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I. INTRODUCTION

WINDMILL DURANGO OFFICE, LLC (“Debtor” or “Proponent”) is the Debtor in a Chapter 11 bankruptcy case. On August 17, 2010, Debtor commenced a bankruptcy case by filing voluntary Chapter 11 petition under the United States Bankruptcy Code ("Code"), 11 U.S.C. §101 et seq. Chapter 11 allows the Debtor, and under some circumstances, creditors and other parties in interest, to propose a plan of reorganization ("Plan"). The Plan may provide for the Debtor to reorganize by continuing to operate, to liquidate by selling assets of the estate, or a combination of both. Debtor is the party proposing the Plan sent to you in the same envelope as this document.

THE DOCUMENT YOU ARE READING IS THE DISCLOSURE STATEMENT FOR THE ENCLOSED PLAN.

1 This is a reorganizing Plan. In other words, the Proponent seeks to accomplish payments
2 under the Plan by which various classes of claimants can have their claims treated. The Effective
3 Date of the proposed Plan is twenty (20) days after the Confirmation Order is entered.

4 **A. Purpose of This Document**

5 This Disclosure Statement summarizes what is in the Plan, and tells you certain
6 information relating to the Plan and the process the Court follows in determining whether or not
7 to confirm the Plan.

8 **READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO**
9 **KNOW ABOUT:**

- 10 (1) **WHO CAN VOTE OR OBJECT;**
- 11 (2) **WHAT THE TREATMENT OF YOUR CLAIM IS, (i.e., what your claim**
12 **will receive if the Plan is confirmed) AND HOW THIS TREATMENT**
13 **COMPARES TO WHAT YOUR CLAIM WOULD RECEIVE IN**
14 **LIQUIDATION;**
- 15 (3) **THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS**
16 **DURING THE BANKRUPTCY;**
- 17 (4) **WHAT THINGS THE COURT WILL LOOK AT TO DECIDE**
18 **WHETHER OR NOT TO CONFIRM THE PLAN;**
- 19 (5) **WHAT IS THE EFFECT OF CONFIRMATION; AND**
- 20 (6) **WHETHER THIS PLAN IS FEASIBLE.**

21 This Disclosure Statement cannot tell you everything about your rights. You should
22 consider consulting your own lawyer to obtain more specific advice on how this Plan will affect
23 you and what is the best course of action for you.

24 Be sure to read the Plan as well as the Disclosure Statement. If there are any
25 inconsistencies between the Plan and the Disclosure Statement, the Plan provisions will govern.

26 The Code requires a Disclosure Statement to contain "adequate information" concerning
27 the Plan. Prior to setting a Confirmation Date, the Bankruptcy Court ("Court") will have
28 approved this document as an adequate Disclosure Statement, containing enough information to
enable parties affected by the Plan to make an informed judgment about the Plan. Any party can

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1 now solicit votes for or against the Plan.

2 **B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing**

3 THE COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS
4 DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE NOT
5 YET BINDING ON ANYONE. HOWEVER, IF THE COURT LATER CONFIRMS THE
6 PLAN, THEN THE PLAN WILL BE BINDING ON ALL CREDITORS AND INTEREST
7 HOLDERS IN THIS CASE.

8 **1. Time and Place of the Confirmation Hearing**

9 The Court will determine whether or not to confirm the Plan at the Plan Confirmation
10 Hearing assuming the Disclosure Statement is approved and the Plan Confirmation Hearing will
11 be held in Courtroom 1, Foley Federal Building, 300 S. Las Vegas Blvd., Las Vegas, NV 89101.
12 You will receive a second notice of hearing of the Plan Confirmation Hearing upon approve of
13 this Disclosure Statement.

14 **2. Deadline To Vote For or Against the Plan**

15 If you are entitled to vote, it is in your best interest to timely vote on the enclosed ballot
16 and return the ballot in the enclosed envelope to Larson & Stephens, 810 S. Casino Center Blvd.
17 #104, Las Vegas, Nevada, 89101, Attn: Zachariah Larson, Esq.

18 Unless a different date is set by the Court, your ballot must be received by five (5)
19 business days prior to the Confirmation Hearing or it will not be counted.

20 **3. Deadline For Objecting to the Confirmation of the Plan**

21 Objections to the confirmation of the Plan must be filed with the Court and served upon
22 Debtors' Counsel, Zachariah Larson, Esq., within five (5) business days prior to the
23 Confirmation Hearing.

24 **4. Identity of Person to Contact for More Information Regarding the Plan**

25 Any interested party desiring further information about the Plan should contact Debtors'
26 Counsel, Zachariah Larson, Esq.

27 **C. Disclaimer**

28 The financial data relied upon in formulating the Plan is based on Financial Statements
and Monthly Reports, together with an Appraisal of the 4.49 acres of developed commercial

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1 property which comprises Debtor's major asset. The information contained in this Disclosure
2 Statement is provided by Debtor and Debtor's Counsel. The Plan Proponent represents that
3 everything stated in the Disclosure Statement is true to the Proponent's best knowledge. The
4 Court has yet to determine whether or not the Plan is confirmable and makes no recommendation
5 as to whether or not you should support or oppose the Plan.

6
7 **II. BACKGROUND**

8 **A. Description and History of the Debtor's Business**

9 Debtor is in the business of real estate development and currently owns 4.49 acres of
10 commercial real estate developed with a Class A office building with improvements in Clark
11 County, Nevada ("Property"). The current tenants at the property are Allegiant Air and 1-800-
12 Registry. Allegiant's lease was entered into pre-petition and was assumed by Debtor. It is not
13 expected to expire until February 28, 2018. 1-800-Registry is a post-petition lease expected to
14 expire on or about February 1, 2012.

15 In addition to offering leasing space within this Class A office building, Debtor has
16 several executory contracts for improvements and equipment to maintain the single asset of the
17 Debtor. There are executory contracts with Control Contractors, Inc., DP Air Corp., Green
18 Thumb Maintenance, Otis Elevator Company, and Jeff Susa. In addition to leasing the Property,
19 Debtor has ongoing monthly obligations including paying general monthly obligations, such as
20 utilities and maintenance upkeep including, but not limited to: HVAC maintenance, insurance,
21 cleaning, landscaping, and elevator maintenance and repairs.

22 The Property is encumbered by a lien securing a loan with a principal balance of
23 \$16,188,110.62 as of November 22, 2010 currently held by Beal Bank Nevada.

24 Debtor continued to operate until a Receiver was appointed in June 28, 2010. The
25 Receiver appointed had significantly not honored the Landlord's lease obligations, nor met the
26 needs of the tenant. It is necessary that the Debtor be allowed to properly manage the business of
27 the Debtor from the filing date and thereafter. The Receiver is no longer appointed as of the
28 filing of the instant bankruptcy and the Debtor has successfully operated and maintained the
property as Debtor-in-Possession since the filing of the Petition.

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1 **B. Principals/Affiliates of Debtor's Business**

2 The Debtor is a limited liability company whose remaining asset consists of 4.49 acres of
3 commercial real estate developed with a Class A office building with improvements
4 (“Property”). The Class A Office space is currently being leased by tenants Allegiant Air (pre-
5 petition lease) and 1-800-Registry (post-petition lease).

6 IDC Windmill Durango, LLC is the general partner of Windmill Durango, LP which is
7 the sole member of the Debtor. The Managers for IDC Windmill Durango, LLC are made up of
8 only Jeff Susa and Jack Breslin, Trustee of the Breslin Family Trust.

9 **C. Management of the Debtor Before and After the Bankruptcy**

10 During the time period prior to the date on which the Debtor filed its bankruptcy petition,
11 the Debtor operated as a limited liability company. The Debtor is managed by Jeff Susa,
12 Manager of IDC Windmill Durango, LLC, the general partner of Windmill Durango, LP. The
13 Debtor intends to maintain the commercial property it owns in the ordinary course of business
14 upon confirmation of the Plan.

15 **D. Events Leading to Chapter 11 Filing**

16 The events leading to this Chapter 11 case are the downturn in the economy generally and
17 the Las Vegas real estate market specifically. Prior to the filing, Debtor continued to operate
18 until a Receiver was appointed in June 28, 2010. The Receiver appointed had significantly not
19 honored the Landlord’s lease obligations, nor met the needs of the tenant, Allegiant Air. It is
20 necessary that the Debtor be allowed to properly manage the business of the debtor from the
21 filing date and thereafter. The Receiver is no longer appointed as of the filing of the instant
22 bankruptcy.

23 Debtor anticipates that by reorganizing its operations, Debtor will be able to operate at a
24 profit. Debtor filed its voluntary Chapter 11 petition because Debtor believes that a
25 reorganization pursuant to Chapter 11 of the Bankruptcy Code would preserve its assets and
26 would be in the best interests all of its creditors and Debtor’s estate.

27 Provided Debtor’s business operations continue as planned, Beal Bank Nevada’s
28 collateral will not decrease in value during the pendency of these proceedings and specifically
pending entry of a Final Cash Collateral Order. Furthermore, the ongoing business and the use of

1 cash collateral generated will maintain and preserve the Debtor's estate and, in turn, Beal Bank
2 Nevada's collateral.

3 In the event Debtor's business operations do not remain ongoing and operating during the
4 pendency of this Chapter 11 Case, the Debtor's assets and goodwill will decrease substantially in
5 value and Debtor runs the risk of losing Allegiant Air and 1-800-Registry as its tenant. The
6 continued operation of the business is enhancing the value of Beal Bank Nevada's claim.

7 **E. Significant Events During the Bankruptcy Proceedings**

8 **1. Bankruptcy Proceedings**

9 Because the Debtor is a real estate holding company, the case is not complex, save the
10 issues related to the Debtor's lender. Accordingly, the following is a list of significant events
11 which have occurred during this case:

12 On August 17, 2010, the Debtor filed its Chapter 11 case. Shortly thereafter, the Debtor
13 began the preparation of a Plan and this Disclosure Statement.

14 There are no adversary proceedings currently pending. The Debtor has not filed any
15 adversary proceedings at this time, however, if the Court does not confirm the Plan, the Debtor
16 may be elect to pursue any claims it holds against its lenders.

17 To date, the Debtor has petitioned the Court to retain two professionals in the case,
18 Larson & Stephens, as Debtor's counsel, and Flangas McMillan Law Group, as special counsel
19 to Debtor. The Application to Employ Larson & Stephens was granted. The Application to
20 Employ Flangas McMillan Law Group, as special counsel to Debtor, was denied with leave of
21 Court to re-file with additional briefing. The Application to Employ Flangas McMillan Law
22 Group was re-filed with the Court and was granted at hearing on March 9, 2011.

