

1 ALAN R. SMITH, ESQ.
Nevada Bar No. 1449
2 Law Offices of Alan R. Smith
505 Ridge Street
3 Reno, Nevada 89501
Telephone (775) 786-4579
4 Facsimile (775) 786-3066
Email: mail@asmithlaw.com

5
6 Attorney for Creditors/Plan Proponents,
Leslie P. Busick, Paul Jameson, David Marriner,
Charles and Judith Munnerlyn, Anthony Zabit,
7 D4S, LLC, dba Dimension 4, Paul and Evy Paye

8
9 UNITED STATES BANKRUPTCY COURT

10 DISTRICT OF NEVADA

11 —ooOoo—

12 In Re:
13 NEW CAL-NEVA LODGE, LLC,
14 Debtor.

Case No. BK-N-16-51282-GWZ
Chapter 11

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

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19 **CREDITORS' FIRST AMENDED**
20 **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-16-51282-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, NEW CAL-NEVA LODGE, LLC ("New Cal-Neva"), commenced its
25 bankruptcy case on July 28, 2016 in the United States Bankruptcy Court for the Northern
26 District of California (the "California Bankruptcy Court"), Santa Rosa Division. On
27 September 28, 2016, the California Bankruptcy Court transferred New Cal-Neva and the case
28 of New Cal-Neva's corporate parent, CAL-NEVA LODGE, LLC ("Cal-Neva") to this Court,

1 effective October 13, 2016. The renovations were commenced in July of 2014, but in
2 December of 2015 all work ceased due to disagreements with The Penta Building Group,
3 LLC. The business has remained closed since that date.

4 **2.2 Ownership of Debtor and Its Management**

5 The sole member of New Cal-Neva is Cal-Neva. The manager of New Cal-Neva is
6 CR Hospitality, LLC.

7 **2.3 Description of the Resort and Related Assets.**

8 (A) The Resort. The Debtors' principal asset is a hotel, spa & casino known
9 as the Cal-Neva Resort Hotel & Casino. The Resort is comprised of over 13.5 acres located
10 along the North Shore of Lake Tahoe, stretching over two states in Crystal Bay, Nevada and
11 Kings Beach, California. The Resort includes 191 hotel guestrooms, cabins and terrace
12 rooms, a full service spa, the Frank Sinatra Showroom, the Indian Room, a casino with a
13 17,000 square-foot gaming floor, the historic Circle Bar, a specialty restaurant, the Casino
14 bar, a terrace level family restaurant, the Boardroom & Wine Cellar, a gourmet market, a kids
15 adventure center, an outdoor pool and patio, boutiques (retail), state of the art fitness facility,
16 approximately 16,000 square feet of indoor/outdoor meeting space, parking for 248 vehicles,
17 and potentially the conversion of 28 tourist accommodation units into condominiums. The
18 Plan Proponents' have reached an agreement for the rights to the Fairwinds Estate - a
19 lakefront estate that includes a beach and a private pier.

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

24 In 2014, the Debtors closed the Resort and acquired funds through loans and equity
25 to undertake a substantial redevelopment of the Resort. Construction progressed throughout
26 2015, at which point the construction ran into difficulty for various reasons, and renovation
27 ceased.

28 (B) The Furniture, Fixtures and Equipment. To date, New Cal-Neva has

1 purchased most of the furniture, fixtures and equipment necessary to open and operate the
2 Resort (the “FF&E”). All FF&E for guest rooms has been purchased with the exception of
3 terrace rooms and cabins. The FF&E is being stored off-site in Sparks, Nevada.

