

1 CLARK HILL, PLLC
2 CANDACE C. CARLYON, ESQ.
3 Nevada Bar No. 2666
3800 Howard Hughes Parkway, Suite 500
4 Las Vegas, NV 89169
Telephone No. (702) 862-8300
5 Facsimile No. (702) 862-8400
Email: ccarlyon@clarkhill.com
6 *Counsel for Debtor,*
Black Mountain Golf and Country Club, Inc.

7
8 **UNITED STATES BANKRUPTCY COURT**
9 **DISTRICT OF NEVADA**

10 In re

11 BLACK MOUNTAIN GOLF AND
COUNTRY CLUB, INC.,

12 Debtor.
13
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15
16

Case No.: 17-11540-BTB

Chapter: 11

**FIRST AMENDED DISCLOSURE
STATEMENT TO ACCOMPANY
DEBTOR'S FIRST AMENDED CHAPTER
11 PLAN OF REORGANIZATION**

Date: June 15, 2018

Time: 10:00 a.m.
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I. INTRODUCTION

Debtor, Black Mountain Golf and Country Club, Inc. ("Debtor"), hereby submits this First Amended Disclosure Statement (the "Disclosure Statement") to Accompany Debtor's First Amended Chapter 11 Plan of Reorganization (the "Plan"). This Disclosure Statement contains information about Debtor and describes the Plan attached to this Disclosure Statement as **Exhibit 1**. Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one. Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights. Capitalized terms which are not defined in this Disclosure Statement are defined in the Plan.

The Plan generally calls for payments to be made to creditors from cash generated from the sale of Debtor's real property and from post-petition financing. The projected timing and amount of payments are discussed in Section IV of this Disclosure Statement.

The purposes of this Disclosure Statement are as follows:

- (a) To provide adequate information to enable a hypothetical reasonable investor typical of the holders of claims or interests in the case to make an informed judgment about the Plan;
- (b) To set forth information regarding the history of Debtor, the commencement of the Chapter 11 Case, the Plan and Plan alternatives;
- (c) To advise Creditors of their rights and to assist them in making an informed decision regarding whether to accept the Plan; and
- (d) To assist the Bankruptcy Court in making an informed decision regarding whether the Plan complies with the requirements of the Bankruptcy Code.

No post-petition solicitation of votes on the Plan may be made except pursuant to this Disclosure Statement and no person has been authorized to utilize any information concerning Debtor other than the information contained in this Disclosure Statement for purposes of solicitation.

THE STATEMENTS AND INFORMATION CONCERNING DEBTOR SET FORTH IN THIS DISCLOSURE STATEMENT CONSTITUTE THE ONLY STATEMENTS OR

1 INFORMATION CONCERNING SUCH MATTERS THAT HAVE BEEN APPROVED BY
2 THE BANKRUPTCY COURT FOR THE PURPOSE OF SOLICITING ACCEPTANCES OR
3 REJECTIONS OF THE PLAN. THE STATEMENTS AND INFORMATION ABOUT
4 DEBTOR AND THE FINANCIAL INFORMATION OF DEBTOR, INCLUDING ALL
5 FINANCIAL PROJECTIONS AND INFORMATION REGARDING CLAIMS CONTAINED
6 IN THE DISCLOSURE STATEMENT, HAVE BEEN PREPARED BY DEBTOR AND ITS
7 PROFESSIONALS BASED ON DOCUMENTS AND INFORMATION CREATED OR
8 OBTAINED BY DEBTOR. CERTAIN ESTIMATES, ASSUMPTIONS AND PROJECTIONS
9 MAY BE MATERIALLY DIFFERENT FROM ACTUAL FUTURE RESULTS.

10 THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE
11 MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT UNLESS ANOTHER
12 TIME IS SPECIFIED. NEITHER THE DELIVERY OF THIS DISCLOSURE STATEMENT
13 NOR ANY EXCHANGE OF RIGHTS MADE IN CONNECTION WITH THE PLAN WILL
14 UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN
15 NO CHANGE IN THE INFORMATION SET FORTH IN THE DISCLOSURE STATEMENT
16 SINCE THE DATE OF THIS DISCLOSURE STATEMENT AND THE DATE ON WHICH
17 MATERIALS RELIED UPON IN PREPARATION OF THIS DISCLOSURE STATEMENT
18 WERE COMPILED.

19 THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY
20 PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE IN FAVOR OF OR
21 AGAINST THE PLAN.

22 II. PROCEDURE FOR CONFIRMATION OF THE PLAN

23 A. Request for Approval of the Disclosure Statement.

24 Pursuant to section 1125 of the Bankruptcy Code, the proponent of a plan initially must
25 obtain approval of a disclosure statement as containing adequate information to enable creditors
26 to make an informed judgment about the plan. The disclosure statement is then transmitted to
27 creditors, along with the plan itself and a ballot for accepting or rejecting the plan.
28

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

1. Time and Place of the Hearing to Confirm the Plan.

The hearing at which the Court will determine whether to confirm the Plan will take place on June 15, 2018 at 10:00 a.m., in the United States Bankruptcy Court, District of Nevada, located at 300 Las Vegas Blvd. S., Las Vegas, NV 89101, or at such other time as may be noticed to creditors or announced at the date and time of the original hearing date.

2. Deadline For Voting to Accept or Reject the Plan and for Transmitting Ballots.

A party entitled to vote on the Plan must submit a Ballot in the form approved by the Bankruptcy Court to cast its vote. All completed Ballots must be transmitted so as to be received by Debtor's counsel on or before 5:00 p.m., PST, on June 1, 2018. Ballots may be transmitted via mail or hand delivery, or may be transmitted electronically if (a) a return receipt is requested and (b) a return receipt is received. Ballots should be returned to:

Candace C. Carlyon, Esq.
Clark Hill, PLLC
3800 Howard Hughes Pkwy, Suite 500
Las Vegas, NV 89169
ccarlyon@clarkhill.com

3. Deadline for Objecting to Confirmation of the Plan.

Any objection to the Plan, and any declarations in support of or in opposition to the Plan, must be filed with the Court no later than June 1, 2018.

4. Identity of Person to Contact for More Information.

If you want additional information about the Plan, you should contact Candace C. Carlyon, Esq. at 702.697.7530, ccarlyon@clarkhill.com.

C. Disclaimer.

The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the Court's approval of this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted.

III. BACKGROUND

A. Description and History of Debtor's Business.

1. Debtor's Business.

Debtor was formed in, and has continued to operate as a Nevada non-moneyed non-profit corporation since, 1957 for the purpose of building and operating a golf course and country club. Debtor currently owns approximately 200 acres of land improved with a 27-hole private golf course and country club, which includes a clubhouse, shop, bar, and restaurant/banquet¹ facility (collectively, the "Golf Club"). Of the 27 holes on the course, only 18 are currently maintained and operating, including the "Founder's 9," which opened for play in the late 1950's, and the "Horizon 9," which opened for play in the early 1960's. Debtor previously offered play on 9 holes known as the "Desert 9," but that course is currently closed.

2. The Founder's 9 Property.

Debtor acquired its initial real property holdings in 1958 from Basic Management, Inc. Of the real property acquired at such time, Debtor still owns approximately 61.5 acres located in Henderson, Nevada, currently identified as Assessor's Parcel Numbers 179-20-210-001; 179-20-210-005; 179-20-210-006; 179-19-512-001; 179-19-512-002; 179-19-611-001; 179-19-611-003; 179-20-211-001; and 179-20-211-020, and commonly known as 500 Greenway Avenue, Henderson, Nevada (the "Founder's 9 Property"). The deed pertaining to the Founder's 9 Property (the "BMI Deed") contained a provision that such property be used only for a golf course or for single family homes². Following the acquisition of the land and consistent with Debtor's corporate purpose, Debtor improved the Founder's 9 Property with Debtor's first 9-hole golf course which is known as the "Founder's 9."

3. The BLM Property.

In 1962, Debtor purchased approximately 140 acres of real property from the United States Bureau of Land Management ("BLM"), currently identified as Assessor's Parcel Number

¹ The restaurant closed in approximately March of 2018.

² The Basic Environmental Company, LLC has asserted that (1) it is the successor to Basic Management, Inc.; (2) it may have a reversionary interest in the Founder's 9 Property if that property is utilized for purposes other than described in the BMI Deed. The parties reserve all rights regarding such issues.

179-20-301-001³ (the “BLM Property”). Debtor initially developed a portion of the BLM Property to include a second nine-hole golf course called the “Horizon 9.” Many years later, Debtor developed the balance of the BLM Property – along with the Additional Property (described herein) – to develop a third nine-hole course called the “Desert 9.” At the time of Debtor’s purchase of the BLM Property, it was valued at \$25,000; however, Debtor obtained a ten percent (10%) discount by purchasing the BLM Property subject to a reversionary right in favor of the BLM (the “BLM Patent”),⁴ which provided that if Debtor “attempts to transfer title to or control over the lands to another or the lands are devoted to a use other than that for which the lands were conveyed, without the consent of the Secretary of the Interior or his delegate...title shall revert to the United States.”

The appraised value of the BLM Property as of February 1, 2017, under the assumption that the property was vacant land and not subject to the BLM Patent, is \$30,800,000 based on a value of \$220,000 per acre.⁵ Debtor and its consultant, Randy Schams, have been working with BLM to obtain a repurchase of the BLM Patent. The BLM has completed its appraisal review, approving the appraisal, and the repurchase has been approved at the local and state levels and is awaiting further consideration and approval from BLM’s Washington, D.C. office. Debtor anticipates that BLM will approve the purchase of the BLM Patent for the \$30,800,000 appraised value, less \$22,500 (the amount paid by Debtor to purchase the BLM Property).

4. Additional Property.

In addition to the Founder’s 9 Property and the BLM Property, Debtor also owns approximately .25 acre adjacent to its other holdings, currently identified as Assessor’s Parcel Number 179-20-203-002 (the “Quarter Acre”), and it leases from the City of Henderson for \$1/year approximately 2.2 acres, currently identified as Assessor’s Parcel Number 179-20-302-001 (the “Leased Property,” together with the Quarter Acre, the “Additional Property”). The

³ Portions of the BLM Property have been utilized for public purposes, Debtor is currently in possession of approximately 131 acres of the original 140 acres..

⁴ For clarification, the BLM Patent does not include the “Founder’s 9.”

⁵ The appraised value includes the Additional Property (as defined and discussed herein).

1 Leased Property is subject to a railroad right of way. The Henderson Lease expires on September
2 20, 2040.

3 **B. Ownership and Management of the Debtor.**

4 Debtor is managed by a board of directors, and also operates at the direction of certain
5 officers, which currently include the following individuals:

6 Larry Tindall, President

7 Larry Green, Vice President

8 Steve Halvorson, Treasurer

9 Sharon Jolley, Secretary

10 Steve Schnur, Board Member

11 Debtor's day to day management is provided via contract ("Elite Golf Contract") with
12 Elite Golf Management, LLC and Elite Golf at Black Mountain Golf and Country Club, LLC
13 (together, "Elite Golf"). Debtor's management contract with Elite Golf calls for monthly
14 payments to Elite Golf of \$9,000 per month (designated as a \$5,000 per month management fee
15 and a \$4,000 per month accounting fee) in exchange for which Elite Golf handles all
16 management, accounting and administrative functions related to the day-to-day operations of the
17 golf club. The individuals primarily responsible for performing duties for Debtor on behalf of
18 Elite Golf are Derrick Hunter (operations) and Cathy Robinson (accounting).

19 While Debtor has had approximately 300 members in prior years, that number had
20 decreased to approximately 126 at the time of the bankruptcy filing, and Debtor currently has
21 approximately 101 members. As Debtor is a non-profit entity, the rights of and interests of
22 Debtor's members are not in the nature of an equity security as defined in section 101(16) of the
23 Bankruptcy Code.

24 **C. Events Leading to the Chapter 11 Filing.**

25 Debtor, like other golf courses, has suffered a downturn in business and income in recent
26 years. In 2002, Debtor had approximately 300 members; as of the filing of the bankruptcy
27
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1 Debtor had only 107 members⁶. Nationally, the National Golf Foundation reports that the
2 number of players who played at least one round of golf has plummeted from approximately 30
3 million in 2002 to just over 24 million in 2016. And the number of golfers between 18 and 34
4 has plunged 30% in the last 20 years.

5 On or about March 8, 2002, Debtor entered into a construction loan with Nevada State
6 Bank (the "Bank") to borrow up to \$5,625,000 for the purpose of building an additional 9 holes,
7 and improvements (including to the clubhouse facility) (the "Bank Loan"). On October 30,
8 2010, Debtor executed two Amended and Restated Promissory Notes in favor of the Bank in the
9 amounts of \$2,350,000 and \$1,878,598.63.

10 On December 12, 2012, Debtor and the Bank entered into a Forbearance Agreement
11 reflecting that the total amount due as of December 1, 2012, was \$2,324,147.68. Debtor
12 defaulted under the Bank Loan, even after forbearances were granted by the Bank. However,
13 foreclosure would have triggered the reversionary right under the BLM Patent. Moreover, the
14 BLM has taken the position that, upon reversion, the owner has the obligation to remove the
15 building and improvements.⁷ The Bank advised that it was seeking to sell its note at a discount.
16 Liberty Village, LLC ("Liberty") agreed to buy the Bank Loan for \$1.4 million, to infuse
17 additional capital in the form of loans of up to \$350,000 to Debtor to ensure continued
18 operations, and to remove the BLM Patent. Liberty acquired the Bank Loan on or about June 25,
19 2013.

20 On May 24, 2013, Debtor executed an amended and restated promissory note in favor of
21 Liberty (the "Liberty Note") reflecting a principal balance owed of \$3,212,500, inclusive of an
22 "interest reserve" of \$600,000, which was intended to ensure that no payments would be due
23 under the Liberty Note until the BLM Patent was removed. In 2013, Debtor entered into an
24 agreement with DR Horton, Inc. to sell approximately 50 acres of the BLM Property for a
25

26
27 ⁶ Some members hold two membership interests.

28 ⁷ Debtor believes that the BLM would take the same position with regard to the water storage facilities owned by the City of Henderson, and potentially even as to the roads which cross the BLM Property.

1 purchase price of \$12,500,000, which would have paid the Liberty Note in full.⁸ Ultimately,
2 the DR Horton sale failed to close when the BLM Patent was not removed.

3 In May 2015, as the difficult summer months approached, Debtor faced a cash flow
4 crisis. Various individuals (primarily members of Debtor) advanced a total of \$205,000 in order
5 to provide needed funding to Debtor (the "Summer Loans"). The Summer Loans were secured
6 by a junior deed of trust on all of Debtor's real property.