23 A Final Order and Stipulation Authorizing the Use of Cash Collateral was entered on
24 November 4, 2010. Pursuant to the terms of the Cash Collateral Order, the Debtor was required
25 to pay and has paid monthly payments of \$75,000.00 to Beal Bank. The Cash Collateral Order
26 terminated on or about December 25, 2010. Since that date, the Debtor has been unable to make
27 payments for some of the ordinary business expenses that exceed the line item budget set forth in
28 the Cash Collateral Order. However, Debtor has continued to make the \$75,000.00 payments to
Beal Bank Nevada as per the Final Stipulation. As part of this plan for reorganization, the

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1 Debtor will come current on all post-petition expenses arising in the ordinary course of business
2 (Administrative Expenses).

3 Debtor and Secured Creditor Beal Bank entered into a Stipulation and Order re: Motion
4 for Relief From Automatic Stay Pursuant to 11 U.S.C. § 362(d)(3) in which Debtor agreed to
5 increase the monthly payments to Beal Bank to \$88,047.00 which the parties agreed was equal to
6 the contractual non-default rate of interest. Debtor was also required to pay to Beal Bank the
7 difference between the monthly interest payments (\$88,047.00) and the stipulated cash collateral
8 payments (\$75,000.00) from the ninetieth day subsequent to the Petition Date through to the date
9 that the Stipulation and Order re: Motion for Relief From Automatic Stay Pursuant to 11 U.S.C.
10 § 362(d)(3) was entered, or the amount of \$39,141.00.

11 The Court has approved the Debtor's Motion to Assume Executory Contracts and
12 Unexpired Lease Agreements as to the following pre-petition Executory Contracts/Lease
13 Agreements:

- 14 a. Lease with Allegiant Air amended on June 23, 2008 for approximately
15 64,908 square feet for a term of ten (10) years;
- 16 b. Maintenance contract with Otis Elevators for a term of sixty months and a
17 monthly payment of \$250.00;
- 18 c. Landscape maintenance contract with Green Thumb Maintenance for a
19 perpetual term and a monthly payment of \$3,000.00;
- 20 d. UPS maintenance contract with DP Air Corp for a perpetual term and a
21 quarterly payment of \$1,463.00;
- 22 e. Temperature control maintenance contract with Control Contractors, Inc.
23 for a perpetual term and a quarterly payment of \$840.00;
- 24 f. HVAC maintenance contract with DP Air Corp for a perpetual term and a
25 quarterly payment of \$4,506.20; and
- 26 g. Property management contract with S&S Development/Jeff Susa for a
27 term of sixty months and a monthly payment of 5% of rents collected and
28 3% for renting and/or leasing the premises.

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1 There are five (5) proofs of claims filed to date. Except to the extent that a claim is
2 already allowed pursuant to a final non-appealable order, the Debtor reserves the right to object
3 to creditors' claims. Therefore, even if your claim is allowed for voting purposes, you may not
4 be entitled to a distribution if an objection to your claim is later upheld. The procedures for
5 resolving disputed claims are set forth in Article V of the Plan.

6 Separately, the Court set a bar date for proofs of claim in the case of January 5, 2011 for
7 general creditors and February 14, 2011 for governmental agencies (the "**Bar Date**"). The Bar
8 Date is the date after which creditors cannot file a proof of claim in this case. Importantly, if
9 your claim is listed in the Debtor's Schedules of Liabilities, and you agree with the claim amount
10 listed there, you do not need to file a proof of claim in the case. If the Debtor amends its
11 Schedules of Liabilities and your claim is affected, you will have an opportunity to file an
12 objection to any such change.

13 Since the filing of the Petition, Debtor has been vigorously attempting to negotiate in
14 good faith with Creditor Beal Bank in order to resolve the issues between the two parties.

15 **2. Other Legal Proceedings**

16 There is one lawsuit currently pending in the Eighth Judicial District Court, Clark
17 County, Nevada between the Debtor and creditor Beal Bank Nevada, Case No. A-10-613307-C.
18 The matter is presently stayed due to the pendency of this Bankruptcy.

19 **3. Recovery of Preferential, Avoidable, or Fraudulent Transfers**

20 At this time, the Debtor does not intend to pursue preference, fraudulent conveyance, or
21 other avoidance actions. The Debtor does not believe any significant transfers occurred, other
22 than to its secured creditors, during the 2 year period leading up to the filing of this case.
23 Importantly, the majority of the Debtor's significant transfers were the payment of its mortgages
24 or operating expenses.

25 The Debtor does reserve its right, however, to perform and complete an investigation with
26 regard to prepetition transactions. Although it does not believe significant transfers occurred,
27 creditors should be aware that if you received a payment or other transfer within 90 days of the
28 bankruptcy, or other transfer avoidable under the Bankruptcy Code, the Debtor may seek to avoid
such transfer.

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4. Current and Historical Financial Conditions

The identity and fair market value of the estate’s assets are listed in **Exhibit A**. The value of the assets is based on the appraisals performed for each parcel. Copies of the appraisals are available upon request, however, appraisals were forwarded to each secured lender in this case with respect to the related collateral. Accordingly, secured creditors should move to protect their rights in their collateral.

The Debtor reserves the right to re-appraise the Property prior to final confirmation of the Plan to reflect the values at the time of confirmation. Therefore, if you are a secured lender, your secured claim may change in connection with confirmation of the Plan if the value of your collateral has fallen after the date this case was filed. **If you are a secured creditor and intend to object to any revised valuation of your collateral based on a re-appraisal, you must file an objection to the Plan. If you are a secured lender subject to a revised appraisal, a copy of the related appraisal will be delivered to you upon filing with the Court. All other creditors may receive copies of the Debtor’s property appraisals upon request of Debtor’s counsel.**

III. SUMMARY OF THE PLAN OF REORGANIZATION

A. What Creditors and Interest Holders Will Receive Under The Proposed Plan

As required by the Bankruptcy Code, the Plan places claims in separate classes and describes the treatment each class will receive. The Plan also states whether each class of claims is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

B. Unclassified Claims

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in such claim holder’s view, the treatment under the Plan does not comply with that required by the Code. As such, the Debtor did *not* place the following claims in any class:

1 **1. Administrative Expenses**

2 Administrative expenses are costs or expenses of administering the Debtor's Chapter 11
3 case which are allowed under section 507(a)(2) of the Bankruptcy Code. Administrative
4 expenses also include the value of any goods or services sold to the Debtor in the ordinary course
5 of business. The Bankruptcy Code requires that all administrative expenses be paid on the
6 effective date of the Plan, unless a particular claimant agrees to a different treatment.

7 All fees required to be paid by 28 U.S.C. § 1930 will accrue and be timely paid until the
8 case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees
9 owed on or before the effective date of this Plan will be paid on the effective date.

10 The following chart lists all of the Debtor's §507(a)(2) administrative claims and their
11 treatment under the Plan (see Exhibit F for detailed information about each administrative
12 expense claim):

<u>Name</u>	<u>Estimated Amount Owed</u>	<u>Proposed Treatment</u>
Zachariah Larson, Esq.	\$100,000.00±	Paid in full immediately after approval of fees or according to separate written agreement
Flangas McMillan Law Group	\$37,405.43±	Paid in full immediately after approval of fees or according to separate written agreement (Fees estimated as of February 28, 2011)
Expenses Arising in the Ordinary Course of Business After the Petition Date	\$ 1,797.97±	Paid in full on the effective date of the Plan, or according to terms of obligation if later
Office of the U.S. Trustee Fees	\$ 500.00±	Paid in full when due per statute
Clerk's Office Fees	\$0.00	Paid in full on the effective date of the Plan
Other administrative expenses	\$0.00	Paid in full immediately after approval of fees or according to separate written agreement
TOTAL	\$ 139,703.40±	

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22 **Court Approval of Fees Required:**

23 The Court must rule on all fees listed in this chart before the fees will be owed. For all
24 fees except Clerk's Office fees and U.S. Trustee's fees, the professional(s) in question must file
25 and serve a properly noticed fee application and the Court must rule on the application. Only the
26 amount of fees allowed by the Court will be owed and required to be paid under this Plan.
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2. Priority Tax Claims

Priority tax claims include certain unsecured income, employment and other taxes described by Section 507(a)(8) of the Bankruptcy Code. The Code requires that each holder of such a Section 507(a)(8) priority tax claim receive the present value of such claim in deferred cash payments, over a period not exceeding five years from the date of the order of relief.

The following chart lists all of the Debtor's Section 507(a)(8) priority tax claims and their treatment under the Plan:

<u>Description</u>	<u>Amount Owed</u>	<u>Treatment</u>
Name = Internal Revenue Service Type of tax = 1040 Date tax assessed = Pending	NONE	Pymt interval = = Est. pymt amt/interval = Interest Rate % = % Total Payout % = %

3. Priority Tax Claim of Clark County, Nevada

Priority tax claims include certain unsecured property taxes assessed before the commencement of the case and last payable without penalty after one year before the date of the filing of the petition described by Code Section 507(a)(8)(B). The Code requires that each holder of such a Section 507(a)(8)(B) priority tax claim receive the present value of such claim. There is one claim entitled to priority under this Code Section.

The following chart lists all of the Debtor's Section 507(a)(8)(B) priority tax claims and their treatment under the Plan:

<u>Description</u>	<u>Amount Owed</u>	<u>Treatment</u>
Name = Clark County, Nevada Type of tax = Property tax Date tax assessed =	NONE	Pymt interval = Est. pymt amt/interval= Interest Rate % = % Total Payout amount % = %

As of the Date of this Disclosure Statement, the Debtor does not have any Priority Unsecured Claims as referred to in §§507(a)(1), (4), (5), (6), and (7) of the Bankruptcy Code.

C. Classified Claims and Interests

The bar date for filing claims will expire on January 5, 2011. The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the plan.

...

1 **1. Secured Claim of Beal Bank - Class 1**

2 Allowed Secured Claims are claims secured by property of the Debtor’s bankruptcy estate
 3 (or that are subject to set off) to the extent allowed as secured claims under Section 506 of the
 4 Bankruptcy Code. If the value of the collateral or setoffs securing the creditor’s claim is less
 5 than the amount of the creditor’s allowed claim the deficiency will be classified as a general,
 6 unsecured claim in Class 3.

