

Honorable Gregg W. Zive  
United States Bankruptcy Judge



Entered on Docket  
September 01, 2017

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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re  
NEW CAL-NEVA LODGE, LLC,  
  
Debtor.

Case No. 16-51282-gwz

Chapter 11

**ORDER GRANTING EMERGENCY  
MOTION FOR ORDER (I) AUTHORIZING  
DEBTOR TO ENTER INTO CONTRACT  
WITH THE PENTA BUILDING GROUP, LLC  
AND (II) GRANTING SUPERPRIORITY  
LIEN AND ADMINISTRATIVE EXPENSE  
CLAIM IN CONNECTION THEREWITH**

Hearing Date: September 1, 2017  
Time: 1:30 p.m.

1 This matter having come before the Court for hearing on September 1, 2017, on  
2 Emergency Motion for Order (I) Authorizing Debtor to Enter Into Contract with The PENTA  
3 Building Group, LLC (“PENTA”) and (II) Granting Superpriority Lien and Administrative  
4 Expense Claim in Connection Therewith (the “Motion”), filed on August 31, 2017, by New Cal-  
5 Neva Lodge, LLC, the debtor and debtor in possession in the above-captioned chapter 11 case (the  
6 “Debtor”), and good cause appearing therefor,

7 The Court considered the papers filed as well as the presentations of counsel in support of  
8 the relief requested, and any opposition presented to the Motion at the hearing. Consideration of  
9 the Motion and granting the relief requested therein on an emergency basis are appropriate in the  
10 circumstances, to avoid immediate and irreparable harm to the estate, for the reasons stated on the  
11 record and in the Motion and the papers filed in support of it, and in the request for shortened  
12 notice of hearing on the Motion. The Court finds that the terms of the financing sought by the  
13 Motion are consistent with the terms of the Financing Stipulations (as defined in the Motion) that  
14 were previously approved by the Court, except that the proposed financing party under the Motion  
15 is PENTA. As permitted by F.R. Civ. P. 52 and F.R. Bankr. P. 7052, made applicable to this  
16 proceeding by F.R. Bankr.P. 9014(c), the Court stated its other findings of fact and conclusions of  
17 law on the record.

18 **IT IS HEREBY ORDERED THAT:**

- 19 1. The Motion is GRANTED.
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- 21 2. Upon entry of this Order, the Debtor is authorized to enter into the PENTA  
22 Roof Contract (as such term is defined in the Motion) that includes the following essential terms  
23 in addition to other terms entered into by the parties supplementally:
- 24 a. PENTA will engage Commercial Roofers, Inc. (“CRI”) to repair the roof, using  
25 the scope of work and specifications set forth in the CRI proposal, attached to  
26 the declaration of John Cannito filed in support of the Motion as “Exhibit 1.”
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- 1           b. The PENTA Roof Contract will be a lump sum contract of \$520,600, excepting  
2           only the metal substrate contingency, with respect to which there will be a  
3           \$30,000 allowance.
- 4           c. Subject to force majeure events including delays related to material or weather,  
5           completion of the repairs will occur within 60 days.
- 6           d. The contract price and schedule will include permits and insurance (if required).
- 7           e. The contract will be assignable to any purchaser of the Debtor's assets, and  
8           PENTA will agree to obtain the lien releases requested by any such purchaser.
- 9           f. PENTA will use all commercially reasonable efforts to insure the roof warranty  
10          is transferable to any purchaser.
- 11          g. There will be no change orders other than change orders agreed to between  
12          Penta and any subsequent purchaser, which will be at the cost of the purchaser.
- 13          h. Any decisions to be made by "Owner" under the contract will be made by the  
14          Debtor and the Official Unsecured Creditors' Committee.
- 15          i. The contract will be governed by the laws of the State of Nevada and all  
16          disputes will be resolved by the Bankruptcy Court.
- 17          j. Penta and the Debtor will enter into a supplemental short form contract with  
18          respect to the above terms and other customary terms, including a waiver of  
19          consequential damages.
- 20          3.       PENTA shall fund the costs of the roof repair pursuant to the PENTA Roof  
21 Contract, with interest at 8% to accrue beginning upon completion of the work under the PENTA  
22 Roof Contract.
- 23          4.       Payment of PENTA's contract cost under the PENTA Roof Contract shall  
24 be entitled to administrative priority pursuant to section 364(c)(1), with priority and super-priority  
25 over any and all priority claims, administrative expenses, or any other claims against the Debtor  
26 other than the super-priority administrative claim of Hall CA-NV, LLC ("Hall") under the  
27 Financing Stipulations (as defined in the Motion) (to which the PENTA super-priority claim shall  
28 be subordinate).



1 APPROVED AS TO FORM AND CONTENT:

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