7 Debtor then turned to Randolph Schams ("Schams") for assistance both with continuing
8 financing and with removal of the BLM Patent. On or about January 16, 2016, Schams and
9 Debtor entered into a Consulting Agreement, the terms of which included Schams' provision of
10 services to repurchase the BLM Patent; provide up to \$100,000 per year in funding of shortfalls
11 in operating income; assist with negotiation of sale of the property; repay the Summer Loans;
12 and provide for the purchase of the membership interests.

13 Debtor discovered that removal of the BLM Patent would require payment of the full
14 current market value of the BLM Property, less only the \$22,500 paid for the purchase of the
15 land from BLM. Debtor, with Schams's assistance and financing,⁹ has submitted its application
16 with BLM to purchase the BLM Patent. To date, Debtor has submitted its application, obtained
17 an appraisal, and obtained a favorable appraisal review from the BLM. The application has been
18 reviewed by the Nevada BLM office and forwarded to Washington, D.C. BLM has advised that
19 the repurchase process typically takes approximately 12-18 months.

20 Prior to Debtor's commencement of the Chapter 11 Case, Schams advanced \$33,000 and
21 his wholly owned entity, Rancris, LLC ("Rancris") advanced \$296,617.58, for expenses of
22 Debtor. As discussed below, Rancris has also provided funding to Debtor during the course of
23 the Chapter 11 Case.

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27 ⁸ Shawn Lampman ("Lampman"), the individual representing Debtor in the transaction, who had been a real estate
agent, but whom Debtor has discovered was not licensed at the time of his dealings with Debtor, asserted a right to
receive a percentage of sale proceeds. Such assertion by Lampman was contested by Debtor.

28 ⁹ Schams has engaged a public relations firm and lobbyists to assist with that effort.

1 An affiliate of Schams, Our Place LLC, has entered into option agreements with various
2 members of the Debtor for the purchase of member's equity interests by Our Place LLC, and is
3 currently the owner of two membership interests in the Debtor.

4 On or about September 9, 2016, Debtor attempted to pay the Liberty Note in full.
5 However, Liberty refused the tender, asserting that it was entitled to additional sums, despite its
6 utter failure to remove the BLM Patent. While Liberty commenced foreclosure on Debtor's real
7 property on October 12, 2016, Debtor was able to obtain an injunction staying the foreclosure.

8 Debtor then filed a lawsuit in Clark County District Court (the "Liberty Action") against
9 Liberty; Royal Union Nevada Corporation, Royal Union Nevada, LLC, and Royal Union
10 Properties, LLC (collectively, the "Liberty Defendants") and Liberty filed counterclaims against
11 Debtor. Separately, Lampman filed an action against Debtor as well as its officers and directors
12 and Schams, claiming breach of an oral agreement to pay Lampman a percentage of sale
13 proceeds in exchange for his obtaining a removal of the BLM Patent. A verbal settlement was
14 reached which called for resolution of all claims (including those of Liberty, Royal, and
15 Lampman) in exchange for a payment of \$5.8 million. Debtor obtained financing to pay off
16 Liberty, however, the lender backed out at the last minute, leaving the Debtor no time to secure a
17 substitute and bankruptcy was the Debtor's best alternative.

18 **D. Significant Events During the Bankruptcy.**

19 On May 30, 2017 (the "Petition Date"), Debtor filed its voluntary petition for relief under
20 chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court, District of Nevada
21 (the "Bankruptcy Court"), thereby commencing its bankruptcy case (the "Chapter 11 Case").
22 Debtor is authorized to operate its business and property as debtor in possession pursuant to
23 sections 1107(a) and 1108 of the Bankruptcy Code. No official committees have been
24 established in this Chapter 11 Case.

25 Both the Liberty Litigation and the Lampman Litigation were removed to the Bankruptcy
26 Court.

1 Debtor stipulated with Liberty for the provision of adequate protection in the form of
2 release of a \$50,000 bond which had been posted in connection with the Liberty Litigation. That
3 Stipulation [Dkt. #102] was approved by the Bankruptcy Court on June 1, 2017 [Dkt. #110].

4 Liberty filed a motion to dismiss or, in the alternative, for relief from the automatic stay
5 [Dkt. #206]. Debtor opposed that motion, and the Bankruptcy Court denied both of Liberty's
6 requests. In addition, the Bankruptcy Court held that the value of the real property securing
7 Liberty's claim is \$650,000, as of the Petition Date.

8 Liberty filed a proof of claim alleging that its claim totaled \$5,342,540.15. In addition,
9 Liberty claimed a right, pursuant to an "Assignment of Net Proceeds", to receive 37.5% of the
10 proceeds of any sale of any of Debtor's property, calculated as the gross sale price less only costs
11 of sale and the payment to Liberty. On January 11, 2018, the Bankruptcy Court heard opening
12 arguments on the trial of the Liberty Litigation (Adversary Case No. 17-01179-btb) and Debtor's
13 objection to Liberty's claim. On January 12, 2018, Liberty and Debtor came to an agreement to
14 settle the Liberty Litigation and the objection to the Liberty claim as follows:

15 -Liberty's secured claim of \$600,000 (\$650,000 less an adequate
16 protection payment of \$50,000 made by the Debtor) will be paid first from any
17 proceeds of the sale of any of the Debtor's real property, but in any event no later
than 12/31/18. If the Effective Date occurs prior to 12/31/18, Debtor will pay
Liberty \$50,000 on the Effective Date.

18 -Liberty's unsecured claim is agreed to be \$4,000,000. Debtor's plan will
19 call for payments to unsecured creditors of an aggregate amount of \$25,000 per
20 quarter, and payment in full from the proceeds of the sale of debtor's real
property, to the extent of such proceeds. The outside date for consummating such
a sale will be 36 months from the Effective Date.

21 -On account of the Assignment of Net Proceeds, Liberty will receive 25%
22 of any net recoveries to the Debtor from the sale of its real property, calculated by
23 subtracting from the sale proceeds all costs of sale and payment of all secured
obligations, and payment of all claims in the bankruptcy, including prepetition
and administrative claims. That payment on account of that 25% net proceeds
interest will be capped at \$1,750,000.

24 -Liberty understands that, in order to pay the amount due to the BLM to
25 repurchase the BLM reversionary interest, Debtor may borrow up to that amount
26 as a first priority lien on some or all of the Debtor's real property, following
27 payment of Liberty's secured claim. Liberty will if necessary execute a
28 subordination agreement to facilitate such refinancing. If Liberty objects to any
provision of such subordination agreement as unreasonable the court or the
settlement judge shall determine whether the term is reasonable, and Liberty shall
execute such a document upon reasonable terms.

1 -No interest or other amounts, other than the principal amounts described
2 above, will be payable to Liberty.

3 -Liberty agrees to support confirmation and will not take any other action
4 contrary to the Debtor's reorganization efforts.

5 -This is a complete settlement, and payments as described above will
6 result in the complete release and satisfaction of all claims and counterclaims with
7 respect to the Liberty Claim and the issues raised in the Liberty Adversary.
8 The Lampman Litigation was resolved via a settlement by which Lampman
9 received \$50,000 from Debtor's insurer, and was awarded a general unsecured
10 claim against Debtor in the amount of \$75,000.

11 Debtor has obtained approval for post-petition borrowing from Rancris in an amount not
12 to exceed \$500,000 (the "DIP Loan"). The obligation is an unsecured administrative claim,
13 bearing interest at the Nevada legal rate, and due upon the earlier of (1) one year from the date of
14 the DIP Loan; or (2) the earlier to occur of any of the following: (a) the Effective Date of
15 Debtor's Plan; (b) the date of entry of an order converting the Chapter 11 Case to one under
16 Chapter 7; (c) the date of entry of an order dismissing the Chapter 11 Case; (d) the date of entry
17 of an order appointing a trustee or examiner. Rancris has also entered into option agreements
18 with a majority of the members for the purchase of equity interests in Debtor.

19 Debtor has obtained approval for the employment of the following professionals:

- 20 • Morris, Polich & Purdy, LLP (now known as Clark Hill, PLLC) as reorganization
- 21 counsel.
- 22 • Valuation Consultants as Debtor's appraiser.
- 23 • Coffey & Radar, CPA's.
- 24 • Ray Fredericksen/Per4mance Engineering, civil engineer.

25 Debtor has assumed the Elite Management contract.

26 Debtor has taken steps to stem operating losses. Debtor has discontinued kitchen
27 operations, trimmed the number of employees, and cut back on watering during the winter
28 months.

29 Debtor is current in filing its Monthly Operating Reports. As of December 31, 2017,
30 Debtor had \$30,423 in cash on hand.

31 As of December 31, 2017, the amount loaned to Debtor by Rancris pursuant to the DIP

Loan totaled \$156,694.46.

A schedule of the Claims filed and scheduled is attached hereto as **Exhibit 2**.

IV. SUMMARY OF THE PLAN

A. 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. Such holders may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. The following are the unclassified claims treated in the Plan:

1. Administrative Expenses.

Administrative expenses are costs or expenses of administering Debtor's Chapter 11 Case which are allowed under section 507(a)(2) of the Bankruptcy Code. The Bankruptcy Code requires that all administrative expenses be paid on the effective date of the plan, unless a particular claimant agrees to a different treatment. The following chart lists Debtor's estimated administrative expenses, and sets forth the proposed treatment of those claims under the Plan:

Claimant	Estimated Total Amount Which Will be Owed at Confirmation ¹⁰
Clark Hill, PLC (formerly Morris, Polich & Purdy), Reorganization Counsel	\$150,000
Appraiser	\$5,000
Engineer	\$5,000
Accountant	\$5,000
Office of the US Trustee	\$5,000
Total:	\$170,000

¹⁰ These numbers are only estimates; the actual figures may be less or more than estimated and may not reflect the Debtor's estimates that amounts are or may be payable. These figures do not include amounts owed on the DIP Loan to Rancris nor amounts paid or payable by Rancris or Shams to public relations firm(s) and lobbyist(s).

1 Unless the holder of a particular Claim agrees otherwise, each holder of an Allowed
2 Administrative Claim, including U.S. Trustee fees, shall be paid in full, in cash, on the Effective
3 Date, or as soon thereafter as such Administrative Claims have been allowed by Final Order of
4 the Court or become due. U.S. Trustee fees which become due post-Confirmation will be timely
5 paid

6 Finally, Debtor pays its post-petition obligations as they are incurred. At any given point,
7 there are accrued liabilities for regular operating expenses of the Debtor, which Debtor will
8 continue to pay in the ordinary course.

9 **2. Allowed Tax Claims and Allowed Priority Claims.**

10 Allowed Tax Claims and Allowed Priority Claims are claims specified as having priority
11 under section 507(a) of the Bankruptcy Code. The United States Internal Revenue Service
12 originally filed a proof of claim in the amount of \$39,033.56, but has amended that amount to \$0.
13 Debtor is unaware of any other Allowed Tax Claims or Allowed Priority Claims. Debtor shall
14 pay any Allowed Tax Claims and Allowed Priority Claims in 19 equal quarterly payments
15 commencing 90 days after the Effective Date, with a minimum initial payment of \$100. Any
16 Allowed Tax Claims will bear interest at the legally applicable rate. Other Allowed Priority
17 Claims shall not receive interest. Debtor reserves the right to prepay any portion of the priority
18 claim(s).

19 **B. Executory Contracts.**

20 **1. Previously Assumed Contracts.**

21 As discussed above, Debtor has assumed its Executory Contract with Elite Management.
22 In addition, on April 12, 2017, the Bankruptcy Court issued its order authorizing Debtor to honor
23 all prepetition gift cards and prepetition event deposits [Dkt. #94].

24 Debtor also moved for and obtained approval of the assumption of the Henderson Lease
25 [Dkt. # 185].
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1 **2. Other Executory Contracts to be Assumed Through the Plan, if Rezoning is**
 2 **Successful.**

3 Debtor is current on all payments under the executory contracts to be assumed through
 4 the Plan. Assuming that Debtor's rezoning efforts are successful (see Section V, below), the
 5 Plan calls for assumption of the following executory contracts:

- 6 • Office Telephone System with Avaya Financial Services
- 7 • Storage Tank Liability Insurance Policy with Chubb-TankSafe
- 8 • Insurance Contract with Edgewood Partners Ins. Center
- 9 • Insurance Contract with Gregg Twiggs
- 10 • Insurance Contract with Nevada Capital Insurance Co. c/o Edgewood Partners
- 11 Insurance Company
- 12 • Insurance Contract with Scottsdale Indemnity Company
- 13 • Security Service Agreement with Tyco Integrated Security
- 14 • Contract for Dishmachine Model PA-1 with US Food Inc.
- 15 • Contract for 2015 Cushman Gas Hauler 1200 with Rance Picker and 75-2015
- 16 EZGO Electric TXT Golf Carts with VGM Financial Services, a Division of TCF
- 17 • Contracts for 9 pieces of John Deere Equipment with Wells Fargo Bank
- 18 • Contract with MP 1250 partners (principals are officers of the Debtor) for sprayer,
- 19 rental payment of \$1 per month with option to purchase at end of four years for
- 20 \$12,000.

21 If Debtor's rezoning efforts are not successful, all executory contracts will be rejected on
 22 the Effective Date, except to the extent the purchaser determines to assume the contract and
 23 meets the statutory conditions for assumption and assignment. All expenses associated with such
 24 assumption will be paid by the purchaser, in addition to the purchase price paid to the Debtor. In
 25 the event of rejection, secured equipment lessors shall receive a return of their collateral and all
 26 parties to executory contracts with the Debtor shall have until 30 days following the Effective
 27 Date to file unsecured claims.

1 **3. Treatment of the Schams Contract.**

2 Debtor's executory contract with Randy Schams will be modified through the Plan, and
3 treated along with the prepetition claims of Randy Schams and the pre and post-petition claims
4 of Rancris.

5 **4. Executory Contracts to be Rejected through the Plan.**

6 Debtor is unaware of any other executory contracts; however, any such contracts will be
7 rejected, and the resulting damages treated as unsecured claims to the extent allowed in
8 accordance with the Bankruptcy Code.

9 **C. Secured Claims.**

10 **1. Class 1 Liberty Secured Claim.**

11 The Liberty Secured Claim as of the Petition Date was \$650,000. Debtor made one
12 interim adequate protection payment to Liberty in the amount of \$50,000, leaving Liberty with
13 an Allowed Secured Claim of \$600,000. The holder of the Liberty Secured Claim will be paid
14 first from any Net Sale Proceeds derived from the sale of any of Debtor's Real Property, but in
15 any event no later than December 31, 2018. If the Effective Date occurs prior to December 31,
16 2018, Debtor will pay Liberty \$50,000 on the Effective Date on account of the Liberty Secured
17 Claim.

18 Liberty will retain its liens on the Real Property to the extent of its Allowed Secured
19 Claim. Upon payment of the Liberty Secured Claim in full, the Real Property and proceeds will
20 be free and clear of any interest of Liberty. Liberty will have an Allowed Unsecured Class 4
21 Claim of \$4,000,000.