7 The following chart lists the class containing the Debtor’s secured prepetition claims and
 8 its proposed treatment of those claims under the Plan:

<u>CLASS</u> #	<u>DESCRIPTION</u>	<u>INSIDERS</u> Y/N	<u>IMPAIRED</u> Y/N
1	Secured claim of: <ul style="list-style-type: none"> • Name = Beal Bank Nevada • Collateral description = First Deed of Trust on APN 176-16-210-002 • Collateral value = \$19,400,000.00 • Priority of security int. = First Deed of Trust • Principal owed = \$16,188,110.62 • Interest Rate = 2.75% Total claim amount = \$16,188,110.62	N	Y

15 **Treatment of Class 1:**

16 Beal Bank Nevada will be paid the total principal loan amount of \$16,188,110.62 (as of
 17 November 22, 2010) fully amortized over thirty (30) years, with principal and interest (2.75%)
 18 paid monthly at the rate of \$66,086.53, with the balance of the remaining unpaid principle all due
 19 and payable in ten (10) years at which time the remaining principal balance of \$12,189,347.85
 20 will be paid as a final balloon payment. An Amortization Schedule for repayment of this
 21 \$16,188,110.62 obligation is attached hereto as Exhibit “K.” Debtor has the right to make pre-
 22 payments of principal at any time before they are due. Debtor may make full or partial pre-
 23 payments without paying a pre-payment penalty or charge. Beal Bank Nevada will use Debtor’s
 24 pre-payments to reduce the amount of Principal that Debtor owes under this loan. These
 25 payments shall begin upon thirty (30) days after the entry of the order confirming the Plan.

26 The Property has been appraised for a value that exceeds the aggregate principal on the
 27 Note. Specifically, the Property has been appraised at \$19,400,000.00. As such, Beal Bank is
 28 not under-secured. Rather, there is approximately \$3,000,000.00 (Three Million Dollars) in

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1 equity on the Property. Beal Bank has never disputed the appraised value of the Property.

2 Debtor's Plan proposes to pay over Twenty Million Dollars (\$20,119,731.45) in principal
3 and interest to Secured Creditor Beal Bank over the course of the ten-year Plan. Upon
4 information and belief, this almost doubles the estimated amount Beal Bank & BB&T (co-
5 participant in the Loan with lead bank, Beal Bank) purchased the Loan for from the FDIC.¹
6 Further, it provides almost Four Million Dollars to Beal Bank above the original principal
7 balance of the Loan. Finally, the amount proposed by Debtor's Disclosure Statement and Plan
8 significantly exceeds the amount that would be obtained by Beal Bank in a Chapter 7 liquidation.

9 Debtor intends to refinance, or even sell, the Property in order to satisfy the proposed
10 balloon payment due in ten year after Plan confirmation. At the time of the Appraisal, the
11 Property was worth \$19,400,000.00. Thus, Debtor has significant equity in the Property and
12 Secured Creditor Beal Bank is over-secured.

13 Debtor's Plan proposes to make payments over the next ten years that would reduce the
14 principal balance to \$12,189,347.85. Debtor fully believes that the value of the Property will
15 increase over the next ten years. Even assuming arguendo that the value remains stagnant, at the
16 end of the ten year period proposed by the Plan, approximately 40% of the Property value will be
17 held in equity by Debtor. Debtor anticipates that in ten years, the Property will be encumbered
18 by less debt, the economy will be better, and the value will increase. As such, Debtor fully
19 anticipates that Debtor will be able to successfully refinance or sell the Property to satisfy the
20 balloon payment.

21 **2. Potential Unsecured Claims Upon Which Debtor is a Co-Debtor - Class 2**

22 General unsecured claims are unsecured claims not entitled to priority under Code
23 Section 507(a). The following chart identifies this Plan's treatment of the class containing that
24 portion of Debtor's general unsecured claims upon which there may be a Co-Debtor:

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28 ¹ Upon information and belief, FDIC sold the Loan to Beal and BB&T, co-participiant in the loan, for a total of approximately \$10,112,825.00.

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<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDERS Y/N</u>	<u>IMPAIRED Y/N</u>
2	Total amount of claims = NONE	N	N

Treatment of Class 2:

There are no potential co-debtor claims known to the Debtor.

3. Undisputed General Unsecured Claims - Class 3

Only claimants who file a Proof of Claim and whose claim is approved will be eligible for payment. The bar date for filing claims was January 5, 2011. Since the bar date has passed, four (4) Proofs of Claim have been filed by general unsecured creditors. These general unsecured claims total \$13,153.12.

Debtor has recently been made aware of one potential (1) additional pre-petition general unsecured creditor. This pre-petition general unsecured creditor is the Receiver who was appointed in a state court action between Debtor and Secured Creditor Beal Bank that was stayed once the petition was filed. It is Debtor's understanding that the Receiver is finalizing an accounting. However, based upon ongoing discussions with counsel for the Receiver, Debtor estimates that the Receiver will have a pre-petition general unsecured claim in the approximate amount of \$5,005.44. Debtor will be amending the Petition and Schedules as necessary to account for this additional unsecured creditor. The addition of the unsecured general creditor will not impair the rights of any other creditor under the terms of this Disclosure Statement.

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>INSIDERS Y/N</u>	<u>IMPAIRED Y/N</u>
3	General unsecured claims <ul style="list-style-type: none"> • Estimated total amount of claims = Unknown due to potential claim by Receiver • Total Proof of Claims filed to Date=\$13,153.12 With Estimated Receiver claim: \$18,158.56 	N	Y (Payment delayed without interest)

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1 **Treatment of Class 3:**

2 This class consists of all unsecured creditors and they will receive payment of 100% of
3 their claim filed. This amount will be paid ninety (90) days after entry of the confirmation order.

4 None of the creditors in Class 3 have come to an agreement with Debtor in which they
5 have waived their claims, nor have any amendments or modification agreements to the executory
6 contracts between Class 3 creditors and Debtors been reached by which the waiver of their claim
7 was a term of the amendment or modification. This Court has never ordered the Class 3 claims
8 waived or, otherwise, resolved.

9 Debtor proposes to pay general unsecured creditors the full amount owed without interest
10 ninety days after entry of order confirming the Plan. Debtor has numerous business and/or
11 economic justification for the treatment of all Classes under the Plan. Regarding the treatment of
12 Class 3, Debtor must balance the need to reconcile its books following tax season and CAM
13 reconciliation disputes, and the need to maintain significant cash reserves with the need to
14 propose and fund its Disclosure Statement and Plan.

15 It is anticipated that the Plan Confirmation will likely occur in the middle of various
16 critical financial periods for Debtor. First, the Plan will likely be confirmed during or just after
17 tax season during a period of time when Debtor is in the process of reconciling its ongoing tax
18 obligations. Additionally, historically and pursuant to the terms of the Lease between Debtor and
19 its primary tenant, Allegiant Air, LLC (“Allegiant”), CAM reconciliations on the Property have
20 always been with an April year end. It is anticipated that 2010-2011 CAM reconciliations will be
21 done shortly after Plan Confirmation in May or June of 2011. Third, Allegiant is currently
22 disputing past CAM reconciliations and it is anticipated that Allegiant will continue to do the
23 same with the 2010-2011 CAM reconciliations. While Debtor is pressing the issues with
24 Allegiant, the dispute is ongoing and Debtor needs to fully assess the situation prior to tapping
25 into cash collateral reserves.

26 Debtor’s Plan is intended to encourage success of the Plan and also the successful
27 Reorganization of Debtor. In order to successfully fund the Plan and properly maintain the
28 Property, Debtor must also maintain significant cash reserves. Debtor must maintain a
significant amount of cash on hand in order to properly maintain the 24-hour facility. The

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1 business needs of the Property’s primary tenant, Allegiant, require the facility to be fully-
2 functioning 24 hours a day, 7 days a week. Further, the equipment and utility needs of the
3 facility are significant and expensive. This results in the need for Debtor to have significant cash
4 on hand to address emergencies that arise on the Property. For example, the battery back-up to
5 the generators on site is nearly being used to capacity by tenant, Allegiant. The replacement of
6 the battery back-up alone would exceed \$100,000. The Debtor does not want to place itself in a
7 position of being unable to properly manage its own Property.

8 Cash reserves are also necessary because, Allegiant, a company with well over \$100
9 Million in cash reserves, has a history of disputing monies owed to Debtor, even pursuant to
10 Court Order, or as required pursuant to Lease terms. The Plan must be paid by Debtor,
11 regardless of whether Allegiant is meeting its obligations to Debtor. As such, Debtor intends to
12 hold funds in reserve to cover anticipated ongoing issues with its tenants.

13 Additionally, there remains approximately an additional 4,000 square feet of space that
14 Debtor is currently attempting to lease to another tenant. Due to the current use of the Property,
15 significant tenant improvements will need to be done should Debtor successfully secure a tenant
16 in the coming months. It is estimated that the potential tenant improvements would cost between
17 \$150,000 and \$200,000. If Debtor secures a new tenant, Debtor would need the cash collateral
18 reserves to immediately fund the tenant improvements.

19 Debtor anticipates that the delay in payment will allow Debtor to resolve the ongoing
20 CAM disputes with Allegiant and reconcile its taxes and CAMS for 2010-2011 prior to paying
21 the general unsecured creditors.

22 **4. Equity Interest Holders - Class 4**

23 Equity interest holders are parties who hold an ownership interest (i.e., equity interest)
24 and are classified here in Class 4. In a corporation, entities holding preferred or common stock
25 are equity interest holders. In a partnership, equity interest holders include both general and
26 limited partners. In a limited liability company, the equity interest holders are the members.
27 Finally, with respect to an individual who is a debtor, the Debtor is the equity interest holder.

28 . . .
. . .

1 In this case, the Debtor is a limited liability company. The following chart identifies this
2 Plan's treatment of the class of interest holders:

<u>CLASS</u> #	<u>DESCRIPTION</u>	<u>INSIDERS</u> Y/N	<u>IMPAIRED</u> Y/N
4	Interest holders - Debtor	Y	Y

3
4
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8
9 **Treatment of Class 4:**

10 This class shall be paid only if funds remain after all other classes of creditor(s) have been
11 paid pursuant to the terms of the Plan.

12 **D. Means of Effectuating the Plan**

13 **1. Funding for the Plan**

14 Payments and distributions under the Plan will be funded by the Plan Proponent. The
15 Debtor's Financial Statements are attached hereto as **Exhibit B** and outline the Debtor's sources
16 and uses of income. Indeed, the math is not complex, insomuch as the Plan payments described
17 in this Disclosure Statement are based entirely on the funding to be provided by the Plan
18 Proponent.