4 (C) The Fairwinds Estate. The Fairwinds Estate is located at 9898 Lake
5 Street, Kings Beach, California, which property is adjacent to the Resort. The Fairwinds
6 Estate is comprised of a 1.7 acre lot and a 5,400 square foot house, with 7 bedrooms and 7
7 bathrooms, lake access and a multiple boat dock. The Fairwinds Estate is encumbered by a
8 mortgage in favor of Capital One Bank. The outstanding amount owed on the mortgage is
9 approximately \$4.5 million. In October 2014, the Fairwinds Estate was owned by 9898
10 Lake, LLC. Paul and Evy Paye, LLC (“Paye”) owned 100% of the membership interests in
11 9898 Lake, LLC. In October 2014, Paye and the Debtors entered into an Exchange
12 Agreement, whereby title to the Fairwinds Estate was to be transferred CR Lake Tahoe, LLC
13 (“CR Lake Tahoe”) in exchange for Paye and Marriner Real Estate, LLC (Paye’s broker)
14 receiving an equity interest in the Debtor. The sole member of CR Lake Tahoe is New Cal-
15 Neva. The Debtors and Paye valued the equity in the property at \$2 million. Paye received
16 an equity interest in Cal Neva of 6.19% and Marriner received an equity interest of 0.65%.
17 Pursuant to the Exchange Agreement, Paye has the right to reacquire the Fairwinds Estate,
18 and a dispute has arisen as to the Debtors’ rights to the property. The Plan Proponents have
19 negotiated a new agreement with Paye to include the Fairwinds Estate in the Debtors’
20 project.

21 **2.4 Reasons for the Chapter 11 Filings**

22 Prior to the Chapter 11 filings, Hall and Ladera made loans to New Cal-Neva to
23 finance the renovation of the Resort. The principal amount advanced by Hall was
24 approximately \$22 million, and the principal amount advanced by Ladera was \$6 million.
25 The Hall loan is secured by a first priority deed of trust against the real property and
26 substantially all of New Cal-Neva’s personal property. The Ladera loan is secured by a
27 junior deed of trust against the real property, a junior deed of trust against New Cal-Neva’s
28 personal property, and the pledge of Cal-Neva’s membership interests in New Cal-Neva.

1 Penta was the general contractor for the renovation of the Resort. Penta asserts mechanics'
2 liens on behalf of itself and certain sub-contractors to secure claims in the range of \$7.5 to
3 \$9 million. Penta has commenced legal actions asserting that its mechanics' liens are senior
4 to the Hall and Ladera deeds of trust, which are pending adversary proceedings in the
5 Bankruptcy Cases. The Resort has been closed since 2014 while the Debtors pursued the
6 renovation of the Resort. Work on the project stopped in late 2015 because the available
7 remaining funding was not sufficient to complete the renovation of the Resort. As a result,
8 the Hall and Ladera loans went into default. Hall filed and served a notice of default election
9 to sell the Real Property on March 15, 2016, and thereafter, filed and served a notice of sale
10 of the Real Property, scheduling the sale for August 1, 2016. New Cal-Neva filed its Chapter
11 11 case on July 28, 2016 to preserve its equity in the Resort.

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

13 **3.1 The Cal-Neva Schedules and Statement of Financial Affairs.**

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

18 **3.2 The Cal-Neva Claims Bar Date.**

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

20 **3.3 The Employment of Cal-Neva Professionals and Interim Compensation.**

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

1 February 21, 2017 hearing.

2 **3.4 Transfer of Venue to Reno, Nevada.**

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

13 **3.5 The Ladera Motion for Relief from the Automatic Stay.**

14 On March 1, 2017, Ladera filed a motion with the Bankruptcy Court for relief from
15 the automatic stay in the Cal-Neva cases, seeking an order from the Bankruptcy Court
16 allowing it to conduct a postpetition foreclosure sale of Cal-Neva’s membership interests in
17 New Cal-Neva. Cal-Neva opposed the motion on various grounds, including, but not limited
18 to, the membership interests are absolutely necessary to the successful reorganization of Cal-
19 Neva. A hearing on the motion is set for May 2, 2017, at the same time that the Bankruptcy
20 Court will consider approval of this Disclosure Statement.

21 **3.6 The U.S. Trustee’s Motion to Dismiss.**

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

26 **3.7 The New Cal-Neva Schedules and Statement of Financial Affairs.**

27 New Cal-Neva timely filed its Schedules of Assets and Liabilities and Statement of
28 Financial Affairs, and duly appeared and was examined at the Meeting of Creditors

1 conducted pursuant to Bankruptcy Code § 341 on September 2, 2016. New Cal-Neva is
2 generally current in the filing of its Monthly Operating Reports.