22 In order to pay the amount due to the BLM to repurchase the BLM Patent, Debtor may
23 borrow up to that amount as a first priority lien on some or all of Debtor's Real Property, but
24 only following payment of the Liberty Secured Claim. Liberty will, if necessary, execute a
25 subordination agreement to facilitate such refinancing. If Liberty objects to any provision of
26 such subordination agreement as unreasonable, the court or the settlement judge shall determine
27 whether the term is reasonable, and Liberty shall execute such a document upon reasonable
28 terms.

1 In addition, Liberty will receive 25% of any net recoveries to the Debtor from the sale of
2 its real property, calculated by subtracting from the sale proceeds all costs of sale and payment of
3 all secured obligations, and payment of all claims in the bankruptcy, including prepetition and
4 administrative claims (but not payments to Class 6 Equity). That payment on account of that
5 25% net proceeds interest will be capped at \$1,750,000.

6 No interest or other amounts, other than the principal amounts described above, will be
7 payable to Liberty.

8 Liberty is Impaired and entitled to vote on the Plan.

9 **2. Class 2 Summer Loans.**

10 Upon the sale of any of Debtor's Real Property, the holders of the Secured Summer
11 Loans Claims shall receive, following payment of the Class 1 Liberty Secured Claim in full, to
12 the extent of available Net Sale Proceeds, to be paid pro rata with Class 4 Claims, the principal
13 amount of the Summer Loans. The principal amount of the Summer Loans totals \$205,000, plus
14 the contract rate of interest at the rate of 15% per annum, calculated through the Petition Date
15 only. Principal as well as interest accruals are itemized in **Exhibit 2** to the Disclosure Statement.
16 Any objection to the Debtor's interest calculations set forth on **Exhibit 2** to the Disclosure
17 Statement must be filed within 30 days following the Confirmation Date.

18 Holders of the Secured Summer Loans are Impaired and entitled to vote on this Plan.

19 **D. Unsecured Claims.**

20 **1. Class 3 Schams/Rancris**

21 The holders of the Rancris Claims or a designee denoted by Rancris shall receive, in full
22 satisfaction of any and all Allowed Claims held by Rancris and Schams, inclusive of any
23 Administrative Claims they may have arising from Debtor's post-petition activities, all
24 Membership Interests in the Reorganized Debtor. Rancris has advised the Debtor that it
25 anticipates that it will designate Our Place, LLC as the owner of the new Membership Interests
26 in the Reorganized Debtor.

27 Holders of the Rancris Claims are Impaired and entitled to vote on this Plan.
28

1 **2. Class 4 Unsecured Claims.**

2 The holders of Allowed Unsecured Claims, other than those that require or elect
3 treatment provided under Class 5, shall receive their pro rata share of Class 4 payments totaling
4 \$25,000 per quarter, commencing three months after the Effective Date, and will receive the net
5 proceeds of the sale of Debtor's real property following payment to Class 1 and 2 creditors, up to
6 the principal amount of Class 5 Claims. The outside date for consummating such a sale (of
7 either the BLM Property or the Founder's 9 Property, as set forth in Section VII, below) will be
8 36 months from the Effective Date.

9 Holders of the Allowed Unsecured Claims of Class 4 are Impaired and entitled to vote on
10 this Plan.

11 **3. Class 5 Administrative Convenience Class.**

12 Holders of each Allowed Unsecured Claim in an amount less than \$500 (or of larger
13 Allowed Unsecured Claims to the extent the holders of which voluntarily reduce their Claims to
14 \$500) shall receive payment in full, without interest, within 90 days of the Effective Date.

15 Holders of the Allowed Unsecured Claims comprising this Class are Impaired and
16 entitled to vote on this Plan.

17 **E. Membership Interests.**

18 Class 6 shall be comprised of existing Membership Interests. Following the payment in
19 full of the Allowed Claims in Classes 1, 2, and 4, each holder of a Membership Interest shall
20 receive on account of such Membership Interest \$15,000, to the extent available, from the Net
21 Sale Proceeds of the sale of any Real Property.

22 Holders of the Membership Interests are Impaired and entitled to vote on this Plan.

23 **V. MEANS FOR IMPLEMENTATION OF THE PLAN**

24 **A. Approval of the Rezoning Plan.**

25 With the assistance of Rancris, Reorganized Debtor will continue its efforts to obtain
26 approval of the rezoning application Debtor submitted to the City of Henderson (the "Rezoning
27 Plan"). The Rezoning Plan calls for development of the BLM Property with approximately
28

1 1,176 residences, and the establishment of a 6-acre open/park space, and walking and bicycle
2 trails connecting with existing Henderson trails. Pursuant to the Rezoning Plan, Reorganized
3 Debtor will retain the nine-hole course located on the Founder's 9 Property, which Reorganized
4 Debtor shall make open to the public. A copy of the rendering showing the most recent
5 Rezoning Plan is attached to the Disclosure Statement as **Exhibit 3**.

6 Debtor is aware of the existence of a homeowner's group which has voiced opposition to
7 Debtor's rezoning efforts. Originally, that group indicated that it would oppose rezoning efforts
8 unless Debtor found a way to keep the original course, the "Founder's 9", operational. When
9 Debtor altered its plans to do so, however, the neighborhood group continued to oppose Debtor's
10 rezoning efforts. More recently, the group has indicated that its goal is to both retain the
11 Founder's 9 and reject Debtor's proposal for an apartment building as part of the proposed
12 development of the BLM Property. Debtor is considering development alternatives to address
13 this request, if the neighborhood group is prepared to withdraw its opposition to the proposed
14 rezoning.

15 Because of the impending losses which Debtor anticipates will be suffered in the summer
16 months, Reorganized Debtor will seek to achieve rezoning by the Rezoning Deadline.

17 In addition, the rezoning process has involved a number of submissions to the City of
18 Henderson, with the City of Henderson requesting additional information or changes. Debtor
19 responded to the first two sets of information requests from the City of Henderson, and is
20 currently working on the responses to the third set of requests. Such information will be
21 provided prior to the rezoning application moving forward.

22 Following the determination of the rezoning request, but prior to any development of the
23 BLM Property, a Development Agreement complying with City Ordinances and Henderson
24 Municipal Code section 19.6.10 (for residential construction build-out) will be required, and will
25 include significant infrastructure improvements. Debtor anticipates that the purchaser of the
26 BLM Property will work with the City of Henderson to submit and obtain approval of an
27 appropriate Development Agreement.

28 In addition, the City of Henderson states:

1 The zoning density is a critical component to finalizing a Development
2 Agreement, and a Development Agreement is critical to obtaining any zoning.
3 City staff will not recommend zoning densities previously discussed with the
4 Debtor, and will recommend that densities previously raised and discussed be
denied if the density requested is outside of those meeting staff's
recommendations.

5 Debtor has inquired from the City of Henderson as to what zoning densities would meet
6 with staff recommendation for approval, but that information has not yet been received. The
7 City of Henderson further states:

8 The property tax increases that will occur if zoning is approved and a
9 Development Agreement for residential housing is approved. This will cause the
10 property to lose its "open space" status, and will be taxed at a rate many multiples
higher as residential property.

11 Both Debtor's appraiser and the BLM appraiser have opined that the proposed rezoning
12 of the BLM Property is reasonably likely. The BLM appraiser concluded that: "Rezoning the
13 subject for a low-density residential use is considered likely based on surrounding development
14 and recent changes to the general plan and zoning map of parcels with similar zoning
15 characteristics." Debtor's appraiser has opined that: Considering the conformity with low
16 density residential uses that surround the subject property, the upzoning of the subject property
17 from its current public and semipublic use to low-density residential use would be considered
18 highly likely."

19 The Plan calls for additional assessments for real property taxes pursuant to NRS Chapter
20 361A to be the responsibility of the purchaser.

21 **B. Release of the BLM Patent and Sale of the BLM Property.**

22 Reorganized Debtor will continue its efforts to achieve the release of the BLM Patent via
23 a direct sale in accordance with federal regulations. 43 C.F.R. Subpart 2711. As noted in
24 Section III (C), above, this involves, among other things, submitting the necessary
25 documentation to BLM; affording time for BLM to publish required notices in the Federal
26 Register; and affording time for BLM to fulfill other required reviews and notifications. Should
27 a direct sale move forward, Reorganized Debtor anticipates that, concurrently with the funding
28

1 of the repurchase price to the BLM, Reorganized Debtor will close on one or more sales to third
2 party buyers of all or portions of the then-released BLM Property.

3 **C. Sale Without Court Order.**

4 To the extent that the sales of the BLM Property result in sufficient funds to pay all
5 Allowed Claims in full according to the terms of the Plan, Reorganized Debtor is authorized to
6 complete such sales without further order or involvement of the Bankruptcy Court. Such sale
7 would be contingent upon repurchase of the BLM reversionary interest.

8 **D. Sale By Way of Auction.**

9 Otherwise (or at Reorganized Debtor's option, in any case), Reorganized Debtor may
10 complete the sale of all or a portion of the BLM Property pursuant to section 363(f) of the
11 Bankruptcy Court via a Bankruptcy Court auction. Such sale would be contingent upon
12 repurchase of the BLM reversionary interest. Reorganized Debtor will set the auction sale on at
13 least 28 days' notice (provided only via the Bankruptcy Court's ECF System)(with regard to any
14 sale of the BLM Property or the Founder's 9 Property, a "Sale Notice"). Reorganized Debtor
15 may select a "stalking horse" bidder to make the initial bid, in which case Reorganized Debtor
16 shall be authorized to afford such a bidder compensation of up to \$50,000 in the event a higher
17 and better bid is ultimately obtained. The sale will be as-is, where-is, with no contingencies. A
18 cash deposit of 10% of the bid amount will be required of any bidder, with the exception that
19 Liberty may overbid all or part of its secured claim. If Reorganized Debtor receives offers to
20 purchase less than 100% of the BLM Property, the auction shall first be called for separate
21 portions of the property, then for the total, with the highest aggregate price being accepted,
22 subject to Reorganized Debtor's discretion and the Court's approval. Closing will take place as
23 soon as practicable following entry of an order approving the sale (and Reorganized Debtor will
24 request that such order be immediately effective). Deposits will be non-refundable if the
25 winning bidder fails to close within 30 days following the entry of the order approving the sale
26 (unless the closing deadline is extended by Reorganized Debtor). The sales procedures may be
27 supplemented or altered as set forth in the Sale Notice or approved by the Court.
28

1 **E. Rezoning Plan Rejection and Sale of the Founder's 9 Property.**

2 If Reorganized Debtor is unable to achieve rezoning of the BLM Property on or before
3 the Zoning Approval Deadline, Reorganized Debtor will sell the Founder's 9 Property, pursuant
4 to section 363(f) of the Bankruptcy Code, and distribute the Net Sale Proceeds pursuant to the
5 terms of this Plan. Such sale will be via auction before the Bankruptcy Court. The opening bid
6 in the amount of \$50,000 has been submitted by Starr Needham. Reorganized Debtor will set the
7 auction sale on at least 28 days' notice (provided only via the Bankruptcy Court's ECF System),
8 and overbids will be accepted. The sale will be as-is, where-is, with no contingencies. A cash
9 deposit of \$50,000 will be required of any overbidder, with the exception that Liberty may bid all
10 or part of its secured claim. Closing will take place as soon as practicable following entry of an
11 order approving the sale (and Reorganized Debtor will request that such order be immediately
12 effective). Deposits will be non-refundable if the winning bidder fails to close within 30 days
13 following the entry of the order approving the sale (unless the closing deadline is extended by
14 Reorganized Debtor). Except as accepted by the purchaser by written notice filed prior to the
15 sale hearing, all Executory Contracts will be rejected as of the Effective Date. To the extent the
16 purchaser wishes to retain any Executory Contracts, all bidders must file a notice of intention to
17 retain such Executory Contracts prior to the auction sale hearing, and all expenses associated
18 with assumption and assignment will be paid by the purchaser, in addition to amounts paid to the
19 Debtor pursuant to the auction sale. The sales procedures may be supplemented or altered as set
20 forth in the Sale Notice or approved by the Court.

21 Thereafter, Reorganized Debtor will determine whether it is economically feasible to
22 operate the nine-hole "Horizon 9" course, to reopen the "Desert 9" course in order to provide an
23 18-hole golf course, or to close the existing course in order to pursue development of a xeriscape
24 or other course which could be economically operated. With the exception of the Liberty
25 Secured Claim, no liens or claims shall attach to the BLM Property.

26 **F. 1111(b) Elections.**

27 Section 1111(b) of the Bankruptcy Code generally permits a secured creditor to elect to
28 forgo payment of any unsecured portion of its claim, and instead retain its lien on the real

1 property. In that instance the face amount of the claim must be paid, but may be paid on the
2 ultimate sale or transfer of the property. The availability and application of the section 1111(b)
3 election is complex, and secured creditors should consult their own counsel for advice regarding
4 such matters.

5 **G. Other Matters.**

6 As of the Effective Date, Debtor's by-laws will be deemed amended to provide for the
7 holding of 100% of its Membership Interests by Rancris or its assignee.

8 Upon the completion of the sale of the BLM Property, Reorganized Debtor may, at its
9 option, convert to a "for-profit" Nevada Corporation and/or may as soon as reasonably
10 convenient following completion of the sale of the BLM Property, liquidate in accordance with
11 NRS Chapter 84, provided that the distribution of remaining assets pursuant to NRS 82.461(4)(d)
12 following payment of all Allowed Claims shall be to the member or members of Reorganized
13 Debtor at the time of liquidation.

14 On the Confirmation Date, Rancris will extend the DIP Loan in order to continue to
15 provide funding for Debtor's operations and reorganization costs through the Effective Date.

16 All sales contemplated by this Plan shall be transfers under a plan confirmed under
17 section 1129 of the Bankruptcy Code, and shall be free of any stamp tax or real property transfer
18 tax pursuant to section 1146(a) of the Bankruptcy Code, whether such sales occur prior to, upon,
19 or after the Effective Date.

20 **VI. TAX CONSEQUENCES OF PLAN**

21 Debtor is a non-profit entity, and does not expect to directly experience tax consequences
22 as a result of confirmation.

23 Although Debtor does not believe that creditors will have significant tax consequences as
24 a result of the Plan (other than recognition of income from payments made pursuant to the Plan),
25 creditors should consult their own tax professionals with regard to any tax effects.

26 To the extent that any sale results in additional assessments for real property taxes
27 pursuant to NRS Chapter 361A, such taxes shall be the responsibility of the purchaser.
28

VII. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in sections 1129(a) or (b) of the Bankruptcy Code. These include the requirements that: the Plan must be proposed in good faith; at least one impaired class of claims must accept the Plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a Chapter 7 liquidation case, unless the creditor or equity interest holder accepts the Plan; and the Plan must be feasible. Unimpaired classes are deemed to have accepted the Plan. These requirements are not the only requirements listed in section 1129 of the Bankruptcy Code, and they are not the only requirements for confirmation.