19 Debtor purposely has proposed monthly Plan payments to Beal Bank in the amount of
20 approximately \$66,086.00. The rents collected from Allegiant Air in the current monthly amount
21 of \$138,254.04 exceed the monthly Plan payments and the monthly operating budget. Debtor
22 will maintain the difference in order to fund the Plan in the future should any difficulties arise
23 pertaining to tenant, Allegiant.

24 Allegiant Air's lease allows for Allegiant Air to terminate after 84 months from the
25 commencement date of the lease term, or after approximately April of 2015. Debtor will have
26 collected rents as described above for approximately four years before the early termination
27 option is available to Allegiant Air. As such, Debtor estimates that it will have saved
28 approximately Three Million Dollars in cash reserves between the commencement of the Plan
and the potential early termination date.

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1 In addition, the early termination, if exercised by Allegiant Air, will trigger numerous
2 rights for Debtor to collect damages which Debtor estimates will be approximately One Million
3 Dollars pursuant to the terms of the Lease and Addendums thereto.

4 Debtor estimates that [1] the difference in the rents collected from Debtor's tenants and
5 Debtor's monthly operating budget, including Plan payments together with [2] the damages
6 collected if Allegiant Air exercises its early termination option will total over 4.1 Million dollars
7 which Debtor could utilize to continue funding the proposed Plan after April of 2015 if Allegiant
8 Air exercises its early termination option. This amount will effectively cover at least an
9 additional five years of the Plan during which time, Debtor could locate a replacement tenant.

10 **2. Post-Confirmation Management**

11 Jeff Susa will continue to manage the affairs of the Debtor. All preference and claims
12 issues have been resolved by the Court.

13 The Debtor will continue to exist after confirmation of the Plan as a separate limited
14 liability company, with all the powers of a limited liability company pursuant to Nevada law and
15 pursuant to the Debtor's formation documents in effect prior to confirmation, except to the extent
16 such formation documents are amended by or in connection with this Plan. Any such
17 amendments are deemed to be authorized pursuant hereto and without the need for any other
18 approvals, authorizations, actions or consents.

19 **3. Disbursing Agent**

20 Debtor shall act as the Disbursing Agent for the purpose of making all distributions
21 provided for under the Plan. The Disbursing Agent shall serve without bond and shall receive no
22 compensation for distribution services rendered and expenses incurred pursuant to the Plan.

23 **4. Distributions on Account of Claims Allowed After the Effective Date**

24 Although it is not anticipated that any payments will be made other than those of the Plan
25 Proponent, except as otherwise provided in the Plan, or upon the entry of a final, non-appealable
26 order of the Bankruptcy Court, or as agreed to by the relevant parties, distributions under the Plan
27 on account of a disputed claim that becomes an allowed claim after the effective date of the Plan
28 shall be paid by the Debtor in the ordinary course or as established by the Disbursement Agent,
which is at least thirty (30) days after such claim becomes an allowed claim.

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Notwithstanding anything in the Plan to the contrary, and except as otherwise agreed to by the relevant parties, no partial payments and no partial distributions shall be made with respect to a disputed claim until all such disputes in connection with such disputed claim have been resolved by settlement among the parties or a final order of the Court. In the event that there are disputed claims requiring adjudication and resolution, the Disbursement Agent shall establish appropriate reserves for potential payment of such Claims pursuant to Article VII.B.2 of the Plan.

E. Risk Factors

DEBTOR WILL EXERT HIS BEST EFFORTS TO COMPLETE HIS PLAN OF REORGANIZATION. HOWEVER, THERE IS NO GUARANTEE THAT DEBTOR’S PROJECTIONS WILL OCCUR ON THE TIME-TABLE STATED OR THAT SOME UNFORESEEN EVENT MAY RENDER PERFORMANCE IMPOSSIBLE. THEREFORE, AN ELEMENT OF RISK IS ALWAYS PRESENT IN THIS PLAN OR IN ANY OTHER PLAN TO BE PERFORMED IN THE FUTURE.

The primary risk related to the Debtor’s Plan is inability of the Plan Proponent to make his payments proposed under the Plan. If this were to occur, the Debtor would lose its commercial Property.

F. Other Provisions of the Plan

1. Executory Contracts and Unexpired Leases

a. Assumptions

Assumption means that the Debtor has elected to continue to perform the obligations under executed contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any. This Disclosure Statement, in **Exhibit C**, lists all executed contracts and unexpired leases the Debtor will assume under the Plan. **Exhibit C** also lists how the Debtor will cure and compensate the other party to such contract or lease for any such defaults.

If you object to the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court sets an earlier time.

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1 The following are the unexpired leases and executory contracts to be **assumed** as
2 obligations of the reorganized Debtor under this Plan:

- 3 i. Lease with Allegiant Air amended on June 23, 2008 for approximately
4 64,908 square feet for a term of ten (10) years;
- 5 ii. Maintenance contract with Otis Elevators for a term of sixty months and a
6 monthly payment of \$250.00;
- 7 iii. Landscape maintenance contract with Green thumb Maintenance for a
8 perpetual term and a monthly payment of \$3,000.00;
- 9 iv. UPS maintenance contract with DP Air Corp for a perpetual term and a
10 quarterly payment of \$1,463.00;
- 11 v. Temperature control maintenance contract with Control Contractors, Inc.
12 for a perpetual term and a quarterly payment of \$840.00;
- 13 vi. HVAC maintenance contract with DP Air Corp for a perpetual term and a
14 quarterly payment of \$4,506.20; and
- 15 vii. Property management contract with S&S Development/Jeff Susa for a
16 term of sixty months and a monthly payment of 5% of rents collected and
17 3% for renting and/or leasing the premises.

18 **b. Rejections**

19 All executory contracts and unexpired leases that are not listed in **Exhibit C** will be
20 rejected under the Plan. Consult your advisor or attorney for more specific information about
21 particular contracts or leases.

22 On the Effective Date, the following executory contracts and unexpired leases will be
23 rejected: **NONE.**

24 The order confirming the Plan shall constitute an order approving the rejection of the
25 lease or contract. If you are a party to a contract or lease to be rejected and you object to the
26 rejection of your contract or lease, you must file and serve your objection to the Plan within the
27 deadline for objecting to the confirmation of the Plan. See Disclosure Statement for the specific
28 date.

1 THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM
2 ARISING FROM THE REJECTION OF A LEASE OR CONTRACT IS thirty (30) days from
3 the date of the entry of the Order Confirming Debtor’s Plan. Any claim based on the rejection of
4 a contract or lease will be barred if the proof of claim is not timely filed, unless the Court later
5 orders otherwise.

6 **2. Changes in Rates Subject To Regulatory Commission Approval**

7 This Debtor is not subject to governmental regulatory commission approval of its rates.

8 **3. Retention of Jurisdiction**

9 The Court will retain jurisdiction to the extent provided by law.

10 **G. Tax Consequences of Plan**

11 CREDITORS AND INTEREST HOLDERS CONCERNED WITH HOW THE PLAN
12 MAY AFFECT THEIR TAX LIABILITY SHOULD CONSULT WITH THEIR OWN
13 ACCOUNTANTS, ATTORNEYS, AND/OR ADVISORS.

14 The following disclosure of possible tax consequences is intended solely for the purpose
15 of alerting readers about possible tax issues this Plan may present to the Debtor. The Proponent
16 CANNOT and DOES NOT represent that the tax consequences contained below are the only tax
17 consequences of the Plan because the Tax Code embodies many complicated rules which make it
18 difficult to state completely and accurately all the tax implications of any action.

19 The Debtor does not anticipate any adverse tax consequences to the estate from the Plan.
20 To the extent the Debtor receives any debt forgiveness income related to this Chapter 11 case,
21 such income would not be taxable under Section 108(a)(1) of the Internal Revenue Code, 26
22 U.S.C. §§ 1, *et seq.*

23 **IV. CONFIRMATION REQUIREMENTS AND PROCEDURES**

24 PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OF THIS PLAN
25 SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON
26 CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX. The following
27 discussion is intended solely for the purpose of alerting readers about basic confirmation issues,
28 which they may wish to consider, as well as certain deadlines for filing claims. The Proponent
CANNOT and DOES NOT represent that the discussion contained below is a complete summary

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1 of the law on this topic.

2 To be confirmable, the Plan must meet the requirements listed in Section 1129(a) or (b)
3 of the Bankruptcy Code. These include the requirements that: (i) the Plan must be proposed in
4 good faith; (ii) at least one impaired class of claims must accept the Plan, without counting votes
5 of insiders; (iii) the Plan must distribute to each creditor and equity interest holder at least as
6 much as the creditor or equity interest holder would receive in a Chapter 7 liquidation case,
7 unless the creditor or equity interest holder votes to accept the Plan; and (iv) the Plan must be
8 feasible. These requirements are not the only requirements listed in Section 1129, and they are
9 not the only requirements for confirmation.

10 **A. Who May Vote or Object?**

11 **1. Who May Object to Confirmation of the Plan?**

12 Any party in interest may object to the confirmation of the Plan if that party believes that
13 the requirements for confirmation have not been met, but as explained below not everyone is
14 entitled to vote to accept or reject the Plan.

15 **2. Who May Vote to Accept/Reject the Plan?**

16 A creditor or interest holder has a right to vote for or against the Plan only if that creditor
17 or interest holder has a claim or equity interest which is both (1) allowed (or allowed for voting
18 purposes) and (2) classified in an impaired class.

19 **a. What Is an Allowed Claim/Interest?**

20 As noted above, a creditor or interest holder must first have an allowed claim or interest
21 to have the right to vote. Generally, any proof of claim or interest will be allowed, unless a party
22 in interest brings a motion objecting to the claim. When an objection to a claim or interest is
23 filed, the creditor or interest holder holding the claim or interest cannot vote unless the Court,
24 after notice and hearing, either overrules the objection or allows the claim or interest for voting
25 purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy.

26 **THE BAR DATE FOR FILING A PROOF OF CLAIM IN THIS CASE WAS**
27 **JANUARY 5, 2011 FOR GENERAL CREDITORS AND FEBRUARY 14, 2011 FOR**
28 **GOVERNMENTAL AGENCIES.**

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1 A creditor or interest holder may have an allowed claim or interest even if a proof of
2 claim or interest was not timely filed. A claim is deemed allowed if (1) it is scheduled on the
3 Debtor's schedules and such claim is not scheduled as disputed, contingent, or unliquidated, and
4 (2) no party in interest has objected to the claim. An interest is deemed allowed if it is scheduled
5 and no party in interest has objected to the interest.