3 **3.8 Use of Cash Collateral and DIP Financing.**

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

8 **3.9 The New Cal-Neva Claims Bar Date.**

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

10 **3.10 Appointment of New Cal-Neva Unsecured Creditors' Committee.**

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

13 **3.11 Employment of New Cal-Neva Professionals.**

14 The professionals employed in the New Cal-Neva case are (i) the Debtor's legal
15 counsel, (a) Keller & Benvenuti LLP, whose employment was approved by order of the
16 Bankruptcy Court entered August 15, 2016; (b) Hartman & Hartman, whose employment was
17 approved by order of the Bankruptcy Court entered December 5, 2016 and (c) JMBM as
18 special Bankruptcy Code § 327(e) counsel, whose employment was approved by order of the
19 Bankruptcy Court entered August 17, 2016; (ii) the Debtor's real estate broker, CBRE, Inc.,
20 whose employment was approved by order of the Bankruptcy entered January 6, 2017; (iii)
21 legal counsel employed by the Committee, (a) Pachulski Stang Ziehl & Jones LLP, whose
22 employment was approved by order entered November 7, 2016, and (b) Fennemore Craig,
23 P.C., whose employment was approved by order of the Bankruptcy Court entered November
24 7, 2016, and (c) the Committee's financial advisor, Province, Inc., whose employment was
25 approved by order of the Bankruptcy Court entered November 7, 2016.

26 **3.12 Approval of Professional Fees.**

27 Keller & Benvenuti's First Interim Application for Approval of Attorneys' Fees and
28 Expenses was heard by the Bankruptcy Court on February 21, 2017, at which hearing it

1 sought court approval of fees in the amount of \$236,240.00 and expenses of \$262.07, and to
2 apply the prepetition retainer it received in the amount of \$96,500.00 to such amount. At the
3 February 21, 2017 hearing, the Bankruptcy Court approved the Keller & Benvenuti fee
4 application.

5 **3.13 Transfer of New Cal-Neva Case to Reno, Nevada.**

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

9 **3.14 The Hall Motion For Relief from the Automatic Stay.**

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

15 **3.15 Mayer Expense Reimbursement Motion.**

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

21 **3.16 U.S. Trustee's Motion to Dismiss New Cal-Neva Case.**

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

25 **4. PENDING LITIGATION**

26 **4.1 Cal-Neva Litigation.**

27 On its petition date, Cal-Neva was a party to one lawsuit, entitled *George Stuart*
28 *Yount, individually and in his capacity as Owner of George Stuart Yount IRA & Criswell*

1 *Radovan, LLC, CR Cal Neva, LLC, Robert Radovan, William Criswell, Cal Neva Lodge,*
2 *LLC, Powell, Coleman and Arnold LLP, David Marriner; and Marriner Real Estate, LLC,*
3 filed in the Second Judicial District Court of the State of Nevada, in and for the County of
4 Washoe, for breach of contract, breach of duty, fraud, negligence, conversion, and punitive
5 damages, in connection with a \$1 million loan or investment allegedly made by the plaintiff,
6 concerning one or more of the above defendants. As to the Debtor, the litigation has been
7 stayed since the Cal-Neva petition date.

8 **4.2 New Cal-Neva Litigation.**

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

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

15 The second and third lawsuits are interrelated, and are between Penta and other
16 holders of Mechanics' Lien Claims against Hall and New Cal-Neva, concerning lien priority
17 between the holders of mechanics' lien claims (including Penta) and Hall. As the Real
18 Property is situated in both California and Nevada, similar lawsuits were pending in the
19 Superior Court of the State of California, County of Placer, and in the Second Judicial
20 District Court of the State of Nevada, Washoe County. Since the filing of New Cal-Neva's
21 petition, both of those state court actions were moved and otherwise transferred to the
22 Bankruptcy Court in Reno. Since the New Cal-Neva's petition date, there has been no
23 substantive activity in either of these cases. These cases are referred to as the "Secured
24 Creditors' Adversary Proceedings" in the Plan.

25 ///

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1 **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 |

10
11 **6. DESCRIPTION OF DEBTS**

12 **6.1 Administrative Claims**

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

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

19 (C) Super-Priority Administrative Fees to Hall. Pursuant to its agreement
20 to provide sums to preserve the Property, Hall is entitled to a super-priority administrative
21 fee (which is also secured by the Property). As of this date, that fee is estimated at
22 \$1,000,000, although the Plan Proponents have not received an accounting from Hall.

23 (D) Attorneys' Fees to Counsel for Plan Proponents. In the event the
24 Creditors' Plan is confirmed, counsel for the Plan Proponents will be paid by the Plan
25 Proponents.