A. Who May Vote or Object.

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met. Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired. In this case, Debtor believes that all classes are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan.

B. What Is an Allowed Claim or an Allowed Equity Interest?

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure. The deadline for filing a proof of claim (the "Bar

1 Date”) in this case was 8/2/17 for non-governmental units. Claims which were not either (1)
2 scheduled as undisputed, non-contingent and liquidated; or (2) filed by the Bar Date are not
3 allowed claims, are not entitled to vote, and do not receive any distribution under the Plan.

4 **C. What Is an Impaired Claim or Impaired Equity Interest?**

5 As noted above, the holder of an allowed claim or equity interest has the right to vote
6 only if it is in a class that is impaired under the Plan. As provided in § 1124 of the Code, a class
7 is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members
8 of that class.

9 **D. Votes Necessary to Confirm the Plan.**

10 The Court cannot confirm the Plan unless (1) at least one impaired class of creditors has
11 accepted the Plan without counting the votes of any insiders within that class, and (2) all
12 impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by a
13 cramdown on non-accepting classes, as discussed below. A class of claims accepts the Plan if
14 both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in
15 the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds
16 (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the
17 Plan. A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in
18 amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

19 **E. Cramdown.**

20 Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm
21 the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b) of the
22 Code. A plan that binds nonaccepting classes is commonly referred to as a cramdown plan. The
23 Code allows the Plan to bind nonaccepting classes of claims or equity interests if it meets all the
24 requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the
25 Code, does not discriminate unfairly, and is fair and equitable toward each impaired class that
26 has not voted to accept the Plan. Because Debtor is a non-moneyed non-profit entity, the
27 “absolute priority rule” is not applicable in this case.
28

1 You should consult your own attorney if a cramdown at confirmation will affect your
2 claim or equity interest, as the variations on this general rule are numerous and complex.

3 **F. Liquidation Analysis.**

4 To confirm the Plan, the Court must find that all creditors and equity interest holders who
5 do not accept the Plan will receive at least as much under the Plan as such claim and equity
6 interest holders would receive in a chapter 7 liquidation. In the event of a liquidation, it is likely
7 that Liberty would foreclose on the Debtor's Real Property, which would trigger the BLM
8 reversionary interest. Equipment lessors would receive a return of their used equipment. Any
9 remaining assets of value would be sold, and the proceeds used to pay expenses of the chapter 7
10 liquidation. Any remaining funds (and Debtor anticipates that there would not be any) would go
11 to payment of Chapter 11 Administrative claims, including the DIP Loan. Other secured and
12 unsecured creditors would likely receive no distribution.

13 **G. Feasibility.**

14 The Court must find that confirmation of the Plan is not likely to be followed by the
15 liquidation, or the need for further financial reorganization, of the Debtor or any successor to the
16 Debtor, unless such liquidation or reorganization is proposed in the Plan.

17 As discussed above, the ability to pay creditors other than Liberty is dependent upon the
18 success of Debtor's rezoning efforts. If rezoning is successful, Debtor believes that it will be
19 able to achieve a sale of its Real Property for an amount sufficient to pay all secured and
20 unsecured creditors in full. However, if the Debtor's rezoning efforts are not successful, it is
21 likely that no prepetition claims will be paid except for Liberty's secured claim, since payments
22 will be made from the sale of the Founder's 9 Property. Debtor's appraiser has opined that,
23 while the value of the Founder's 9 Property if rezoned and available for residential development
24 would be in excess of \$22 million, the value of the Founder's 9 Property as-is is \$460,000. To
25 date, Debtor has only received one offer to purchase the Founder's 9 Property in its current state,
26 for a purchase price of \$50,000. While Debtor is hopeful that higher offers would be made for
27 that property, it is unlikely that the Founder's 9 Property would generate any funds to pay any
28 creditors other than Liberty.

1 To the extent of any shortfall in funds necessary to pay Administrative Claims, such
2 funds will be borrowed from Rancris.

3 VIII. EFFECT OF CONFIRMATION OF PLAN

4 A. Binding Effect.

5 From and after the Confirmation Date, the Plan will be binding and inure to the benefit of
6 Debtor, all present and former holders of Claims and the Membership Interests, and their
7 respective assigns, including the Reorganized Debtor.

8 B. Vesting of Assets.

9 Upon the Effective Date, all property of the Estate will vest in the Reorganized Debtor
10 free and clear of all Claims, liens, encumbrances, restrictive covenants, charges, and other
11 interests, except as otherwise provided in the Plan or in the Confirmation Order. Any
12 documents, including without limitation, deeds, deeds of trust, notes, and security agreements,
13 shall be modified to conform with this requirement. From and after the Effective Date, the
14 Reorganized Debtor may operate its business and may use, acquire, and dispose of property free
15 of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there
16 were no pending case under any chapter or provision of the Bankruptcy Code, except as provided
17 herein. Without limiting the foregoing, pursuant to section 1123(b)(3) of the Bankruptcy Code
18 except for any Causes of Action expressly waived by Debtor pursuant to the terms of the Plan,
19 the Reorganized Debtor will retain and will have the exclusive right, in its discretion, to enforce,
20 not enforce, or compromise against any Person any and all Causes of Action of Debtor. The
21 resolution of such Causes of Action not resolved as of the Confirmation Date will be the
22 responsibility of the Reorganized Debtor's management. Debtor reserves the right to bring any
23 claims or causes of action, whether or not discussed in the Plan or Disclosure Statement, and
24 whether or not currently known to Debtor.

25 C. Discharge of Debtor.

26 Upon the Effective Date and in consideration of the rights afforded in the Plan and the
27 payments and distributions to be made thereunder, except as otherwise provided herein or in the
28 Confirmation Order, each holder (as well as any trustees and agents on behalf of each holder) of

1 a Claim or Membership Interest and any affiliate of such holder will be deemed to have forever
2 waived, released, and discharged Debtor, to the fullest extent permitted by section 1141 of the
3 Bankruptcy Code, of and from any and all Claims, the Membership Interest, Causes of Action,
4 rights, and liabilities that arose prior to the Effective Date of any kind, nature, or description
5 whatsoever, including any accrued interest, fees, or other charges, in exchange for the treatment
6 afforded to such Claims under the Plan, and each such holder will be deemed to have granted,
7 and will grant to Debtor the waiver, release and discharge described in the Plan. Except as
8 otherwise provided in the Plan, upon the Effective Date, all such holders of Claims and Equity
9 Interests and their affiliates will be forever precluded and enjoined, pursuant to sections 105,
10 524, and 1141 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim
11 against or terminated Membership Interest in Debtor or the Reorganized Debtor, or against any
12 of their Assets or property, based upon any act or omission, transaction, or other activity of any
13 kind or nature that occurred prior to the Effective Date, whether or not such holder has filed a
14 proof of claim or proof of interest.

15 **D. Injunction.**

16 Except as otherwise expressly provided in the Plan or the Confirmation Order, as of the
17 Confirmation Date, but subject to the occurrence of the Effective Date, all Persons who have
18 held, hold or may hold Claims against or Membership Interests in Debtor, along with their
19 respective present or former employees, agents, officers, directors, or principals, are permanently
20 enjoined, with respect to any such Claims or Membership Interests, as of the Confirmation Date,
21 but subject to the occurrence of the Effective Date, from (a) commencing, conducting or
22 continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind
23 (including, without limitation, any proceeding in a judicial, arbitral, administrative or other
24 forum) against or affecting Debtor, the Estate, or the Reorganized Debtor or any of their
25 property, or any direct or indirect transferee of any property of, or direct or indirect successor in
26 interest to, any of the foregoing Persons or any property of any such transferee or successor; (b)
27 enforcing, levying, attaching (including, without limitation, any pre-judgment attachment),
28 collecting or otherwise recovering by any manner or means, whether directly or indirectly, any

1 judgment, award, decree or order against Debtor, the Estate, or the Reorganized Debtor or any of
2 their property, or any direct or indirect transferee of any property of, or direct or indirect
3 successor in interest to, any of the foregoing Persons, or any property of any such transferee or
4 successor; (c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly,
5 any encumbrance of any kind against Debtor, the Estate, or the Reorganized Debtor or any of
6 their property, or any direct or indirect transferee of any property of, or successor in interest to,
7 any of the foregoing Persons; (d) acting or proceeding in any manner, in any place whatsoever,
8 that does not conform to or comply with the provisions of the Plan to the full extent permitted by
9 applicable law; (e) taking any actions to interfere with the implementation or consummation of
10 the Plan and (f) commencing or continuing, in any manner or in any place, any action that does
11 not comply with or is inconsistent with the provisions of the Plan, such as commencing or
12 continuing in any manner any action or other proceeding of any kind with respect to any Claims
13 and Causes of Action which are extinguished or released pursuant to the Plan; provided,
14 however, that nothing contained herein will preclude such Persons from exercising their rights
15 pursuant to and consistent with the terms of the Plan.

16 **E. Exculpation and Limitation of Liability.**

17 None of Debtor, the Reorganized Debtor, or any of their respective current or former
18 members, shareholders, officers, directors, managers, employees, advisors, professionals,
19 affiliates, or agents of any of the foregoing (including any attorneys, financial advisors,
20 investment bankers and other professionals retained by such persons, but solely in their
21 capacities as such) will have or incur any liability for any act or omission in connection with,
22 related to, or arising out of, without limitation, the negotiation and execution of the Plan, the
23 Disclosure Statement, the solicitation of votes for and the pursuit of confirmation of the Plan, the
24 consummation of the Plan, or the administration of the Plan or the property to be distributed
25 under the Plan, including, without limitation, all documents ancillary thereto, all decisions,
26 actions, inactions and alleged negligence or misconduct relating thereto and all activities leading
27 to the promulgation and confirmation of the Plan, except willful misconduct, fraud, knowing
28 misrepresentation, or gross negligence as determined by a Final Order of the Bankruptcy Court.

1 This provision applies to conduct occurring during the bankruptcy case. The foregoing parties
2 will be entitled to rely upon the advice of counsel with respect to their duties and responsibilities
3 under the Plan.

4 **F. Retention of Jurisdiction.**

5 The Court shall retain jurisdiction of this Chapter 11 Case until this Plan has been fully
6 consummated, for the limited purposes of:

7 1. The Allowance or Classification of Claims, including the reexamination of Claims
8 which have been allowed for the purposes of voting, and the determination of such objections as
9 may be filed to Creditors' Claims. The failure by Debtor to object to or examine any claim for
10 the purpose of voting shall not be deemed to be a waiver of Debtor's right to object to or
11 reexamine the Claim in whole or in part.

12 2. The allowance of compensation or other administrative expenses.

13 3. To hear and determine Claims concerning state, local, and federal taxes pursuant to
14 sections 346, 505, 525, and 1146 of the Bankruptcy Code.

15 4. To hear, conduct, and approve sales as provided by the Plan.

16 5. To hear and determine all actions and proceedings that relate to pre-confirmation
17 matters brought by Debtor whether such action or proceeding is brought before or after the
18 Effective Date.

19 6. The determination of any issues relating to the assumption or rejection of executory
20 contracts and unexpired leases including the assumption or rejection of executory contracts or
21 unexpired leases not expressly dealt with herein.

22 7. The correction of any defects, the curing of any omission, or the reconciliation of any
23 inconsistency of this Plan or in the Confirmation Order as may be necessary to carry out the
24 purposes and intent of this Plan.

25 8. The modification of this Plan after Confirmation pursuant to the Bankruptcy Rules
26 and Title 11 of the United States Code.

27 9. The interpretation of the terms of this Plan.
28

10. The entry of any order, including injunctions, necessary to enforce title, rights and powers of Debtor and to impose such limitations, restrictions, terms and conditions of such title, rights and powers as this Court may deem necessary including, without limitation, any right of Debtor to recover assets pursuant to any of the relevant provisions of the Bankruptcy Code.

11. The determination of the validity, extent and priority of all liens and security interests against property of Debtor's Estate.

12. To hear and determine such matters and make such orders as are consistent with the Plan as may be necessary or desirable to carry out the provisions thereof and to adjudicate any disputes arising under or relating to any order entered by the Court in this proceeding.

13. Enforcement of any rights of Debtor arising out of bankruptcy laws or terms of the Plan.

14. The adjudication of the Liberty Litigation.

15. The entry of an order concluding and terminating this Chapter 11 Case.

G. Final Decree.

Once the Estate has been fully administered, as provided in Bankruptcy Rule 3022, Debtor, or such other party as the Court shall designate in the Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion. It is Debtor's intention to request entry of a Final Decree at the earliest date following commencement of payments under the Plan that Debtor believes that no further Court oversight is needed.

IX. RISK FACTORS

Although the Debtor believes that it will be able to consummate the Plan, in order to make all of the payments proposed to creditors Debtor will need to be successful in its efforts to obtain rezoning of the BLM Property, and sale of the property for an amount sufficient to satisfy the payment requirements of the Plan, as well as obtaining a release of the BLM reversionary interest.

EXHIBIT 1

EXHIBIT 1

1 CLARK HILL, PLLC
2 Candace C. Carlyon, Esq.
3 Nevada Bar No. 2666
3800 Howard Hughes Parkway, Suite 500
4 Las Vegas, NV 89169
Telephone No. (702) 862-8300
5 Facsimile No. (702) 862-8400
Email: ccarlyon@clarkhill.com
6 *Counsel for Debtor,*
Black Mountain Golf and Country Club, Inc.

7
8
9
10
11 UNITED STATES BANKRUPTCY COURT
12 DISTRICT OF NEVADA

13 In re

14 BLACK MOUNTAIN GOLF AND
COUNTRY CLUB, INC.,

15 Debtor.
16

Case No.: 17-11540-BTB

Chapter: 11

Date: June 15, 2018

Time: 10:00 a.m.

17
18 **DEBTOR'S FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION DATED**
19 **MARCH 23, 2018**
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ARTICLE I

INTRODUCTION

Debtor, Black Mountain Golf and Country Club, Inc., a Nevada corporation (hereinafter "Debtor"), hereby proposes its Chapter 11 Plan of Reorganization Dated January 31, 2018 (the "Plan") for the resolution of the claims of its creditors. Reference is made to Debtor's Disclosure Statement to Accompany Debtor's Chapter 11 Plan of Reorganization Dated January 31, 2018 (the "Disclosure Statement") for a discussion of Debtor's history, business, property and financial information and for a summary of the Plan and related matters.

All holders of claims are encouraged to read this Plan and the accompanying Disclosure Statement in their entirety before voting to accept or reject this Plan. No materials, other than the Disclosure Statement and the Exhibits attached thereto and referenced therein, have been approved by the United States Bankruptcy Court for the District of Nevada for use in soliciting acceptances or rejections of this Plan.