6 **b. What Is an Impaired Claim/Interest?**

7 As noted above, an allowed claim or interest only has the right to vote if it is in a class
8 that is impaired under the Plan. As provided in §1124, a class is impaired if the Plan alters the
9 legal, equitable, or contractual rights of the members of that class. For example, a class
10 comprised of general unsecured claims is impaired if the Plan fails to pay the members of that
11 class 100% of what they are owed or it delays payments without offering Market Interest. For
12 purposes of this Plan, Debtors believe that market interest does not exceed 10% per annum.

13 In this case, the Proponent believes that classes 1, 2, 3 and 4 are impaired and that holders
14 of claims in each of these classes are therefore entitled to vote to accept or reject the Plan.
15 Parties who dispute the Proponent's characterization of their claim or interest as being impaired
16 or unimpaired may file an objection to the Plan contending that the Proponent has incorrectly
17 characterized their claim.

18 **3. Who Is Not Entitled to Vote?**

19 The following six types of claims are **not** entitled to vote:

- 20 a) Administrative Expenses;
- 21 b) Claims that have been disallowed by an Order of the Court;
- 22 c) Claims that are not "allowed claims" (as discussed above) but have been
23 deemed "allowed" solely for voting purposes;
- 24 d) Claims in unimpaired classes;
- 25 e) Claims entitled to priority pursuant to Code sections 507(a)(2) or (a)(8);
26 and
- 27 f) Claims in classes that do not receive or retain any value under the Plan.

28 Claims in unimpaired classes are not entitled to vote because such classes are deemed to have
accepted the Plan. Claims entitled to priority pursuant to Code sections 507(a)(1), (a)(2), and

1 (a)(7) are not entitled to vote because such claims are not placed in classes and they are required
2 to receive certain treatment specified by the Code. Claims in classes that do not receive or retain
3 any value under the Plan do not vote because such classes are deemed to have rejected the Plan.
4 EVEN IF YOUR CLAIM IS OF THE TYPE DESCRIBED ABOVE, YOU MAY STILL HAVE
5 A RIGHT TO OBJECT TO THE CONFIRMATION OF THE PLAN AND THE ADEQUACY
6 OF THE DISCLOSURE STATEMENT.

7 **4. Who Can Vote in More Than One Class?**

8 A creditor whose claim has been allowed in part as a secured claim and in part as an
9 unsecured claim, or who otherwise holds claims in multiple classes, is entitled to accept or reject
10 a Plan in each capacity and should cast one ballot for each claim.

11 **5. Votes Necessary to Confirm the Plan**

12 If impaired classes exist, the Court cannot confirm the Plan unless (a) at least one
13 impaired class of Creditors has accepted the Plan without counting the votes of any insiders
14 within that class, and (b) all impaired classes have voted to accept the Plan, unless the Plan is
15 eligible to be confirmed by "cramdown" on non-accepting classes. These procedures are
16 complex and you are urged to seek the advice of counsel.

17 **6. Votes Necessary for a Class to Accept the Plan**

18 A class of claims is considered to have accepted the Plan if both of the following occur:
19 (a) holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast his votes
20 to accept the Plan, and (b) the holders of at least two-thirds (2/3) in dollar amount of the allowed
21 claims in the class, who vote, cast his votes in favor of accepting the Plan.

22 **7. Treatment of Non-Accepting Classes**

23 Even if one or more of the impaired classes do not accept the Plan, the Court may
24 nonetheless confirm the Plan if the non-accepting classes are treated in the manner required by
25 §1129 (b) of the Bankruptcy Code. The process by which non-accepting classes are forced to be
26 bound by the terms of a Plan is commonly referred to as "cramdown." The Code allows the Plan
27 to be "crammed down" on non-accepting classes of claims or interests if it meets all consensual
28 confirmation requirements except the voting requirements of 1129(a)(8) and if the Plan does not
"discriminate unfairly" and is "fair and equitable" toward each impaired class that has not voted

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1 to accept the Plan as referred to in 11 U.S.C. §1129(b) and applicable case law.

2 **You should consult your own attorney regarding whether a “cramdown”**
3 **confirmation will affect your claim, as the variations on this general rule are numerous and**
4 **complex.**

5 **B. Liquidation Analysis**

6 To confirm a Plan, the Court must find that all creditors who do not accept the Plan will
7 receive at least as much under the Plan as such claim holders would receive in Chapter 7
8 liquidation. This is known as the "Best Interest Test," which requires a liquidation analysis.

9 In a Chapter 7 case, the Debtor's assets are usually sold by a Chapter 7 trustee. Secured
10 creditors are paid first from the sales proceeds of properties on which the secured creditor has a
11 lien. Administrative claims are paid next. Next, unsecured creditors are paid from any
12 remaining sales proceeds, according to their rights to priority. Unsecured creditors with the same
13 priority share in proportion to the amount of their allowed claim in relationship to the amount of
14 total allowed unsecured claims. Finally, interest holders receive the balance that remains after all
15 creditors are paid, if any.

16 For the Court to be able to confirm this Plan, the Court must find that all creditors and
17 interest holders who do not accept the Plan will receive at least as much under the Plan as such
18 holders would receive under Chapter 7 liquidation.

19 A Liquidation Analysis, in balance sheet format, is attached as **Exhibit E**. The
20 Liquidation Analysis illustrates that all creditors and interest holders will receive at least as much
21 under the Plan as such creditors or interest holders would receive under Chapter 7 liquidation.
22 This information is provided by Debtor and Debtor’s counsel.

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1 Below is a demonstration, in tabular format, that all creditors and interest holders will
 2 receive at least as much under the Plan as such creditor or holder would receive under a Chapter
 3 7 liquidation.

<u>CLAIMS & CLASSES</u>	<u>PAYOUT PERCENTAGE UNDER THE PLAN</u>	<u>PAYOUT PERCENTAGE IN CHAPTER 7 LIQUIDATION</u>
Administrative Claims	100%	100%
Priority Tax Claims	100%	100%
Class 1 - <u>Secured Claims</u>	100%	100%
Class 2- <u>Unsecured Creditors Upon Which Debtor is a Co-Debtor</u>	N/A	0%
Class 3 - <u>General Unsecured Creditors</u>	100%	Unknown
Class 4 - <u>Insiders</u>	0%	0%

15 **C. Feasibility**

16 Another requirement for confirmation involves the feasibility of the Plan, which means
 17 that confirmation of the Plan is not likely to be followed by the liquidation, or the need for
 18 further financial reorganization, of the Debtor or any successor to the Debtor under the Plan,
 19 unless such liquidation or reorganization is proposed in the Plan.

20 There are at least two important aspects of a feasibility analysis. The first aspect
 21 considers whether the Debtor will have enough cash on hand on the Effective Date of the Plan to
 22 pay all the claims and expenses which are entitled to be paid on such date.

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1 The Plan Proponent maintains that this aspect of feasibility is satisfied as illustrated here.

2	Cash Debtor has on hand	\$ 290,941.43
3	As of March 11, 2011	
4	To Pay: Administrative claims (Attorney Fees and Ordinary Course)	- <u>139,203.40</u>
5	To Pay: Statutory costs & charges	- <u>500.00</u>
6	To Pay: Other Plan Payments due on Effective Date	- <u>None</u>
7		
8	Balance after paying these amounts	\$ <u>151,238.03</u>

9
 10 The sources of the cash Debtor will have on hand by the Effective Date, as shown above are:

11	<u>\$ 290,941.43</u>	Cash in DIP Account as of March 11, 2011
12	<u>+ 151,744.00</u>	Estimated Account Receivables (CAMS due from Allegiant)
13	<u>+ 0.00</u>	Borrowing (Lines of Credit) on Effective Date
14	<u>+ 0.00</u>	Capital Contributions
15	<u>\$ 442,685.43</u>	Total

16 The second aspect of feasibility considers whether the Proponent will have enough cash
 17 over the life of the Plan to make the required Plan payments. The Debtor is also owed
 18 \$99,844.79 from Allegiant Airline pursuant to Court Order dated August 11, 2010 in Eighth
 19 Judicial District Court, Case No. A-10-613307-C. Allegiant also owes Debtor an estimated
 20 \$151,744.00 in CAM and other additional rents due under the Lease which Debtor identifies in
 21 this Disclosure Statement as Accounts Receivables. Thus, combining the Accounts Receivable
 22 and the monies due per Court Order, as of March 1, 2011, Allegiant owes Debtor \$251,588.79.

23 Debtor has met with Allegiant numerous times to resolve these ongoing issues.
 24 Specifically, within the past thirty days Debtor has met with the Chairman of the Board of
 25 Allegiant and Allegiant has two internal auditors who were not previously involved in the dispute
 26 over the 2009-2010 CAM Reconciliation to review the issues in order to put a “fresh set of eyes”
 27 on the numbers and come to an agreement. Debtor has also sent a formal written demand for
 28 payment to Allegiant’s bankruptcy counsel. Allegiant has recently confirmed that they owe
 approximately \$151,744.00 as of March 1, 2011 to Debtor for the 2009-2010 CAM

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1 Reconciliation and other unpaid CAM. Debtor anticipates that the 2009-2010 CAM
2 Reconciliation will be paid by Allegiant shortly now that the parties are close to resolution.
3 Finally, this Court has approved the hiring of Special Counsel on March 9, 2011 who will pursue
4 the Debtor's legal rights in recovering the monies owed from Allegiant (both CAM
5 Reconciliations and per Court Order) as necessary.

6 Furthermore, pre-petition, Debtor made loans to Windmill Durango, LP and Windmill
7 Durango Office II, LLC. After Debtor's accountant has reviewed the Debtor's books for the
8 previous year, the amounts due on those loans are \$1,099,613.02 due from Windmill Durango,
9 LP and \$38,500.00 due from Windmill Durango Office II, LLC. The extent that these loans will
10 be recovered is yet unknown. These loans were both made before the events which lead to the
11 filing of Debtor's bankruptcy.

12 Windmill Durango, LP is the main holding company of Debtor, Windmill Durango
13 Office II, LLC, Windmill Durango Retail, LLC, and Windmill Durango OP, LLC. Each of the
14 four entities, Debtor, Windmill Durango Office II, LLC, Windmill Durango Retail, LLC, and
15 Windmill Durango OP, LLC developed a portion of the overall commercial real estate project.
16 The loan to Windmill Durango, LP (\$1,099,613.02) was made to fund the expenses associated
17 with the related real estate projects pursued by the entities Windmill Durango Retail, LLC and
18 Windmill Durango OP, LLC in order to assist the success of the overall project.