26 **6.2 Priority Claims**

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

1 scheduled against Cal-Neva.

2 **6.3 Secured Claims**

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

6 **6.4 Unsecured Claims**

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

10 **7. EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

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

| Contract | Description of Contract |
|--|---|
| Collaborative Design Studio | Architectural and engineering services contract |
| CR Hospitality, LLC | Operating agreement |
| NorthStar Demolition and Remediation, LP | Contracting services contract |
| Paul Duesing Partners | Design services contract |
| The Penta Building Group | Construction contract |
| Thannisch Development Services Inc. | Development consulting services contract |
| The Sheraton LLC | Franchise Agreement |
| CBRE, Inc. | Exclusive Sales Listing Agreement |
| Dixon, Michael and Sharon | Condominium Purchase Discount Agreement |
| Iverson, Brandyn | Condominium Purchase Discount Agreement |
| 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 |

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1 **8. SUMMARY OF CREDITORS' PLAN OF REORGANIZATION**

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

13 **8.1 Classification of Claims and Interests**

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

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

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

24 Class 3: The Allowed Claim of Penta against New Cal-Neva to the extent
25 secured by a valid mechanic's lien against the Property.

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

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- 1 Class 5: The Allowed Claims of Unsecured Creditors of New Cal-Neva.
- 2 Class 6: The Allowed Claims of Unsecured Creditors of Cal-Neva.
- 3 Class 7: The Allowed Secured Claim of Capital One Bank (USA), N.A.
- 4 Class 8: The membership interest in New Cal-Neva held by Cal-Neva.
- 5 Class 9: The membership interests in Cal-Neva.

6 **8.2 Unimpaired Classes**

7 All classes are impaired under the Plan.

8 **8.3 Treatment of Claims and Interests**

9 **8.3.1 Class 1 (Hall)**. The Allowed Claim of Hall (the “Hall Claim”) shall be
10 treated as set forth in 8.3.4 infra.

11 **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.

12 **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.

13 **8.3.4 Treatment of Classes 1, 2 and 3.**

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

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

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

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

7 (C) Deficiency Claims Of Secured Creditors.

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

16 **8.3.5 Class 4 (Subcontractors)**

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

20 **8.3.6 Class 5 (Unsecured Creditors of New Cal-Neva)**

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

26 **8.3.7 Class 6 (Unsecured Creditors of Cal-Neva)**

27 The Allowed Claims of Unsecured Creditors shall receive a prorata distribution of the
28 Cal-Neva Unsecured Creditor Fund. The undisputed portion of the claim shall be paid on

1 the Effective Date. The portion of the claim that is disputed shall be maintained in the Cal-
2 Neva Disputed Unsecured Claims Account and shall be paid if and when the claim is
3 adjudicated an Allowed Claim following the Claim Objection Procedure.

4 **8.3.8 Class 7 (Capital One Bank)**

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

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

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

10 **8.3.10 Class 9 (Membership Interests in Cal-Neva)**

11 The membership interests in Cal-Neva shall be cancelled.

12 **8.4 Treatment of Unclassified Claims**

13 **8.4.1 Administrative Claims**

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

20 **8.4.2 Administrative Claims Bar Date**

21 Requests for payment of Administrative Claims must be filed and served no later than
22 forty-five (45) days after the Effective Date. Holders of Administrative Claims that are
23 required to, but do not, file and serve a request for payment of such Claims by such date shall
24 be forever barred, estopped, and enjoined from asserting such claims against the Debtors, the
25 Reorganized Debtor, or their assets or Property and such Claims shall be deemed discharged
26 as of the Effective Date. Objections to such requests, if any, may be filed and served
27 according to applicable bankruptcy rules. Notwithstanding the foregoing, no request for
28 payment of an Administrative Claim need be filed with respect to an Administrative Claim

1 previously Allowed by a Final Order, including any and all Administrative Claims expressly
2 Allowed under the Plan.