ARTICLE II

DEFINITIONS

The definitions contained in the Bankruptcy Code are incorporated herein. Whether or not inconsistent with the definitions contained in the Bankruptcy Code, the following terms used herein shall have the following meanings:

2.1 Administrative Claim. A Claim for costs and expenses of administration allowed under section 503(b) of the Bankruptcy Code and referred to in section 507(a)(1) of the Bankruptcy Code, including, without limitation: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estate and operating the business of Debtor (such as wages, salaries or commissions for services); (b) compensation for legal, financial advisory, accounting and other services and reimbursement of expenses awarded under sections 330(a) or 331 of the Bankruptcy Code; and (c) all fees and charges assessed against the Estate under 28 U.S.C. § 1930.

2.2 Allowed Claim. A Claim or any portion thereof that is not a Disputed Claim: (i) that is allowed pursuant (w) to this Plan or Final Order of the Bankruptcy Court (x) to any stipulation executed prior to the Confirmation Date and approved by the Bankruptcy Court, (y) to any

1 stipulation with Debtor or Reorganized Debtor executed on or after the Confirmation Date and
 2 approved by the Bankruptcy Court or (z) to any contract, instrument, indenture or other agreement
 3 entered into or assumed in connection herewith; (ii) proof of which, requests for payment of which,
 4 or application for allowance of which, was Filed or deemed to be Filed on or before the Bar Date,
 5 as the case may be, for filing proofs of Claim or requests for payment of Claims of such type
 6 against Debtor; or (iii) if no proof of Claim is filed, which has been or hereafter is listed by Debtor
 7 in the Schedules of Assets and Liabilities as liquidated in amount and not disputed or contingent,
 8 and in the case of (ii) or (iii) no objection to the allowance thereof has been interposed within the
 9 applicable period of limitation fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules or
 10 the Bankruptcy Court or the Bankruptcy Court has entered a Final Order allowing all or a portion of
 11 such Claim. Notwithstanding anything herein to the contrary, by treating a Claim as an Allowed
 12 Claim Debtor does not waive its rights to contest the amount and validity of any disputed,
 13 contingent or unliquidated Claim in the manner and venue in which such Claim would have been
 14 determined, resolved or adjudicated if the Chapter 11 Case had not been commenced.

15 2.3 Allowed Priority Claim. An Allowed Claim entitled to priority pursuant to sections
 16 507(a)(3), (4) or (6) of the Bankruptcy Code.

17 2.4 Allowed Secured Claim. An Allowed Claim secured by a lien, security interest or other
 18 charge against the property in which the Estate has an interest, or which is subject to set-off under
 19 section 553 of the Bankruptcy Code, to the extent of the value, determined in accordance with
 20 section 506(a) of the Bankruptcy Code, of the interest of the holder of such Allowed Claim in the
 21 Estate's interest in such property, or to the extent of the amount subject to any set-off, as the case
 22 may be. An Allowed Secured Claim may include post-petition interest if permitted under section
 23 506(b) of the Bankruptcy Code.

24 2.5 Allowed Tax Claim. An Allowed Unsecured Claim that is entitled to priority pursuant
 25 to section 507(a)(8) of the Bankruptcy Code.

26 2.6 Allowed Unsecured Claim. An Allowed Claim for which there are no assets of Debtor
 27 serving as security, but not including any Allowed Priority Claims or Allowed Tax Claims.
 28

1 2.7 Avoidance Action. Any adversary proceeding brought in connection with this Chapter
2 11 Case to recover money or property on account of transactions avoidable under sections 544, 547,
3 548, 549 or 550 of the Bankruptcy Code.

4 2.8 Bankruptcy Code or Code. Title 11 of the United States Code, as now in effect or
5 hereafter amended. All citations in the Plan or Disclosure Statement to chapter and section
6 numbers are to the Code unless otherwise expressly indicated.

7 2.9 Bankruptcy Court or Court. The United States Bankruptcy Court for the District of
8 Nevada, or such successor court or tribunal as may hereafter be confirmed or created by lawful
9 authority with power to confirm reorganization plans under Chapter 11 of the Bankruptcy Code,
10 and all other applicable statutes, rules and regulations.

11 2.10 Bankruptcy Rules. The Federal Rules of Bankruptcy Procedure.

12 2.11 Bar Date. The date or dates established by this Plan, Order of the Bankruptcy Court or
13 the Bankruptcy Code or Bankruptcy Rules for the filing of proofs of claim with the Bankruptcy
14 Court, which was August 2, 2017 for creditors, except for governmental units, and September 26,
15 2017 for governmental units.

16 2.12 BLM. The United States Bureau of Land Management.

17 2.13 BLM Patent. The reversionary interest of the BLM with respect to the BLM Property,
18 which provides that if Debtor “attempts to transfer title to or control over the lands to another or the
19 lands are devoted to a use other than that for which the lands were conveyed, without the consent of
20 the Secretary of the Interior or his delegate...title shall revert to the United States.”

21 2.14 BLM Property. The real property and improvements acquired by Debtor from the
22 BLM by Patent #1226785 dated May 9, 1962, currently identified as Assessor’s Parcel Numbers
23 179-200301-001; 179-20-302-001; and 179-20-308-001.

24 2.15 BLM Takeout Loan. Any loan obtained by Debtor or Reorganized Debtor, as the case
25 may be, for the purpose of paying amounts due to BLM in order to remove the BLM Patent.

26 2.16 Business Day. Any day, other than a Saturday, Sunday or legal holiday as defined in
27 Bankruptcy Rule 9006(a).

2.17 Causes of Action. All actions, causes of action, Claims, liabilities, obligations, rights, suits, debts, damages, judgments, remedies, demands, setoffs, defenses, recoupments, crossclaims, counterclaims, third-party claims, indemnity claims, contribution claims and any other claims disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Chapter 11 Case, up to and through the Effective Date.

2.18 Chapter 11 Case. The Chapter 11 proceeding, known as *In re Black Mountain Golf and Country Club, Inc.*, Case No. BK-S-17-11540-BTB, pending before the United States Bankruptcy Court, District of Nevada.

2.19 Claim. Any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right is an equitable remedy or is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

2.20 Claimants or Creditors. Persons or entities holding Claims, whether or not such Claim are Allowed Claims.

2.21 Class. A category of holders of Claims which are substantially similar to other Claims and into which Allowed Claims are grouped and classified pursuant to Article IV of the Plan. The Classes provided for in the Plan are the following:

A) Class 1: Secured Claim of Liberty.

B) Class 2: Secured Claims of the holders of the Summer Loans.

C) Class 3: The Rancris Claims.

D) Class 4: Unsecured Claims.

E) Class 5: Administrative Convenience Class.

F) Class 6: All Membership Interests in Debtor.

1 2.22 Confirmation. The entry by the Clerk of the Bankruptcy Court on the Court's docket
2 of the Confirmation Order.

3 2.23 Confirmation Date. The date on which the Clerk of the Bankruptcy Court enters the
4 Confirmation Order on the Court docket.

5 2.24 Confirmation Hearing. The duly noticed initial hearing before the Bankruptcy Court
6 to confirm this Plan pursuant to section 1128 of the Bankruptcy Code, and any subsequent hearing
7 held by the Bankruptcy Court from time to time to which the initial hearing is adjourned without
8 further notice other than the announcement of the adjourned dates at the Confirmation Hearing.

9 2.25 Confirmation Order. The order entered by the Bankruptcy Court confirming the
10 Plan.

11 2.26 Debtor. Black Mountain Golf and Country Club, Inc., a non-profit Nevada
12 corporation, in its capacity as debtor and debtor-in-possession.

13 2.27 Desert 9. The nine-hole golf course known as the "Desert 9," which Debtor
14 developed on a portion of the BLM Property and for which Debtor discontinued maintenance and
15 operations prior to the commencement of the Chapter 11 Case.

16 2.28 DIP Loan. The debtor-in-possession loan provided by Rancris pursuant to Debtor's
17 Motion to Authorize Post-Petition Financing filed on April 28, 2017, as Dkt. #77, and approved by
18 the Bankruptcy Court on June 9, 2017, as Dkt. #113.

19 2.29 Disclosure Statement. The Disclosure Statement accompanying this Plan which was
20 prepared by Debtor as required by section 1125 of the Bankruptcy Code and approved by an order
21 of the Bankruptcy Court.

22 2.30 Disputed Claim. A Claim as to which a proof of claim has been Filed or deemed
23 Filed under applicable law, as to which (1) an objection has been timely Filed, and which objection
24 has not been withdrawn and has not been overruled or denied by a Final Order; or (2) litigation
25 (including any appeal) is pending, in which case the Claim shall be a Disputed Claim until such
26 time as a Final Order is entered determining the amount of such Claim.

27 2.31 Effective Date. Except as otherwise ordered by the Court, the Effective Date of the
28 Plan shall be the first day of the first month at least fifteen calendar days after the satisfaction of

1 each of the Conditions Precedent to Confirmation Date as set forth in Article VIII of this Plan.
2 Upon its occurrence, Debtor shall promptly file a notice of Effective Date with the Bankruptcy
3 Court.

4 2.32 Elite Golf. Collectively, Elite Golf Management, LLC and Elite Golf at Black
5 Mountain Golf and Country Club, LLC.

6 2.33 Elite Golf Contract. That certain management contract with Elite Golf whereby Elite
7 Golf in exchange for monthly payments as provided therein from Debtor provides all management,
8 accounting and administrative functions related to the day-to-day operations of the Golf Club.

9 2.34 Estate. The estate created in this Chapter 11 Case for Debtor under section 541 of
10 the Bankruptcy Code.

11 2.35 Executory Contracts. A contract or an unexpired lease to which Debtor is a party
12 that is subject to assumption or rejection under section 365 of the Bankruptcy Code, excluding the
13 Elite Golf Contract, the Henderson Lease, and to the extent applicable, the Gift Cards and Deposits.

14 2.36 Filed or on File. A pleading filed with the Clerk of the Bankruptcy Court, District
15 of Nevada, in this Chapter 11 Case.

16 2.37 Final Order. An order or judgment of the Bankruptcy Court, or other court of
17 competent jurisdiction, as entered on the docket in the Case, which has not been reversed, stayed,
18 modified or amended, and as to which (a) the time to appeal or seek certiorari has expired and no
19 appeal or petition for certiorari has been timely filed, or (b) any appeal that has been or may be
20 taken or any petition for certiorari that has been or may be filed has been resolved by the highest
21 court to which the order or judgment was appealed or from this certiorari was sought.

22 2.38 Founder's 9 Property. That certain real property currently owned by Debtor, the
23 acquisition of which is evidenced by the Corporation Grant, Bargain Sale Deed recorded with the
24 Clark County Recorder on January 22, 1958, as document #123104 in the records of the Clark
25 County Recorder (the "BMI Deed"), consisting of approximately 61.5 acres, which property is
26 currently identified as Assessor's Parcel Numbers 179-20-210-001; 179-20-210-005; 179-20-210-
27 006; 179-19-512-001; 179-19-512-002; 179-19-611-001; and 179-19-611-003.

1 2.39 Gift Cards and Deposits. The pre-petition obligations of Debtor for which the Court
2 issued an Order on April 12, 2017 authorizing Debtor to honor [Dkt. #94].

3 2.40 Golf Club. The improvements on Debtor's Real Property, which include a
4 clubhouse, shop, bar, and restaurant/banquet facility.

5 2.41 Henderson Lease. That certain unexpired real property lease dated September 21,
6 1959 by and between Debtor and the City of Henderson which authorizes Debtor to use
7 approximately 2.2 acres of land owned by the City of Henderson for \$1 per year, which expires on
8 September 20, 2040.

9 2.42 Horizon 9. The nine-hole golf course known as the "Horizon 9," which Debtor
10 developed and opened for play in the early 1960's on part of the BLM Property.

11 2.43 Impaired. Impaired within the meaning of section 1124 of the Bankruptcy Code.

12 2.44 Lampman. Shawn Lampman.

13 2.45 Lampman Litigation. The litigation between Lampman, as plaintiff, and Debtor,
14 certain of Debtor's officers and directors, and Schams, filed in the Eighth Judicial District Court,
15 Clark County, Nevada, as case #A-17-751110.

16 2.46 Liberty. Liberty Village, LLC.

17 2.47 Liberty Litigation. The litigation between Debtor, as plaintiff, and the Liberty
18 Litigation Parties, as defendants, including any counterclaims, originally filed in the Eighth Judicial
19 District Court, Clark County, Nevada, as case #A-16-746628; which was removed to the
20 Bankruptcy Court as adversary case #17-01179-BTB.

21 2.48 Liberty Litigation Claims. The Claims of any of the Liberty Litigation Parties.

22 2.49 Liberty Litigation Parties. Collectively, Liberty, Royal Union Nevada, LLC; Royal
23 Union Nevada Corporation; and Royal Union Properties, LLC.

24 2.50 Litigation Parties. Collectively, Lampman and the Liberty Litigation Parties.

25 2.51 Local Rules. The Local Rules of Bankruptcy Practice of the United States
26 Bankruptcy Court for the District of Nevada.

27 2.52 Members. Members of the Golf Club as provided for in Debtor's Bylaws.
28

1 2.19 Membership Interests. The rights of and interests of Members in Debtor and the
2 Golf Club as provided for in the Bylaws, which, given that Debtor is a non-profit corporation, are
3 not in the nature of an equity security as defined in section 101(16) of the Bankruptcy Code.

4 2.19 Net Sale Proceeds. The amounts actually payable to Debtor from the sale of any of its
5 Real Property, after payoff of any BLM Takeout Loan and all costs of sale.

6 2.20 Order. An order or judgment of the Bankruptcy Court as entered by the Clerk of the
7 Court on the docket in this Case.

8 2.21 Person. Any natural person, corporation, general partnership, limited partnership,
9 association, joint stock company, joint venture, estate, trust, government or any political
10 subdivision thereof, governmental unit (as defined in the Bankruptcy Code), official committee
11 appointed by the United States Trustee, or other legal entity.

12 2.22 Petition Date. March 30, 2017, which is the date that Debtor filed its voluntary
13 petition commencing the Chapter 11 Case.

14 2.23 Plan. The Chapter 11 Plan of Reorganization Dated January 31, 2018 proposed by
15 Debtor, and all exhibits, schedules, releases, and other attachment annexed thereto, as the same
16 may be amended, modified or supplemented from time to time in accordance with the Code.

17 2.24 Post-Petition. Occurring after the Petition Date.

18 2.25 Quarter Acre. That certain real property located in Henderson, Nevada consisting of
19 approximately .25 acre, currently identified as Assessor's Parcel Number 179-20-203-002.

20 2.26 Rancris. Rancris, Inc., which is wholly owned by Schams.

21 2.27 Rancris Claims. Collectively, all amounts due, pre- or post- petition, to Schams and
22 Rancris.

23 2.28 Real Property. Collectively, Debtor's interests in the Founder's 9 Property, the BLM
24 Property, and the Quarter Acre.