19 Both of these entities, Windmill Durango Retail, LLC, and Windmill Durango OP, LLC,
20 had filed bankruptcies which were subsequently dismissed. The entities are currently negotiating
21 the terms of loans with their lenders and are working towards future development of their
22 respective vacant properties. The extent that these loans will be recovered is yet unknown.

23 The loan to Windmill Durango Office II, LLC (\$38,500.00) was made to fund the
24 expenses associated with the related real estate projects pursued by the Windmill Durango Office
25 II, LLC's commercial property. Reimbursement of those funds was ongoing until the tenant on
26 the property, Commpartners Holding Corporation ("Commpartners"), filed Chapter 11
27 bankruptcy. Commpartners' Disclosure Statement was approved by the Court and a Plan
28 Confirmation Hearing is set for the end of April 2011. Commpartners' Proposed Plan rejects the
lease between Commpartners and Windmill Durango Office II, LLC. Windmill Durango Office

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1 II, LLC will be entitled to lease rejection damages, however, the extent to which it will receive
2 payment under the proposed plan is yet unknown due to the significant multi-jurisdictional
3 litigation that Commpartners is involved in with other creditors that will receive the same
4 treatment as Windmill Durango Office II, LLC under Commpartners' Plan. Since the final
5 outcome of Commpartners' significant multi-jurisdictional litigation is unknown, the extent that
6 these loans will be recovered is yet unknown.

7 To the extent that any funds are received from either Allegiant per Court Order, Windmill
8 Durango, LP, or Windmill Durango Office II, LLC, these funds shall be utilized to fund the Plan.
9 However, Debtor is not relying upon the recovery of any of these funds to sustain the Plan.

10 The Proponent has provided financial statements of Debtor as **Exhibit B**.

11 **YOU ARE ADVISED TO CONSULT WITH YOUR ACCOUNTANT OR**
12 **FINANCIAL ADVISOR IF YOU HAVE ANY QUESTIONS PERTAINING TO THESE**
13 **FINANCIAL STATEMENTS.**

14 In summary, the Plan proposes to pay all classes except general unsecured creditors who
15 have not filed Proof of Claims or whose executory contracts have been rejected and disapproved
16 Creditors Claims. As Debtor's financial projections demonstrate, Debtor will have a positive
17 cash flow, after paying operating expenses and post-confirmation taxes for the life of the Plan.
18 The final Plan payment is expected to be paid on or before Ten Years after the first payment
19 under the Plan. The Plan Proponent contends that Debtor's financial projections are feasible.

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V. EFFECT OF CONFIRMATION OF PLAN

A. Discharge

This Plan provides that upon Confirmation of Plan, Debtor shall be discharged of liability
for payment of debts incurred before confirmation of the Plan to the extent specified in 11 U.S.C.
§ 1141. Thus, upon Confirmation, the Debtor and all property dealt with in the Plan shall be free
and clear of all such claims and liabilities, including without limitation, liens, security interests,
and any and all other encumbrances. However, the discharge will not discharge any liability
imposed by the Plan.

...

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1 **B. Revesting of Property in the Debtor**

2 Except as provided elsewhere in the Plan, the confirmation of the Plan revests all of the
3 property of the estate in the Debtor.

4 **C. Modification of Plan**

5 The Debtor may modify the Plan at any time before confirmation of the Plan. The Court,
6 however, may require a new Disclosure Statement and/or re-voting on the Plan.

7 The Debtor may also seek to modify the Plan at any time after confirmation only if (1) the
8 Plan has not been substantially consummated and (2) the Court authorizes the proposed
9 modifications after notice and a hearing.

10 Upon request of the Debtor or the Plan Proponent, the Plan may be modified at any time
11 after confirmation of the Plan, but before the completion of payments under the Plan, to (1)
12 increase or reduce the amount of payments under the Plan on claims of a particular class, (2)
13 extend or reduce the time period for such payments, or (3) alter the amount of distribution to a
14 creditor whose claim is provided for by the Plan to the extent necessary to take on accounting of
15 any payment of a claim made other than under the Plan.

16 Effective as of the date hereof and subject to the limitations and rights contained in the
17 Plan: (a) the Debtor reserves the right, in accordance with the Bankruptcy Code and the
18 Bankruptcy Rules, to amend or modify the Plan prior to the entry of the confirmation order; and
19 (b) after the entry of the confirmation order, the Debtor or the reorganized Debtor, as applicable,
20 may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section
21 1127(b) of the Bankruptcy Code or remedy any defect or omission or reconcile any inconsistency
22 in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan;
23 provided, however, that any modification to the Plan shall not affect the rights or treatment of
24 holders of General Unsecured Claims.

25 **D. Post-Confirmation Status Report**

26 Until the entry of the final decree, the debtor shall file with the clerk, not later than twenty
27 (20) days after the end of the calendar quarter which occurs after the entry of this order, and
28 every six (6) months thereafter, a report of the action taken by the reorganized debtor and the
progress made toward consummation of the confirmed plan.

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Said report shall include, at a minimum, the following information:

(A) A schedule of any personal property costing more than \$5,000 and any real property acquired, sold or disposed of since plan confirmation and the price paid for each;

(B) A schedule listing each debt, the total amount required to be paid under the plan, the amount required to be paid to date, the amount actually paid to date, and the amount unpaid;

(C) A schedule of executory contracts entered into after plan confirmation;

(D) A statement listing each postpetition tax (i.e., income, payroll, property, sales), and payee and the amount actually paid; and

(E) The progress toward completion of the confirmed plan and a list and status of any pending adversary proceedings or motion and resolution expected; and

(F) A statement regarding the status of payment of both pre-confirmation and post confirmation United States trustee quarterly fees.

Pursuant to LR 3022, a final decree may be entered on _____.

The Debtor shall file further progress reports not later than six (6) months after the initial progress report is due and every six (6) months thereafter, until the estate is fully administered as provided in B.R. 3022. A copy of the initial and subsequent progress reports shall be filed concurrently with the Office of the United States Trustee.

E. Post-Confirmation Conversion/Dismissal

A creditor or party in interest may bring a motion to convert or dismiss the case under §1112, after the Plan is confirmed, if there is a default in performing the Plan or pursuant to Code. If the Court orders the case converted to Chapter 7 after the Plan is confirmed, then all property that had been property of the Chapter 11 estate, and that has not been disbursed pursuant to the Plan, will revert in the Chapter 7 estate. The automatic stay will be reimposed upon the revested property, but only to the extent that relief from stay was not previously authorized by the Court during this case.

The order confirming the Plan may also be revoked under very limited circumstances. The Court may revoke the order if the order of confirmation was procured by fraud and if a party in interest brings an adversary proceeding to revoke confirmation within 180 days after the entry

1 of the order of confirmation.

2 **F. Final Decree**

3 Once the estate has been fully administered, as provided in Rule 3022 of the Federal
4 Rules of Bankruptcy, the Plan Proponent, or such other party as the Court shall designate in the
5 Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the
6 case. Alternatively, the Court may enter such a final decree on its own Motion.

7
8 **VI. OTHER PLAN PROVISIONS**

9 **A. Vesting of Assets in the Plan Proponent**

10 After confirmation of the Plan, all property of the Debtor shall vest in the Plan Proponent,
11 or any entity he may designate, free and clear of all liens, claims, charges or other encumbrances.
12 Without limiting the foregoing, the Debtor or the Plan Proponent, as appropriate, shall pay the
13 charges that they incur after confirmation for professionals' fees, disbursements, expenses or
14 related support services (including reasonable fees relating to the preparation of professional fee
15 applications) without application to the Bankruptcy Court.

16 **B. Release of Liens, Claims and Equity Interests**

17 Except as otherwise provided herein or in any contract, instrument, release or other
18 agreement or document entered into or delivered in connection with the Plan, upon confirmation,
19 all liens, claims, mortgages, deeds of trust, or other security interests against the Property of the
20 Debtor's estate shall be fully released and discharged.

21 **C. Compromise and Settlement**

22 Notwithstanding anything contained in this Disclosure Statement to the contrary, the
23 allowance, classification and treatment of all Claims and their respective distributions and
24 treatments in the Plan, takes into account the relative priority and rights of the claims and the
25 equity interests in each Class in connection with any contractual, legal and equitable
26 subordination rights relating to those claims, whether arising under general principles of
27 equitable subordination, section 510(b) and (c) of the Bankruptcy Code or otherwise. Pursuant to
28 the Debtor's either payment in full of the claims against it, or the surrendering of the collateral
related to its secured debt contained in the Plan, as of the effective date of the Plan, any and all

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1 contractual, legal and equitable subordination rights, whether arising under general principles of
2 equitable subordination, section 510(b) and (c) of the Bankruptcy Code or otherwise, relating to
3 the allowance, classification and treatment of all allowed Claims and their respective
4 distributions and treatments in the Plan are settled, compromised, terminated and released.

5 **D. Third Party Release**

6 NOTWITHSTANDING ANYTHING CONTAINED IN THE PLAN TO THE
7 CONTRARY, ON THE CONFIRMATION DATE OF THE PLAN AND EFFECTIVE AS OF
8 THE CONFIRMATION DATE, THE PLAN PROPONENT AND ALL MEMBERS AND
9 MANAGERS OF THE DEBTOR SHALL RECEIVE A FULL DISCHARGE AND RELEASE
10 FROM ANY AND ALL CAUSES OF ACTION, WHETHER KNOWN OR UNKNOWN,
11 FORESEEN OR UNFORESEEN, LIQUIDATED OR UNLIQUIDATED, CONTINGENT OR
12 NON-CONTINGENT, EXISTING AS OF THE EFFECTIVE DATE IN LAW, AT EQUITY,
13 WHETHER FOR TORT, FRAUD, CONTRACT OR OTHERWISE, ARISING FROM OR
14 RELATED IN ANY WAY TO THE DEBTOR, INCLUDING, WITHOUT LIMITATION,
15 THOSE IN ANY WAY RELATED TO THE CHAPTER 11 CASE OR THE PLAN;
16 *PROVIDED, HOWEVER,* THAT THE FOREGOING “THIRD PARTY RELEASE” SHALL
17 NOT OPERATE TO WAIVE OR RELEASE ANY CAUSES OF ACTION OF ANY
18 RELEASING PARTY FROM ANY CLAIMS ARISING FROM WILLFUL MISCONDUCT OR
19 GROSS NEGLIGENCE.