3 **8.4.3 Fees to the United States Trustee**

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

8 **8.4.4 Priority Claims**

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

13 **8.5. Executory Contracts**

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

| 16 Contract | Description of Contract | Treatment |
|---|---|-------------------------------------|
| 17 Collaborative Design Studio | Architectural and engineering services contract | Rejected - subject to renegotiation |
| 18 CR Hospitality, LLC | Operating agreement | Rejected |
| 19 NorthStar Demolition and Remediation, LP | Contracting services contract | Rejected - subject to renegotiation |
| 20 Paul Duesing Partners | Design services contract | Rejected - subject to renegotiation |
| 21 The Penta Building Group | Construction contract | Rejected |
| 22 Thannisch Development Services Inc. | Development consulting services contract | Rejected |
| 23 Starwood/Marriot | Franchise Agreement | Assumed |
| 24 CBRE, Inc. | Exclusive Sales Listing Agreement | Rejected |
| 25 Dixon, Michael and Sharon | Condominium Purchase Discount Agreement | Rejected |

| | | |
|-----------------------------------|---|----------|
| Iverson, Brandyn | Condominium Purchase Discount Agreement | Rejected |
| Jameson, Paul | Condominium Purchase Discount Agreement | Rejected |
| Munnerlyn, Charles R. And Judy G. | Condominium Purchase Discount Agreement | Rejected |
| Hill, Heather | Condominium Purchase Discount Agreement | Rejected |
| Pacey-Willis, Lisa | Condominium Purchase Discount Agreement | Rejected |

8.6 Means of Implementing the Plan

8.6.1 New Financing to Fund Plan

The Plan will be funded by the New Financing.

8.6.2 Merger with Cal-Neva Lodge, LLC

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

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

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

8.6.4 Disbursing Agent

The Plan Proponents shall designate a disbursing agent (the “Disbursing Agent”), who shall disburse all money to be distributed under the Plan. The Disbursing

1 Agent may employ or contract with other entities to assist in or to perform the distribution
2 of the property and shall serve without bond. The Disbursing Agent shall be allowed
3 reasonable compensation for his services.

4 **8.6.5 Completion of Improvements**

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

7 **8.6.6 Post-Confirmation Management of the Debtor**

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

10 **8.6.7 Post-Confirmation Litigation**

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

19 **8.6.8 Exemption from Certain Taxes and Fees**

20 Pursuant to Bankruptcy Code section 1146(a), any transfers of property
21 pursuant to the Plan shall not be subject to any stamp, real estate transfer, sales, use tax or
22 other similar state or local tax or governmental assessment in the United States, and the
23 Confirmation Order shall direct and be deemed to direct the appropriate state or local
24 governmental officials or agents to forego the collection of any such tax or governmental
25 assessment and to accept for filing and recordation instruments or other documents pursuant
26 to such transfers of property without payment of any such tax or governmental assessment.

27 **8.6.9 Amendment of Operating Agreement**

28 On the Effective Date, or as soon as practicable thereafter, the Reorganized

1 Debtor shall amend its operating agreement to contain the provisions required by Section
2 1123(a)(6) of the Code, as well as provisions consistent with this Plan.

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

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

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

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

10 **10.1 Tax Consequences of the Creditors' Plan**

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

16 **10.2 Liquidation Analysis**

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

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

21 **11.1 Confirmation of the Creditors' Plan**

22 Pursuant to Section 1128(a) of the Bankruptcy Code, the Bankruptcy Court will
23 conduct a hearing regarding confirmation of the Creditors' Plan at the United States
24 Bankruptcy Court, 300 Booth Street, Reno, Nevada 89509, pursuant to separate notice
25 provided to creditors and interested parties.

26 **11.2 Objections to Confirmation of the Creditors' Plan.**

27 Section 1128(b) provides that any party-in-interest may object to confirmation of a plan. Any
28 objections to confirmation of the Creditors' Plan must be in writing, must state with specificity the

1 grounds for any such objections and must be filed with the Bankruptcy Court and served upon the
2 following parties so as to be received on or before the time fixed by the Bankruptcy Court:

3 Counsel for Creditor: Alan R. Smith
4 Law Offices of Alan R. Smith
5 505 Ridge Street
6 Reno, NV 89501
7 Telephone: (775) 786-4579
8 Facsimile: (775) 786-3066

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

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

12 LAW OFFICES OF ALAN R. SMITH

13 By: /s/ Alan R. Smith
14 ALAN R. SMITH, ESQ.
15 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 |

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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 |

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|----|---|---------------|----------------|
| 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 |
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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 if 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 |
| Tahoe Truckee Sanitation | \$448.59 | No POC Filed |
| Thannisch Development Services, Inc. | \$82,039.69 C, D | No POC Filed |
| 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.