25 2.29 Reorganized Debtor. Debtor following the Effective Date.

26 2.30 Schams. Randolph ("Randy") Schams.

27 2.31 Schams Contract. The prepetition consulting contract between Debtor and Shams
28 dated January 26, 2016, a copy of which was filed as Exhibit 1 to Dkt. #83.

2.32 Scheduled. Set forth on the Schedules of Asset and Liabilities on file with the Clerk of the Bankruptcy Court.

2.33 Schedules of Assets and Liabilities. The Schedules of Assets and Liabilities filed by Debtor with the Clerk of the Bankruptcy Court, as the same have been or may be amended from time to time prior to the Effective Date of the Plan.

2.34 Settlement Agreement. That certain settlement of the Liberty Litigation and the Lampman Litigation as set forth in the Transcript of Proceedings Re: Settlement Conference held on February 28, 2017, in the Liberty Litigation.

2.35 Summer Loan Claims. The Claims of the holders of the Summer Loans.

2.36 Summer Loans. The loans secured by the second deed of trust on the Real Property recorded on March 9, 2015, as Instrument No. 20150309-0001082 in the records of the Clark County Recorder.

2.37 Zoning Approval Deadline. December 31, 2018, or such later date as Debtor determines is appropriate to achieve rezoning of the BLM Property from the City of Henderson.

ARTICLE III

TREATMENT OF UNCLASSIFIED CLAIMS

3.1 Administrative Claims. Unless the holder of a particular Claim agrees otherwise, each holder of an Allowed Administrative Claim, including U.S. Trustee fees, shall be paid in full, in cash, on the Effective Date, or as soon thereafter as such Administrative Claims have been allowed by Final Order of the Court or become due. U.S. Trustee fees which become due post-Confirmation will be timely paid. The following chart lists Debtor's estimated administrative expenses:

Claimant	<u>Estimated Total Amount Which Will be Owed at Confirmation</u> ¹
Clark Hill, PLLC (formerly Morris, Polich & Purdy), Reorganization Counsel	\$150,000

¹ These numbers are only estimates; the actual figures may be less or more than estimated and may not reflect Debtor's estimates that amounts are or may be payable. These figures do not include amounts owed on the DIP Loan to Rancris nor amounts paid or payable by Rancris or Shams to public relations firm(s) and lobbyist(s).

Appraiser	\$5,000
Engineer	\$5,000
Accountant	\$5,000
Office of the US Trustee	\$5,000
Total:	\$170,000

3.2 Allowed Tax Claims. Each Allowed Tax Claim, if any, in full and final satisfaction of such Allowed Claim, shall be paid in full, with interest at the legally applicable rate, in 19 equal quarterly payments commencing 90 days after the Effective Date, with a minimum initial payment of \$100. The IRS originally filed a proof of claim in the amount of \$39,033.56, but has amended that amount to \$0. Debtor is unaware of any other Allowed Tax Claims. Debtor reserves the right to prepay any portion of any Allowed Tax Claim.

3.3 Allowed Priority Claims. Each Allowed Priority Claim, if any, in full and final satisfaction of such Allowed Claim, shall be paid in full, without interest, in 19 equal quarterly payments commencing 90 days after the Effective Date. Debtor reserves the right to prepay any portion of any Allowed Priority Claim.

ARTICLE IV

CLASSIFICATION OF CLAIMS AND MEMBERSHIP INTERESTS

4.1 For purposes of satisfying Debtor's obligations created under the Plan, the Allowed Claims of the Creditors and the Membership Interests of Debtor have been classified as follows:

A) Class 1: Liberty Secured Claim. Class 1 consists of the Liberty Secured Claim.

B) Class 2: Secured Summer Loans Claims. Class 2 consists of the Secured Summer Loans Claims.

C) Class 3: Rancris Claims. Class 2 consists of the Rancris Claims.

D) Class 4: Allowed Unsecured Claims. Class 4 consists of the Allowed Unsecured Claims other than those that comprise the Claims of the Class 5 Administrative Convenience Class.

1 E) Class 5: Administrative Convenience Class. Class 5 consists of the Allowed
 2 Unsecured Claims each of which is in an amount less than \$500 (or in a larger amount for which
 3 the holder of such Allowed Unsecured Claim voluntarily reduces the amount to \$500).

4 F) Class 6: Membership Interests. Class 6 consists of the Membership Interests in Debtor.

5 ARTICLE V

6 TREATMENT OF IMPAIRED CLASSES

7 5.1 Class 1. The Liberty Secured Claim as of the Petition Date was \$650,000. Debtor
 8 made one interim adequate protection payment to Liberty in the amount of \$50,000, leaving Liberty
 9 with an Allowed Secured Claim of \$600,000. The holder of the Liberty Secured Claim will be paid
 10 first from any Net Sale Proceeds derived from the sale of any of Debtor's Real Property, but in any
 11 event no later than December 31, 2018. If the Effective Date occurs prior to December 31, 2018,
 12 Debtor will pay Liberty \$50,000 on the Effective Date on account of the Liberty Secured Claim.

13 Liberty will retain its liens on the Real Property to the extent of its Allowed Secured Claim.
 14 Upon payment of the Liberty Secured Claim in full, the Real Property and proceeds will be free and
 15 clear of any interest of Liberty. Liberty will have an Allowed Unsecured Class 4 Claim of
 16 \$4,000,000.

17 In order to pay the amount due to the BLM to repurchase the BLM Patent, Debtor may
 18 borrow up to that amount as a first priority lien on some or all of Debtor's Real Property, but only
 19 following payment of the Liberty Secured Claim. Liberty will, if necessary, execute a
 20 subordination agreement to facilitate such refinancing. If Liberty objects to any provision of such
 21 subordination agreement as unreasonable, the court or the settlement judge shall determine whether
 22 the term is reasonable, and Liberty shall execute such a document upon reasonable terms.

23 In addition, Liberty will receive 25% of any net recoveries to the Debtor from the sale of its
 24 real property, calculated by subtracting from the sale proceeds all costs of sale and payment of all
 25 secured obligations, and payment of all claims in the bankruptcy, including prepetition and
 26 administrative claims (but not payments to Class 6 Equity). The payment on account of that 25%
 27 net proceeds interest will be capped at \$1,750,000.

28 No interest or other amounts, other than the principal amounts described above, will be

1 payable to Liberty.

2 Liberty is Impaired and entitled to vote on this Plan.

3 5.2 Class 2. Upon the sale of any of Debtor's Real Property, the holders of the Secured
4 Summer Loans Claims shall receive, following payment of the Class 1 Liberty Secured Claim in
5 full, to the extent of available Net Sale Proceeds, pro rata with Class 4 Claims, the principal
6 amount of the Summer Loans. The principal amount of the Summer Loans totals \$205,000, plus
7 the contract rate of interest at the rate of 15% per annum, calculated through the Petition Date only.
8 Any objection to the Debtor's interest calculations set forth on Exhibit 2 to the Disclosure
9 Statement must be filed within 30 days following the Confirmation Date.

10 Holders of the Secured Summer Loans are Impaired and entitled to vote on this Plan.

11 5.3 Class 3. The holders of the Rancris Claims, or their assignee, shall receive, in full
12 satisfaction of any and all Allowed Claims held by Rancris and Schams, inclusive of any
13 Administrative Claims they may have arising from Debtor's post-petition activities, all
14 Membership Interests in the Reorganized Debtor.

15 Holders of the Rancris Claims are Impaired and entitled to vote on this Plan.

16 5.4 Class 4. The holders of Allowed Unsecured Claims, other than those that require or
17 elect treatment provided under Class 5, shall receive their pro rata share of Debtor's Class 4
18 payments in the amount of \$25,000 per quarter commencing three months after the Effective Date,
19 and will receive the net proceeds of the sale of Debtor's Real Property following payment to Class
20 1 and 2 creditors, up to the principal amount of Class 4 Claims. The outside date for
21 consummating such a sale (either the BLM Property or the Founder's 9 Property, as set forth in
22 Section VII, below) will be 36 months from the Effective Date.

23 Holders of the Allowed Unsecured Claims of Class 4 are Impaired and entitled to vote on
24 this Plan.

25 5.5 Class 5. Holders of each Allowed Unsecured Claim in an amount less than \$500 (or
26 of larger Allowed Unsecured Claims to the extent the holders of which voluntarily reduce their
27 Claims to \$500) shall receive payment in full, without interest, within 90 days of the Effective
28 Date.

Holders of the Allowed Unsecured Claims comprising this Class are Impaired and entitled to vote on this Plan.

5.6 Class 6. Following the payment in full of the Allowed Claims in Classes 1, 2, and 4, each holder of a Membership Interest shall receive on account of such Membership Interest \$15,000, to the extent available following payment to senior classes, from the Net Sale Proceeds of the sale of any Real Property. For Membership Interests subject to option contracts, any amount due under the option contract will be paid to the seller of the option and the balance of the \$15,000 will be paid to the purchaser of the option.

Holders of the Membership Interests are Impaired and entitled to vote on this Plan.

ARTICLE VI

MEANS FOR IMPLEMENTATION OF THE PLAN

6.1. Approval of the Rezoning Plan. With the assistance of Rancris, Reorganized Debtor will continue its efforts to obtain approval of the rezoning application Debtor submitted to the City of Henderson (the "Rezoning Plan"). The Rezoning Plan calls for development of the BLM Property with approximately 1,176 residences, and the establishment of a 6-acre open/park space, and walking and bicycle trails connecting with existing Henderson trails. Pursuant to the Rezoning Plan, Reorganized Debtor will retain (but may modify) the nine-hole course located on the Founder's 9 Property, which Reorganized Debtor shall make open to the public. Because of the impending losses which Debtor anticipates will be suffered in the summer months, Reorganized Debtor will seek to achieve rezoning as soon as possible.

6.2 Release of the BLM Patent and Sale of the BLM Property. Assuming that rezoning efforts of the BLM Property are successful, Reorganized Debtor will continue its efforts to achieve the release of the BLM Patent, and anticipates that, concurrently with the funding of the repurchase price to the BLM, Reorganized Debtor will close on one or more sales to third party buyers of all or portions of the BLM Property.

6.2.1 Sale Without Court Order. To the extent that the sales of the BLM Property result in sufficient funds to pay all Allowed Claims in full according to the terms of the Plan,

1 Reorganized Debtor is authorized to complete such sales without further order or involvement of
2 the Bankruptcy Court.

3 6.2.2 Sale By Way of Auction. Otherwise (or at Reorganized Debtor's option, in
4 any case), Reorganized Debtor may complete the sale of all or a portion of the BLM Property
5 pursuant to section 363(f) of the Bankruptcy Court via a Bankruptcy Court auction. Reorganized
6 Debtor will set the auction sale on at least 28 days' notice (provided only via the Bankruptcy
7 Court's ECF System)(as to any sale of the BLM Property or Founder's 9 Property, a "Sale Notice").
8 Reorganized Debtor may select a "stalking horse" bidder to make the initial bid, in which case
9 Reorganized Debtor shall be authorized to afford such a bidder compensation of up to \$50,000 in
10 the event a higher and better bid is ultimately obtained (to be paid only following payment in full of
11 the Class 1 Allowed Secured Claim). The sale will be as-is, where-is, with no contingencies. A
12 cash deposit of 10% of the bid amount will be required of any bidder, with the exception that
13 Liberty may overbid all or part of its secured claim. If Reorganized Debtor receives offers to
14 purchase less than 100% of the BLM Property, the auction shall first be called for separate portions
15 of the property, then for the total, with the highest aggregate price being accepted, subject to
16 Reorganized Debtor's discretion and the Court's approval, in consultation with Liberty as secured
17 creditor. Closing will take place as soon as practicable following entry of an order approving the
18 sale (and Reorganized Debtor will request that such order be immediately effective). Deposits will
19 be non-refundable if the winning bidder fails to close within 30 days following the entry of the
20 order approving the sale (unless the closing deadline is extended by Reorganized Debtor). To the
21 extent that any sale results in additional assessments for real property taxes pursuant to NRS
22 Chapter 361A, such taxes shall be the responsibility of the purchaser. These general sale
23 procedures may be supplemented or modified as set forth in the Sale Notice or otherwise approved
24 by the Court.

25 6.3 Rezoning Plan Rejection and Sale of the Founder's 9 Property. If Reorganized Debtor
26 is unable to achieve rezoning of the BLM Property on or before the Zoning Approval Deadline,
27 Reorganized Debtor will sell the Founder's 9 Property, pursuant to section 363(f) of the Bankruptcy
28 Code, and distribute the Net Sale Proceeds pursuant to the terms of this Plan. Such sale will be via

1 auction before the Bankruptcy Court. The opening bid in the amount of \$50,000 has been
 2 submitted by Starr Needham. Reorganized Debtor will set the auction sale on at least 28 days'
 3 notice (provided only via the Bankruptcy Court's ECF System and any parties who have requested
 4 special notice in the Bankruptcy), and overbids will be accepted. The sale will be as-is, where-is,
 5 with no contingencies. A cash deposit of \$50,000 will be required of any overbidder, with the
 6 exception that Liberty may bid all or part of its secured claim. Closing will take place as soon as
 7 practicable following entry of an order approving the sale (and Reorganized Debtor will request
 8 that such order be immediately effective). Deposits will be non-refundable if the winning bidder
 9 fails to close within 30 days following the entry of the order approving the sale (unless the closing
 10 deadline is extended by Reorganized Debtor). Except as accepted by the purchaser by written
 11 notice filed prior to the sale hearing, all Executory Contracts will be rejected as of the Effective
 12 Date. These general sale procedures may be supplemented or modified as set forth in the Auction
 13 Sale Notice or otherwise approved by the Court.

14 Thereafter, Reorganized Debtor will determine whether it is economically feasible to
 15 operate the nine-hole "Horizon 9" course, to reopen the "Desert 9" course in order to provide an
 16 18-hole golf course, or to close the existing course in order to pursue development of a xeriscape or
 17 other course which could be economically operated. With the exception of the Liberty Secured
 18 Claim, no liens or claims shall attach to the BLM Property.

19 6.4 Section 1111(b) Elections. Section 1111(b) of the Bankruptcy Code generally permits
 20 a secured creditor to elect to forgo payment of any unsecured portion of its claim, and instead retain
 21 its lien on the real property. In that instance the face amount of the claim must be paid, but may be
 22 paid on the ultimate sale or transfer of the property. The availability and application of the section
 23 1111(b) election is complex, and secured creditors should consult their own counsel for advice
 24 regarding such matters. In the event Liberty timely exercises its section 1111(b) election, its entire
 25 claim will be paid from the sale of the Real Property, without interest, but Liberty will receive no
 26 interim payments. Liberty will retain its credit bid rights.

27 6.5 Other Matters.
 28

1 As of the Effective Date, Debtor's by-laws will be deemed amended to provide for the
2 holding of 100% of its Membership Interests by Rancris or its assignee.