20 ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE
21 BANKRUPTCY COURT’S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF
22 THE THIRD PARTY RELEASE, AND FURTHER, SHALL CONSTITUTE THE
23 BANKRUPTCY COURT’S FINDING THAT THE THIRD PARTY RELEASE IS (1) IN THE
24 BEST INTERESTS OF THE DEBTOR AND ALL HOLDERS OF CLAIMS; (2) FAIR,
25 EQUITABLE AND REASONABLE; (3) GIVEN AND MADE AFTER DUE NOTICE AND
26 OPPORTUNITY FOR HEARING; AND (4) A BAR TO ANY OF THE DEBTOR’S
27 CREDITORS FROM ASSERTING ANY CLAIM AGAINST THE PLAN PROPONENT AND
28 THE DEBTOR’S MEMBERS OR MANAGERS AND PAID THROUGH THE PLAN.

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1 **E. Exculpation**

2 The Plan Proponent and the Debtor’s members and managers shall neither have, nor incur
3 any liability to any entity for any prepetition or post-petition act taken or omitted to be taken in
4 connection with, or related to formulating, negotiating, preparing, disseminating, implementing,
5 administering, confirming or effecting the consummation of the Plan, the Disclosure Statement
6 or any contract, instrument, release or other agreement or document created or entered into in
7 connection with the Plan or any other prepetition or post-petition act taken or omitted to be taken
8 in connection with or in contemplation of the restructuring of the Debtor; *provided, however*, that
9 the foregoing “exculpation” shall have no effect on the liability of any entity that results from any
10 such act or omission that is determined in a final order to have constituted gross negligence or
11 willful misconduct; *provided, further*, that each party exculpated pursuant to Article V of the
12 Plan shall be entitled to rely upon the advice of counsel concerning his, her or its duties pursuant
13 to, or in connection with, the Plan; *provided, still further*, that the foregoing exculpation shall not
14 apply to any acts or omissions expressly set forth in and preserved by the Plan or its related
15 documents.

16 **F. Certificate of Incorporation and Bylaws**

17 The articles of organization and bylaws (or other formation documents) of the Debtor
18 shall be amended as may be required to be consistent with the provisions of the Plan and the
19 Bankruptcy Code or as otherwise required by, and in a form reasonably acceptable to, the Debtor.
20 On or as soon as reasonably practicable after confirmation of the Plan, the reorganized Debtor
21 shall file a new certificate of organization with the Nevada Secretary of State, as required by
22 section 1123(a)(6) of the Bankruptcy Code.

23 **G. Revocation of Plan**

24 The Debtor reserves the right to revoke or withdraw the Plan prior to the confirmation
25 hearing and to file subsequent Chapter 11 plans. If the Debtor revokes or withdraws the Plan, or
26 if confirmation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any
27 settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts
28 or Unexpired Leases effected by the Plan and any document or agreement executed pursuant
hereto shall be deemed null and void except as may be set forth in a separate order entered by the

1 Court; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any
2 Claims by or against, the Debtor or any other entity; (b) prejudice in any manner the rights of the
3 Debtor or any other entity; or (c) constitute an admission, acknowledgement, offer or undertaking
4 of any sort by the Debtor or any other entity.

5 **H. Successors and Assigns**

6 The rights, benefits and obligations of any entity named or referred to herein shall be
7 binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign
8 of such entity.

9 **I. Reservation of Rights**

10 Except as expressly set forth in the Plan, the Plan shall have no force or effect until the
11 Court enters the confirmation order. Neither the filing of the Plan, any statement or provision
12 contained in the Disclosure Statement, nor the taking of any action by the Debtor, the Plan
13 Proponent or any other entity with respect to the Plan shall be or shall be deemed to be an
14 admission or waiver of any rights of: (1) any Debtor with respect to the holders of claims or other
15 entity; or (2) any holder of a Claim or other entity prior to the effective date of the Plan.

16 **J. Further Assurances**

17 The Debtor or the reorganized Debtor, as applicable, all holders of Claims receiving
18 distributions under the Plan and all other entities shall, from time to time, prepare, execute and
19 deliver any agreements or documents and take any other actions as may be necessary or advisable
20 to effectuate the provisions and intent of the Plan or the confirmation order.

21 **K. Severability**

22 If, prior to confirmation of the Plan, any term or provision of the Plan is held by the Court
23 to be invalid, void or unenforceable, the Court shall have the power to alter and interpret such
24 term or provision to make it valid or enforceable to the maximum extent practicable, consistent
25 with the original purpose of the term or provision held to be invalid, void or unenforceable, and
26 such term or provision then will be applicable as altered or interpreted, *provided* that any such
27 alteration or interpretation must be in form and substance reasonably acceptable to the Debtor,
28 the Plan Proponent, and, to the extent such alteration or interpretation affects the rights or
treatment of holders of general unsecured claims, such claim holder.

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1 **L. Return of Security Deposits**

2 Unless the Debtor agrees otherwise in a written agreement or stipulation approved by the
3 Court, all security deposits provided by the Debtor to any person or entity at any time after the
4 petition date shall be returned to the Debtor within twenty (20) days after the date of
5 confirmation, without deduction or offset of any kind.

6 **M. Filing of Additional Documents**

7 On or before the Effective Date, the Debtor or the Plan Proponent may file with the Court
8 all agreements and other documents that may be necessary or appropriate to effectuate and
9 further evidence the terms and conditions hereof.

10 Respectfully submitted,

11
12 BY: /s/ Jeff Susa
13 Jeff Susa, Agent for Debtor

14 /s/Zachariah Larson
15 Zachariah Larson, Esq.
16 Larson & Stephens
17 Attorneys for the Debtor
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EXHIBIT A

LIST OF ALL ASSETS

CURRENT ASSETS*

a.	Cash on Hand	\$	0.00
b.	Debtor-in-Possession Account	\$	290,941.43
c.	Accounts Receivables ²	\$	151,744.00
	As of March 1, 2011		

TOTAL CURRENT ASSETS		\$	442,685.43
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FIXED ASSETS

a.	Class A Office Building located at 8360 S. Durango Dr., Las Vegas, Nevada		\$19,400,000.00
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TOTAL FIXED ASSETS		\$	19,400,000.00
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OTHER ASSETS:

a.	None	\$	0.00
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TOTAL OTHER ASSETS		\$.00
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TOTAL ASSETS AT LIQUIDATION VALUE		\$	19,842,685.43
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² The amount set forth as Accounts Receivables is the estimated amount owed from Allegiant Airlines to Debtor for unpaid CAM as of March 1, 2011. The Debtor is also owed \$99,844.79 from Allegiant Airline per Court Order which has yet to be paid. Furthermore, pre-petition, Debtor made loans to Windmill Durango, LP and Windmill Durango Office II, LLC. After Debtor's accountant has reviewed the Debtor's books for the previous year, the amounts due on those loans are \$1,099,613.02 due from Windmill Durango, LP and \$38,500.00 due from Windmill Durango Office II, LLC. The extent that these loans will be recovered is yet unknown.

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EXHIBIT B
FINANCIAL STATEMENTS

Statement of Debtor's Financial Condition has been filed along with Debtor's other schedules and these statements give a fair approximation of the condition of Debtor. No recent financial statements have been prepared.

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EXHIBIT C

UNEXPIRED LEASES/EXECUTORY CONTRACTS TO BE ASSUMED

<u>LEASES/CONTRACTS</u>	<u>ARREARS/DMGS</u>	<u>METHODS OF CURE</u>
<ul style="list-style-type: none"> Lease with Allegiant Air amended on June 23, 2008 for approximately 64,908 square feet Term: Ten (10) years Monthly Rents: \$138,254.04* *Rent will increase annually pursuant to Lease Terms Est. Monthly CAMS: \$19,472.40* *Vary from month to month As of 02/01/11: \$32,737.60 Monthly Parking : \$7,120.00 	<ul style="list-style-type: none"> Default amt = None Actual pecuniary loss = None Tenant owes Debtor an estimated \$251,588.79 	<ul style="list-style-type: none"> Method of curing default & loss = N/A Debtor will attempt to collect the monies owed from Tenant via applicable legal processes
<ul style="list-style-type: none"> Maintenance contract with Otis Elevators Term: Sixty (60) months Monthly Payment: \$250.00 	<ul style="list-style-type: none"> Default amt = None Actual pecuniary loss = None 	<ul style="list-style-type: none"> Method of curing default & loss = N/A
<ul style="list-style-type: none"> Landscape maintenance contract with Green Thumb Maintenance Term: Perpetual Monthly Payment: \$3,000.00 	<ul style="list-style-type: none"> Default amt = \$3,000.00 Actual pecuniary loss = None 	<ul style="list-style-type: none"> Method of curing default & loss = Funds available if Debtor permitted to exceed current approved budget
<ul style="list-style-type: none"> UPS maintenance contract & HVAC maintenance w/ DP Air Corp Term: Perpetual Quarterly Payment: \$1,463.00 & \$4,506.20 	<ul style="list-style-type: none"> Default amt = \$6,239.20 Actual pecuniary loss = None 	<ul style="list-style-type: none"> Method of curing default & loss = Funds available if Debtor permitted to exceed current approved budget
<ul style="list-style-type: none"> Temperature control maintenance contract with Control Contractors, Inc. Term: Perpetual Quarterly Payment: \$840.00 	<ul style="list-style-type: none"> Default amt = \$840.00 Actual pecuniary loss = None 	<ul style="list-style-type: none"> Method of curing default & loss = Funds available if Debtor permitted to exceed current approved budget
<ul style="list-style-type: none"> Property management with S&S Development/Jeff Susa Term: Sixty (60) months Monthly Payment: 5% of rents collected and 3% for renting and/or leasing the premises 	<ul style="list-style-type: none"> Default amt = None Actual pecuniary loss = None 	<ul style="list-style-type: none"> Method of curing default & loss = N/A

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EXHIBIT D

EXECUTORY CONTRACTS TO BE REJECTED

<u>CONTRACT</u>	<u>DEFAULT/DMGS</u>	<u>METHODS OF CURE</u>
<ul style="list-style-type: none">• None	<ul style="list-style-type: none">• Default amt = N/A• Actual pecuniary loss = N/A	<ul style="list-style-type: none">• Method of curing default & loss = N/A

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EXHIBIT E

LIQUIDATION ANALYSIS³

A. OVERVIEW

A chapter 11 plan cannot be confirmed unless the bankruptcy court determines that the plan is in the “best interests” of all holders of claims and interests that are impaired by the plan and that have not accepted the plan. The “best interests” test requires a bankruptcy court to find either that (i) all members of an impaired class of claims or interests have accepted the plan or (ii) the plan will provide a member who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the Debtor was liquidated under chapter 7 of the Bankruptcy Code. The property in question here would have a liquidated value equal to its appraised value, less foreclosure costs and fees.

