	\$9,847.56	\$5,568.00
Okubo, Marx	\$5,695.36	No POC Filed

Name	Scheduled Amount	Proof of Claim Amount
Pacey-Willis, Lisa	\$4,400.00	No POC Filed
Paul Duesing Partners	\$90,380.88	\$90,380.88
Pezonella Associates Inc.	\$34,609.25	No POC Filed
Radovan, Robert	\$115,000.00	No POC Filed
Sierra Pacific Power	Not Scheduled	\$5,568.00
Southwest Gas Corporation	\$1,907.14	No POC Filed
Star Reports	\$475.00	No POC Filed
Thannisch Development Services Inc.	\$82,039.69	No POC Filed
USPS	\$310.00	No POC Filed
Verizon	\$240.87	No POC Filed
Vision Control Assoc of Nevada Inc.	\$23,724.48	No POC Filed
Weig, Rozlynn Lilliana	\$2,666.00	\$406,643.00 (Disallowed)

EXHIBIT "E"

POST CONFIRMATION FINANCIAL STATEMENT

Assets:

Real Property	\$35,000,000.00
Personal Property	\$ 2,000,000.00
CR Lake Tahoe, LLC	\$.00
Potential Claims for Recovery	(unknown)
Total Assets	<u>\$37,000,000.00</u>

Liabilities:

None

Net Assets over Liabilities \$37,000,000.00

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EXHIBIT "F"**LIQUIDATION ANALYSIS****Assets:**

Real Property	\$ 35,000,000.00
Personal Property	\$ 2,000,000.00 ¹
CR Lake Tahoe, LLC	\$.00 ²
Potential Claims for Recovery	(unknown)
Total Assets	<u>\$ 37,000,000.00</u>

Liabilities:

Secured Debt	\$ 45,000,000.00
Unsecured Debt (not including potential mechanics liens and duplication)	\$ 2,000,000.00
Chapter 11 Trustee Fees and Attorney Fees	\$ 1,000,000.00 (estimated)
Net worth	<u>< 11,000,000.00 ></u>
Amount Available for Unsecured Creditors	\$.00

¹ Discounted because specifically chosen for this property, and is less valuable if liquidated on open market.

² Subject to dispute over enforcement of Exchange Agreement.