3 Upon the completion of the sale of the BLM Property, Reorganized Debtor may, at its
4 option, convert to a "for-profit" Nevada Corporation and/or may as soon as reasonably convenient
5 following completion of the sale of the BLM Property, liquidate in accordance with NRS Chapter
6 84, provided that the distribution of remaining assets pursuant to NRS 82.461(4)(d) following
7 payment of all Claims shall be to the member or members of Reorganized Debtor at the time of
8 liquidation.

9 On the Confirmation Date, Rancris will extend the DIP Loan in order to continue to provide
10 funding for Debtor's operations and reorganization costs through the Effective Date.

11 All sales contemplated by this Plan shall be transfers under a plan confirmed under section
12 1129 of the Bankruptcy Code, and shall be free of any stamp tax or real property transfer tax
13 pursuant to section 1146(a) of the Bankruptcy Code, whether such sales occur prior to, upon, or
14 after the Effective Date.

15 The Plan does not alter the terms of the BMI Deed, and all claims and defenses with regard
16 to the BMI Deed are reserved.

17 ARTICLE VII

18 FAIR AND EQUITABLE TREATMENT OF IMPAIRED CLASSES

19 In the event that any Impaired Class is determined to have rejected this Plan in accordance
20 with section 1126 of the Bankruptcy Code, Debtor may invoke the provisions of section 1129(b) of
21 the Bankruptcy Code to satisfy the requirements for Confirmation of this Plan. Debtor reserves the
22 right to modify this Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the
23 Bankruptcy Code requires modification.

24 ARTICLE VIII

25 CONDITIONS PRECEDENT TO EFFECTIVE DATE

26 The following are conditions precedent to the occurrence of the Effective Date:
27
28

1 8.1 The Court shall have entered the Confirmation Order in form and substance acceptable
2 to Debtor;

3 8.2 The Confirmation Order shall be Final; and

4 8.3 The consummation of a sale of any of the Real Property that disposes of either the
5 Founder's 9 Property or the BLM Property in its entirety (unless this condition is waived in writing
6 by the Debtor).

7 If any of the foregoing conditions have not been satisfied or waived within twelve (12)
8 months following the Confirmation Date, or such extended time as may be approved by the
9 Bankruptcy Court, the Plan shall not take effect.

10 **ARTICLE IX**

11 **DISALLOWANCE OF CLAIMS/RETENTION OF PROPERTY**

12 9.1 Notwithstanding anything to the contrary herein, no creditors' attorney's fees or
13 other "professional" fees (as the term "professional" is defined in section 327 of the Bankruptcy
14 Code), default interest, late penalties or any similar charges claimed before the Effective Date shall
15 be compensable by Debtor, or out of property of the Estate, nor shall the same constitute part of an
16 Allowed Claim: (1) except as permitted by section 506 (a) of the Bankruptcy Code, and (2) unless
17 and until the Creditor seeking to recover such fees and charges from Debtor, or the Estate, has had
18 such fees and charges approved by the Bankruptcy Court as "reasonable", or otherwise properly
19 payable by Debtor or the Estate. Such approval must be made through a motion for the recovery of
20 same, made on no less than thirty (30) days' written notice to Debtor, its attorneys, and the Office
21 of the United States Trustee. ANY SUCH MOTION MUST BE MADE WITHIN THIRTY
22 DAYS AFTER THE CONFIRMATION DATE, OR THE ITEMS DESCRIBED IN THIS
23 SECTION 10.1 SHALL BE FOREVER DISCHARGED.

24 9.2 Notwithstanding anything contained herein, the Reorganized Debtor shall have the
25 right to request the Court to disallow any Claim of any Person from which property is recoverable
26 under section 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer
27 avoidable under section 544, 545, 547, 548, or 549 of the Bankruptcy Code unless such Person or
28

1 transferee has paid the amount, or turned over any such property for which such Person or
2 transferee is liable.

3 9.3 Except as otherwise specifically provided herein, the Reorganized Debtor shall
4 retain all property of the Estate including all litigation claims of any nature whatsoever, whether or
5 not discussed in the Disclosure Statement, and whether or not known to Debtor, including any
6 rights under avoidance actions, all of which shall become property of the Reorganized Debtor.

7 9.4 All Claims objections and motions for allowance of Claims shall be filed within
8 three (3) months after the Effective Date, unless any interested party obtains an extension of this
9 deadline from the Bankruptcy Court after notice and a hearing.

10 9.5 Any payment(s) called for under the Plan, which includes (a) checks issued by the
11 Reorganized Debtor which have been returned as undeliverable without a forwarding address, or
12 (b) checks issued by the Reorganized Debtor which were not mailed or delivered because of the
13 absence of a proper address with which to mail or deliver same, shall be deposited by the
14 Reorganized Debtor into an unclaimed property reserve to be held in trust for the benefit of the
15 holders of such Allowed Claims entitled thereto under the terms of the Plan. For a period of two
16 (2) years following the Effective Date, such unclaimed property shall be held in the unclaimed
17 property reserve for the benefit of the holders of Allowed Claims which have failed to claim such
18 property. Prior to the expiration of two (2) years following the Effective Date, such unclaimed
19 property due the holder of an Allowed Claim shall be released from the unclaimed property reserve
20 and delivered to such holder upon presentation of proper proof by such holder of its entitlement
21 thereto. At the end of the second year following the Effective Date, the holders of Allowed Claims
22 theretofore entitled to the unclaimed property shall cease to be entitled thereto and all funds in the
23 unclaimed property reserve shall become property of the Reorganized Debtor.

24 ARTICLE X

26 DESIGNATION OF REORGANIZED DEBTOR AS REPRESENTATIVES OF ESTATE

27 Pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, the Reorganized Debtor,
28 through its President, is hereby designated as the representative of the Estate of Debtor.

1 **ARTICLE XI**

2 **MODIFICATION OF PLAN**

3 Debtor may propose amendments or modifications to this Plan at any time prior to
 4 Confirmation, including at the Confirmation Hearing, without leave of the Court. After
 5 Confirmation, Debtor may, with the approval of the Court, and so long as it does not materially or
 6 adversely affect the interest of Creditors, remedy any defect or omission, or reconcile any
 7 inconsistencies in the Plan, or the order of confirmation, in such manner as may be necessary to
 8 carry out the purposes of this Plan. Debtor anticipates that Confirmation litigation could include
 9 challenges to the fairness of certain terms of the treatment of the Claims of Creditors; in the event
 10 the Court finds that the proposed treatment of those Creditors is not fair and equitable or otherwise
 11 renders the Plan unconfirmable, but that a modified treatment would be fair and equitable or
 12 otherwise render the Plan confirmable, Debtor may elect to modify the Plan to incorporate such
 13 different terms without additional notice or solicitation, so long as distributions to other creditors
 14 are not negatively impacted.

15 **ARTICLE XII**

16 **EXECUTORY CONTRACTS**

17 12.1 Treatment of Executory Contracts: The treatment of Debtor's Executory Contracts
 18 under this Plan depends on whether Reorganized Debtor succeeds in obtaining approval of the
 19 Rezoning Plan.

20 12.1.1 Should Reorganized Debtor obtain approval of the Rezoning Plan, on the
 21 Effective Date of this Plan, the following Executory Contracts shall be deemed assumed by the
 22 Reorganized Debtor.

- 23 • Office Telephone System with Avaya Financial Services;
- 24 • Storage Tank Liability Insurance Policy with Chubb-TankSafe;
- 25 • Insurance Contract with Edgewood Partners Ins. Center;
- 26 • Insurance Contract with Gregg Twiggs;
- 27 • Insurance Contract with Nevada Capital Insurance Co. c/o Edgewood Partners
- 28 Insurance Company;

- Insurance Contract with Scottsdale Indemnity Company;
- Security Service Agreement with Tyco Integrated Security;
- Contract for Dishmachine Model PA-1 with US Food Inc.;
- Contract for 2015 Cushman Gas Hauler 1200 with Rance Picker and 75-2015 EZGO Electric TXT Golf Carts with VGM Financial Services, a Division of TCF;
- Contracts for 9 pieces of John Deere Equipment with Wells Fargo Bank; and
- Contract with MP 1250 partners (principals are officers of the Debtor) for sprayer, rental payment of \$1 per month with option to purchase at end of four years for \$12,000.

All other Executory Contracts, except for the Schams Contract, shall be deemed rejected on the Effective Date.

12.1.2 Should Reorganized Debtor not obtain approval of the Rezoning Plan, and Reorganized Debtor is thus required to sell the Founder's 9 Property, all of Debtor's Executory Contracts shall be deemed rejected on the Effective Date except to the extent that any of the Executory Contracts are accepted by the successful bidder on the Founder's 9 Property pursuant to Section 6.3, above. In that event, all costs of assumption shall be paid by the successful bidder, in addition to the purchase price. In the event of rejection, secured equipment lessors shall receive a return of their collateral and all parties to executory contracts with the Debtor shall have until 30 days following the Effective Date to file unsecured claims.

12.2 Treatment of the Schams Contract: The Schams Contract shall be modified through the Plan, and treated along with the Rancris Claims.

ARTICLE XIII

EFFECT OF CONFIRMATION OF PLAN

1 13.1 Binding Effect. From and after the confirmation date, the plan will be binding and
 2 inure to the benefit of debtor, all present and former holders of claims and the membership
 3 interests, and their respective assigns, including the reorganized debtor.

4 13.2 Vesting of Assets. Upon the Effective Date, all property of the estate will vest in the
 5 Reorganized Debtor free and clear of all Claims, liens, encumbrances, restrictive covenants,
 6 charges, and other interests, except as otherwise provided in the Plan or in the Confirmation Order.
 7 Any documents, including without limitation, deeds, deeds of trust, notes, and security agreements,
 8 shall be modified to conform to this requirement. From and after the Effective Date, the
 9 Reorganized Debtor may operate its business and may use, acquire, and dispose of property free of
 10 any restrictions of the bankruptcy code or the bankruptcy rules and in all respects as if there were
 11 no pending case under any chapter or provision of the bankruptcy code, except as provided herein.
 12 Without limiting the foregoing, pursuant to section 1123(b)(3) of the bankruptcy code, except for
 13 any causes of action expressly waived by Debtor pursuant to the terms of the Plan, the Reorganized
 14 Debtor will retain and will have the exclusive right, in its discretion, to enforce, not enforce, or
 15 compromise against any person any and all causes of action of Debtor. The resolution of such
 16 causes of action not resolved as of the Effective Date will be the responsibility of the Reorganized
 17 Debtor's management. Debtor reserves the right to bring any claims or causes of action, whether or
 18 not discussed in the Plan or Disclosure Statement, and whether or not currently known to Debtor.

19 13.3 Discharge of Debtor. Upon the Effective Date and in consideration of the rights
 20 afforded in the Plan and the payments and distributions to be made thereunder, except as otherwise
 21 provided herein or in the Confirmation Order, each holder (as well as any trustees and agents on
 22 behalf of each holder) of a Claim or Membership Interest and any affiliate of such holder will be
 23 deemed to have forever waived, released, and discharged Debtor, to the fullest extent permitted by
 24 section 1141 of the Bankruptcy Code, of and from any and all Claims, Membership Interests,
 25 Causes of Action, rights, and liabilities that arose prior to the Effective Date of any kind, nature, or
 26 description whatsoever, including any accrued interest, fees, or other charges, in exchange for the
 27 treatment afforded to such Claims under the Plan, and each such holder will be deemed to have
 28 granted, and will grant to Debtor the waiver, release and discharge described in the Plan. Except as

1 otherwise provided in the Plan, upon the Effective Date, all such holders of Claims and
2 Membership Interests and their affiliates will be forever precluded and enjoined, pursuant to
3 sections 105, 524 and 1141 of the Bankruptcy Code, from prosecuting or asserting any such
4 discharged Claim against or terminated Membership Interest in Debtor or the Reorganized Debtor,
5 or against any of their assets or property, based upon any act or omission, transaction, or other
6 activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder
7 has filed a Proof of Claim or proof of Interest.

8 13.4 Injunction. Except as otherwise expressly provided in the Plan or the Confirmation
9 Order, as of the Confirmation Date, but subject to the occurrence of the Effective Date, all Persons
10 who have held, hold or may hold Claims against or Membership Interests in Debtor, along with
11 their respective present or former employees, agents, officers, directors, or principals, are
12 permanently enjoined, with respect to any such Claims or Membership Interests, as of the
13 Confirmation Date, but subject to the occurrence of the Effective Date, from (a) commencing,
14 conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding
15 of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or
16 other forum) against or affecting Debtor, the Estate, or the Reorganized Debtor or any of their
17 property, or any direct or indirect transferee of any property of, or direct or indirect successor in
18 interest to, any of the foregoing Persons or any property of any such transferee or successor; (b)
19 enforcing, levying, attaching (including, without limitation, any pre-judgment attachment),
20 collecting or otherwise recovering by any manner or means, whether directly or indirectly, any
21 judgment, award, decree or order against Debtor, the Estate, or the Reorganized Debtor or any of
22 their property, or any direct or indirect transferee of any property of, or direct or indirect successor
23 in interest to, any of the foregoing Persons, or any property of any such transferee or successor; (c)
24 creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance
25 of any kind against Debtor, the Estate, or the Reorganized Debtor or any of their property, or any
26 direct or indirect transferee of any property of, or successor in interest to, any of the foregoing
27 Persons; (d) acting or proceeding in any manner, in any place whatsoever, that does not conform to
28 or comply with the provisions of the Plan to the full extent permitted by applicable law; (e) taking

1 any actions to interfere with the implementation or consummation of the Plan and (f) commencing
2 or continuing, in any manner or in any place, any action that does not comply with or is inconsistent
3 with the provisions of the Plan, such as commencing or continuing in any manner any action or
4 other proceeding of any kind with respect to any Claims, Membership Interests, and Causes of
5 Action which are extinguished or released pursuant to the Plan; provided, however, that nothing
6 contained herein will preclude such Persons from exercising their rights pursuant to and consistent
7 with the terms of the Plan.

8 13.5 Exculpation and Limitation of Liability. None of Debtor, the Reorganized Debtor,
9 or any of their respective current or former members, shareholders, officers, directors, managers,
10 employees, advisors, professionals, affiliates, or agents of any of the foregoing (including any
11 attorneys, financial advisors, investment bankers and other professionals retained by such persons,
12 but solely in their capacities as such) will have or incur any liability for any act or omission in
13 connection with, related to, or arising out of, without limitation, the negotiation and execution of
14 the Plan, the Disclosure Statement, the solicitation of votes for and the pursuit of confirmation of
15 the Plan, the consummation of the Plan, or the administration of the Plan or the property to be
16 distributed under the Plan, including, without limitation, all documents ancillary thereto, all
17 decisions, actions, inactions and alleged negligence or misconduct relating thereto and all activities
18 leading to the promulgation and confirmation of the Plan, except willful misconduct, fraud,
19 knowing misrepresentation, or gross negligence as determined by a Final Order of the Bankruptcy
20 Court. This provision applies to conduct occurring during the Chapter 11 Case. The foregoing
21 parties will be entitled to rely upon the advice of counsel with respect to their duties and
22 responsibilities under the Plan.