B. UNDERLYING ASSUMPTIONS AND DISCLAIMER

This liquidation analysis (the “**Liquidation Analysis**”) was prepared in connection with the filing of the Debtor’s Disclosure Statement and Plan.

The Debtor has prepared this Liquidation Analysis based on a hypothetical liquidation under chapter 7 of the Bankruptcy Code. The determination of the costs of, and proceeds from, the hypothetical liquidation of the Debtor’s assets in a chapter 7 case is an uncertain process involving the extensive use of estimates and assumptions that, although considered reasonable by the Debtor, are inherently subject to significant business, economic and competitive uncertainties, and contingencies beyond the control of the Debtor and its legal advisors. Inevitably, some assumptions in the Liquidation Analysis would not materialize in an actual chapter 7 liquidation, and unanticipated events and circumstances could affect the ultimate results in an actual chapter 7 liquidation.

It is assumed, among other things, that the hypothetical liquidation under chapter 7 would commence under the direction of a court-appointed trustee and would continue for a period of time, during which time all of the Debtor’s major assets would be sold or surrendered to its respective lien holders, and the cash proceeds, if any, net of liquidation related costs, would then be distributed to creditors in accordance with relevant law.

THE LIQUIDATION ANALYSIS IS NOT INTENDED AND SHOULD NOT BE USED FOR ANY OTHER PURPOSE. THE LIQUIDATION ANALYSIS DOES NOT PURPORT TO BE A VALUATION OF THE DEBTOR’S ASSETS AS A GOING CONCERN, AND THERE MAY BE A SIGNIFICANT DIFFERENCE BETWEEN THE LIQUIDATION ANALYSIS

³ All capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Disclosure Statement. To the extent that a definition of a term in the text of this Exhibit C to the Disclosure Statement and the definition of such term in the Disclosure Statement is inconsistent, the definition included in the Disclosure Statement shall control.

1 AND THE VALUES THAT MAY BE REALIZED IN AN ACTUAL LIQUIDATION. THIS
2 ANALYSIS ASSUMES "LIQUIDATION VALUES" BASED ON APPRAISALS, WHERE
3 AVAILABLE, AND THE DEBTOR'S BUSINESS JUDGEMENT, WHERE APPRAISALS
4 ARE NOT AVAILABLE.

5 THE UNDERLYING FINANCIAL INFORMATION IN THE LIQUIDATION
6 ANALYSIS WAS NOT COMPILED OR EXAMINED BY ANY INDEPENDENT
7 ACCOUNTANTS. NEITHER THE DEBTOR NOR ITS ADVISORS MAKE ANY
8 REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS WOULD OR
9 WOULD NOT APPROXIMATE THE ESTIMATES AND ASSUMPTIONS REPRESENTED
10 IN THE LIQUIDATION ANALYSIS. ACTUAL RESULTS COULD VARY MATERIALLY.
11 THIS ANALYSIS ASSUMES "LIQUIDATION VALUES" BASED ON APPRAISALS,
12 WHERE AVAILABLE AND WHEN APPLICABLE, AND THE DEBTOR'S BUSINESS
13 JUDGMENT, WHERE APPRAISALS ARE NOT AVAILABLE.

14 **C. SUMMARY NOTES TO THIS LIQUIDATION ANALYSIS**

15 The Liquidation Analysis should be read in conjunction with the following notes and
16 assumptions:

17 1. Dependence on Unaudited Financial Statements. This Liquidation Analysis
18 contains estimates that are still under review and it remains subject to further legal and
19 accounting analysis.

20 2. Preference or Fraudulent Transfers. No recovery or related litigation costs
21 attributed to any potential avoidance actions under the Bankruptcy Code, including potential
22 preference or fraudulent transfer actions are assumed within this analysis due to, among other
23 issues, anticipated disputes about these matters.

24 3. Duration of the Liquidation Process. The Debtor has assumed that the liquidation
25 would involve very little operations. Thus, this Liquidation Analysis assumes the liquidation
26 would be completed within twelve (12) months. In an actual liquidation the wind down process
27 and time period(s) could vary thereby impacting recoveries. For example, the potential for
28 priority, contingent and other claims, litigation, rejection costs and the final determination of
allowed claims could substantially impact both the timing and amount of the distribution of the
asset proceeds to the creditors. Accordingly, there can be no assurance that the values reflected
in this Liquidation Analysis would be realized if the Debtor was, in fact, to undergo such a
liquidation.

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1	CURRENT ASSETS*		
2	a.	Cash on Hand	\$ 0.00
3	b.	Debtor-in-Possession Account ⁴	\$ 290,941.43
	c.	Accounts Receivables ⁵	\$ 151,744.00
4		TOTAL CURRENT ASSETS	<u>\$ 442,685.43</u>
5	FIXED ASSETS		
6	b.	Class A Office Building located at 8360 S. Durango Dr., Las Vegas, Nevada	\$19,400,000.00
7		TOTAL FIXED ASSETS	<u>\$19,400,000.00</u>
8	OTHER ASSETS:		
9	b.	None	\$ 0.00
10		TOTAL OTHER ASSETS	<u>\$.00</u>
11		TOTAL ASSETS AT LIQUIDATION VALUE	\$19,842,685.43
12			=====
13	Less:	Chapter 7 trustee fees and expenses	To Be Determined
14	Less:	Chapter 11 administrative expenses	\$139,703.40
15	Less:	Priority claims, excluding admin. expense claims	\$0.00
16	Less:	Debtor's claimed exemptions	<u>\$ 0.00</u>
17	(1)	Balance for unsecured claims (Filed Proofs of Claim)	\$13,153.12
18	(2)	Total amount of unsecured claims	<u>\$152,856.52</u>
19	% Of Claims Which Unsecured Creditors Would Receive or Retain in a Ch. 7 Liquidation (after Chapter 7 estimated costs⁶):		<u>5% or less</u>
20	% Of Claims Which Unsecured Creditors Will Receive or Retain Under This Plan:		<u>100%</u>

⁴ As of March 11, 2011

⁵ The Debtor is also owed \$99,844.79 from Allegiant Airline per Court Order which has yet to be paid. Furthermore, pre-petition, Debtor made loans to Windmill Durango, LP and Windmill Durango Office II, LLC. After Debtor's accountant has reviewed the Debtor's books for the previous year, the amounts due on those loans are \$1,099,613.02 due from Windmill Durango, LP and \$38,500.00 due from Windmill Durango Office II, LLC. The extent that these loans will be recovered is yet unknown. To the extent that any funds are recovered from these entities, the funds shall be utilized to fund the Plan.

⁶ Chapter 7 Liquidation Costs. These are estimated at 10%. Pursuant to section 726 of the Bankruptcy Code, the allowed administrative expenses incurred by a Chapter 7 trustee, including, but not limited to, expenses affiliated with selling the Debtor's assets, will be entitled to payment in full prior to any distribution to Chapter 11 administrative and other priority claims. It is anticipated that creditors' recoveries would be extinguished by the secured claims of the Debtor's first lien holder, leaving no recovery for unsecured creditors.

EXHIBIT F

LIST OF ADMINISTRATIVE EXPENSE CLAIMS

UNCLASSIFIED CLAIMS: ADMINISTRATIVE CLAIMS					
Name	Amounts (Allowed + Estimated = Total Amount - Paid = Total Due)				
	Allowed	Estimated	Total Amt.	Paid	Total Due
Zachariah Larson, Esq.		\$ 100,000.00			
Flangas McMillan Law Group As of February 28, 2011		\$ 37,405.43			
Expenses Arising in the Ordinary Course of Business Post-Petition		\$ 1,797.97			
Office of the U.S. Trustee Fees		\$ 500.00			
Clerk's Office Fees					
Other administrative expenses					
TOTAL AMOUNTS		\$ 139,703.40			

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EXHIBIT G

LIST OF PRIORITY UNSECURED CLAIMS

CLASSIFIED CLAIMS: §507(a)(8)(B) PRIORITY CLAIMS						
Name	Insider Y/N	Impaired Y/N	SCHEDULED CLAIMS		FILED CLAIMS	
			Amount	D/C/U*	Amount	Objection
NONE			\$ 0.00			
TOTAL AMOUNT FOR PRIORITY UNSECURED CLAIMS			\$ 0.00			

*Disputed/contingent/unliquidated

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EXHIBIT H

LIST OF UNSECURED CLAIMS UPON WHICH DEBTOR IS A CO-DEBTOR

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CLASSIFIED CLAIMS: UNSECURED CLAIMS UPON WHICH DEBTOR IS A CO-DEBTOR							
Class	Name	Insider Y/N	Impaired Y/N	SCHEDULED CLAIMS		FILED CLAIMS	
				Amount	D/C/U*	Amount	Objection
2	NONE						
TOTAL AMOUNT FOR CLASS				0.00		0.00	

* Disputed/contingent/unliquidated

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EXHIBIT I

LIST OF GENERAL UNSECURED CLAIMS

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CLASSIFIED CLAIMS: GENERAL UNSECURED CLAIMS							
Class	Name	Insider Y/N	Impaired Y/N	SCHEDULED CLAIMS		FILED CLAIMS	
				Amount	D/C/U*	Amount	Objection
3	Otis Elevator	N	Y	Unknown		1500.00	N
3	Otis Elevator	N	Y	Unknown		648.59	N
3	DP Air	N	Y	Unknown		4,506.20	N
3	Marquis & Aurbach	N	Y	Unknown		6498.33	Reserved
3	State Court Receiver ⁸	N	Y	Unknown		To Be Determined (Debtor estimates claim will be for \$5,005.44)	Reserved
TOTAL AMOUNT FOR CLASS				0.00		13,153.12 With Est. Receiver claim: 18,158.56	

* Disputed/contingent/unliquidated

⁸ No Proof of Claim has been filed to date by this creditor.

EXHIBIT J

LIST OF EQUITY INTERESTS

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CLASSIFIED CLAIMS: EQUITY SECURITY INTEREST HOLDERS							
Class	Name	Insider Y/N	Impaired Y/N	SCHEDULED CLAIMS		FILED CLAIMS	
				Percentage	D/C/U*	Percentage	Objection
4	NONE						
TOTAL AMOUNT FOR CLASS				0.00		0.00	

* Disputed/contingent/unliquidated

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