23 13.6 Injunction Related to Releases, Exculpation and Interference with Plan. The
24 Confirmation Order will permanently enjoin the commencement or prosecution by any Person or
25 entity, whether directly, derivatively or otherwise, of any Claims, obligations, suits, judgments,
26 damages, demands, debts, rights, Causes of Action or liabilities released pursuant to the Plan. Such
27 Persons will also be enjoined from taking any action to interfere with the Plan or the
28 implementation of the Plan.

13.7 Documents Modified. From and after the Confirmation Date all loan documents, trust deeds and other contracts documenting Claims against Debtor shall be deemed modified and/or superseded by the terms of the Plan. Debtor may obtain an order from the Bankruptcy Court to effectuate the execution and recording of such documents. After the Confirmation Date, Claims shall be paid only in accordance with the Plan, and any effort by any Claimant to compel Debtor to pay the holder of a Claim more than its Allowed Claim, or to pay its Claim in any manner other than as provided for in the Plan, shall constitute a violation of the Confirmation Order and Section 1141 of the Bankruptcy Code. All claimants holding negotiable instruments signed by Debtor which reflect a prepetition Claim shall cause a legend or notation to be placed conspicuously on the face of any such instrument stating that the terms of this instrument have been modified by the terms of the Plan. This legend or notation must be placed on said negotiable instruments within five (5) days of the Effective Date, and Debtor may withhold payments to the holders of any such instrument until they have proved that this action has in fact been taken.

13.8 Cash Collateral Stipulations Superseded. From and after the Confirmation Date, any cash collateral stipulation or order regarding the use of cash collateral then effective in this proceeding shall be rendered null and void, and the terms of the Plan shall be controlling.

13.9 Authorization. Pursuant to section 1142(a) of the Bankruptcy Code, notwithstanding any other applicable non-bankruptcy law, rule or regulation relating to financial condition, Debtor is authorized to carry out the terms of the Plan.

13.10 Final Decree. Once the Estate has been fully administered, as provided in Bankruptcy Rule 3022, Debtor or Reorganized Debtor, or such other party as the Court shall designate in the Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case, which the Bankruptcy Court may grant on an ex parte basis. Alternatively, the Court may enter such a final decree on its own motion.

ARTICLE XIV

RETENTION OF JURISDICTION

The Court shall retain jurisdiction of this Chapter 11 Case until this Plan has been fully consummated, for the limited purposes of:

1 a. The Allowance or Classification of Claims, including the reexamination of Claims
2 which have been allowed for the purposes of voting, and the determination of such objections as
3 may be filed to Creditors' Claims. The failure by Debtor to object to or examine any claim for the
4 purpose of voting shall not be deemed to be a waiver of Debtor's right to object to or reexamine the
5 Claim in whole or in part.

6 b. The allowance of compensation or other administrative expenses.

7 c. To hear and determine Claims concerning state, local, and federal taxes pursuant to
8 sections 346, 505, 525, and 1146 of the Bankruptcy Code.

9 d. To hear, conduct, and approve sales as provided by the Plan.

10 e. To hear and determine all actions and proceedings that relate to pre-confirmation
11 matters brought by Debtor whether such action or proceeding is brought before or after the
12 Effective Date.

13 f. The determination of any issues relating to the assumption or rejection of executory
14 contracts and unexpired leases including the assumption or rejection of executory contracts or
15 unexpired leases not expressly dealt with herein.

16 g. The correction of any defects, the curing of any omission, or the reconciliation of any
17 inconsistency of this Plan or in the Confirmation Order as may be necessary to carry out the
18 purposes and intent of this Plan.

19 h. The modification of this Plan after Confirmation pursuant to the Bankruptcy Rules and
20 Title 11 of the United States Code.

21 i. The interpretation of the terms of this Plan.

22 j. The entry of any order, including injunctions, necessary to enforce title, rights and
23 powers of Debtor and to impose such limitations, restrictions, terms and conditions of such title,
24 rights and powers as this Court may deem necessary including, without limitation, any right of
25 Debtor to recover assets pursuant to any of the relevant provisions of the Bankruptcy Code.

26 k. The determination of the validity, extent and priority of all liens and security interests
27 against property of Debtor's Estate.
28

1 l. To hear and determine such matters and make such orders as are consistent with the
2 Plan as may be necessary or desirable to carry out the provisions thereof and to adjudicate any
3 disputes arising under or relating to any order entered by the Court in this proceeding.

4 m. Enforcement of any rights of Debtor arising out of bankruptcy laws or terms of the Plan.

5 n. The adjudication of the Liberty Litigation.

6 o. The entry of an order concluding and terminating this Chapter 11 Case.

7 **ARTICLE XV**

8 **TREATMENT OF DISPUTED CLAIMS**

9 15.1 Except as otherwise provided for in this Plan, Debtor shall set aside in a segregated
10 account the percentage installments on payments applicable to Disputed Claims.

11 15.2 If Debtor and the Creditor holding a Disputed Claim are unable to agree on the
12 amount to be placed in the segregated account, the Bankruptcy Court shall fix the amount, upon
13 request of either party.

14 15.3 Upon Final Order of the Bankruptcy Court respect to the allowance or disallowance
15 of a Disputed Claim:

16 a. If any part of the Disputed Claim is finally allowed, Debtor shall distribute to
17 such Claimant, from the segregated account, that portion of the amount held in
18 the segregated account to which the Claimant would have been entitled if the
19 Claim had been allowed as of the Confirmation Date, within ten (10) days of the
20 date of the Final Order allowing such Claim.

21 b. The balance of the funds in the segregated account attributable to the disallowed
22 portion of the Disputed Claim shall be distributed to Debtor.

23 c. If the funds in the segregated account attributable to the previously Disputed
24 Claim are insufficient to pay the amounts required to be paid, Debtor shall pay
25 the balance due within thirty (30) days the entry of the Final Order allowing such
26 Claim.

d. After allowance, and to the extent allowed, the previously Disputed Claim shall be treated for purposes of receiving subsequent distributions (if any), as if such Claim had been allowed as of the Confirmation Date.

ARTICLE XVI

POST-PETITION REPORTING

16.1 Debtor shall file post-petition reports as required by Local Rule 3020(a), with reports to be filed at least quarterly within 30 days of the prior calendar quarter, until entry of a final decree.

16.2 Debtor shall be eligible for a final decree upon (1) commencement of payments pursuant to the confirmed Plan; and (2) entry of a Final Order of Confirmation.

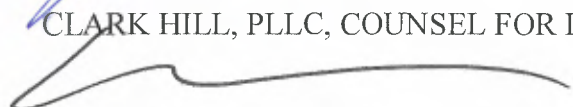
Respectfully submitted this 17th day of April, 2018.

DEBTOR, BLACK MOUNTAIN GOLF AND COUNTRY CLUB, INC.



Larry Tindall, President

CLARK HILL, PLLC, COUNSEL FOR DEBTOR



Candace C. Carlyon, Esq.

EXHIBIT 2

EXHIBIT 2

PRIORITY CLAIMS

Claim/Schedule #	Name	Amount	Type	Comments
POC #8	IRS	0	PRIORITY	Amended to \$0 1/12/18

SECURED CLAIMS BY CLASS

CLASS	Claim/Schedule #	Name	Amount	Type	Comments
1					
	2.20/POC #12	LIBERTY VILLAGE, LLC	600000	SECURED	POC \$5,342,540.15; SCHEDULED AS \$3,812,500; Per court ruling \$600,000 is balance of secured claim
CLASS 1 TOTAL:			600000		
			Principal	Interest to Petition Date	Type Comments
2	2.1	AL & BETTY ULIBARRI	5000	1996.7	SECURED-Note to Mike and Betty Ulibarri SUMMER LOAN
2	2.2	AL HURTADO	5000	2002.85	SECURED SUMMER LOAN
2	2.3	CATHY ROBINSON	5000	2015.15	SECURED SUMMER LOAN
2	2.4	CHUCK ENGLAND	5000	2021.3	SECURED SUMMER LOAN
2	2.5	DAVID CHASE	5000	2015.15	SECURED SUMMER LOAN
2	2.6	EVELYN MARTIN	10000	4018	SECURED SUMMER LOAN
2	2.7	HOWARD GILES	5000	1996.7	SECURED SUMMER LOAN
2	2.8	HOWARD GREENE	10000	3956.9	SECURED SUMMER LOAN
2	2.9	JAMES GARFIELD	10000	3997.5	SECURED SUMMER LOAN
2	2.11	JAMES PURTILL	5000	1875.75	SECURED SUMMER LOAN
2	2.12	JAN MCCLINTOCK	5000	2015.15	SECURED SUMMER LOAN

SECURED CLAIMS BY CLASS

2	2.13	JERRY WOODRIDGE	5000	1998.75	SECURED	SUMMER LOAN
2	2.14	JOE GEMMA	5000	2013.1	SECURED	SUMMER LOAN
2	2.15	KEITH LOPEMAN	5000	2015.15	SECURED	SUMMER LOAN
2	2.16	KRISTINE BALL (MCCLINTOCK)	5000	1994.65	SECURED	SUMMER LOAN
2	2.17	LARRY GREEN	5000	1998.75	SECURED	SUMMER LOAN
2	2.18	LARRY MCGOVERN	5000	3982.35	SECURED	SUMMER LOAN
2	2.19	LARRY TINDALL	5000	2023.35	SECURED	SUMMER LOAN
2	2.21	MICHAEL SCOTT	5000	2009	SECURED	SUMMER LOAN
2	2.22/POC #10	NANCY EATON	5000	1924.95	SECURED	SUMMER LOAN
2	2.23	RANDY CHANDLER	5000	2013.1	SECURED	SUMMER LOAN
2	2.24	RAY WILKE	10000	2009	SECURED	SUMMER LOAN
2	2.25	ROBERT DUNGAN	5000	2000.8	SECURED	SUMMER LOAN
2	2.26	ROBERT WILSON	5000	2023.35	SECURED	SUMMER LOAN
2	2.27	ROGER WOOTTON	5000	2033.6	SECURED	SUMMER LOAN
2	2.28	SHARON NOWICKI	5000	2013.1	SECURED	SUMMER LOAN
2	2.29	STEVE HALVORSON	5000	2009	SECURED	SUMMER LOAN
2	2.31	TERRY HULCE	5000	2015.15	SECURED	SUMMER LOAN

SECURED CLAIMS BY CLASS

2	2.32	TERRY MCCARTHY	5000	1998.75	SECURED	SUMMER LOAN
2	2.10/POC #7	THE JAMES PARK SEPARATE PROPERTY TRUST	20000	8036	SECURED	SUMMER LOAN; POC FILED AS \$26,750 INCLUDING INTEREST
2	2.33	TONY FOSTER	5000	1978.25	SECURED	SUMMER LOAN
2	2.36	WESLEY SURGINER	5000	2009	SECURED	SUMMER LOAN
2	2.37	WOODROW PORTER	10000	3993.4	SECURED	SUMMER LOAN
			205000	82003.7		

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UNSECURED CLAIMS BY CLASS

						Class 3	Class 4	Class 5	
3.1	A1 NATIONAL FIRE COMPANY, INC.	0	UNSECURED					0	
3.2/POC #2	ALL AMERICAN	511.82	UNSECURED	POC MATCHES SCHEDULED AMOUNT			511.82		
3.3/POC# 4	ANYTIME PLUMBING	635.18	UNSECURED	POC MATCHES SCHEDULED AMOUNT			635.18		
3.4	BONANZA BEVERAGE	539.7	UNSECURED				539.7		
3.5	BREAKTHRU BEVERAGE NEVADA BEER	492.62	UNSECURED					492.62	
3.6	CANNON FINANCIAL SERVICES, INC.	287.61	UNSECURED					287.61	
3.7	CIT FINANCE, LLC	0	UNSECURED	PHONE SYSTEM				0	
3.8	CITY OF HENDERSON UTILITY SER.	0	UNSECURED	UTILITIES				0	
3.9	CLEAN FORCE US FOODS	0	UNSECURED					0	
3. 10	COCA COLA REFRESHMENTS	590.85	UNSECURED				590.85		
3.11	DINE-HERE.COM LLC	0	UNSECURED					0	
3.13	EWING IRRIGATION	151.06	UNSECURED					151.06	
3.14	GE MOBILE WATER	327.69	UNSECURED					327.69	

UNSECURED CLAIMS BY CLASS

3.15	GLAZER'S WINE AND SPIRITS	312.95	UNSECURED					312.95	
3.16	IMPACT SAND & GRAVEL	2414.67	UNSECURED				2414.67		
3.17/POC #1	JOHNSON BROTHERS OF NEVADA	701.68	UNSECURED	REFLECTED AS 260.8 IN SCHEDULES			701.68		
3.18	NAPA AUTO PARTS	122.12	UNSECURED					122.12	
3.19	NEVADA BEVERAGE COMPANY	1241.17	UNSECURED	SCHEDULED AS \$1513.5			1241.17		
3.20	NEVADA HOUSE OF HOSE	91.93	UNSECURED					91.93	
3.21	NEVADA LINEN SUPPLY	47.08	UNSECURED					47.08	
3.22	NV ENERGY	0	UNSECURED	UTILITIES				0	
3.23	RANCRIS INC	296617.58	UNSECURED			296617.6			
3.24	RANDOLPH SCHAMS	33000	UNSECURED			33000			
3.25	RED BULL DISTRIBUTION COMPANY	65	UNSECURED					65	
3.26/POC #13	SHAWN LAMPMAN	75000	UNSECURED	Has not filed amended claim, but per settlement entitled to \$75000			75000		
3.27	SHELTON BATTERY, INC.	105.93	UNSECURED					105.93	
3.28	SILVER STATE GOLF CARTS	166.25	UNSECURED					166.25	

UNSECURED CLAIMS BY CLASS

3.29	SOUTHERN NEVADA GOLF ASSOC.	0	UNSECURED	LISTED AMOUNT UNKNOWN				0	
POC #3	SOUTHWEST GAS	280.96	UNSECURED	PAID PER UTILITIES MOTION				0	
3.30	SPEEDY ENTERPRISES	108.4	UNSECURED					108.4	
3.31	TITLEIST	521.22	UNSECURED				521.22		
3.32	TORO NSN	192	UNSECURED					192	
3.33	TYCO INTEGRATED SECURITY, LLC	345.5	UNSECURED					345.5	
3.34/POC # 11	US FOOD SERVICE	8159.35	UNSECURED	SCHEDULED AS \$1834.25			8159.35		
Totals:					329617.6	90315.64	2816.14	0	

EXHIBIT 3

EXHIBIT 3

