

1 GARMAN TURNER GORDON LLP
2 GERALD M. GORDON, ESQ.
3 Nevada Bar No. 229
4 E-mail: ggordon@gtg.legal
5 TERESA M. PILATOWICZ, ESQ.
6 Nevada Bar No. 9605
7 E-mail: tpilatowicz@gtg.legal
8 ERICK T. GJERDINGEN, ESQ.
9 Nevada Bar No. 11972
10 E-mail: egjerdingen@gtg.legal
11 650 White Drive, Ste. 100
12 Las Vegas, Nevada 89119
13 Telephone (725) 777-3000
14 Facsimile (725) 777-3112
15 *Attorneys for J.A. Tiberti Construction, Inc.*

16 **UNITED STATES BANKRUPTCY COURT**
17 **FOR THE DISTRICT OF NEVADA**

18 In re:	Case No.: 17-11942-abl
19 Bishop Gorman Development Corporation,	Chapter 11
20 Debtor.	<u>Hearing:</u> Date: TBD Time: TBD

21 **DISCLOSURE STATEMENT TO ACCOMPANY CREDITOR J.A. TIBERTI**
22 **CONSTRUCTION, INC.'S AMENDED PLAN OF REORGANIZATION**
23
24
25
26
27
28

TABLE OF CONTENTS

1		
2	I. INTRODUCTION	1
3	II. INFORMATION REGARDING THE PLAN AND THIS DISCLOSURE STATEMENT	3
4	1. What is Chapter 11?	3
5	2. What is the objective of a Chapter 11 bankruptcy case?	3
6	3. What is a plan of reorganization?	3
7	4. What happens after a plan is filed?	3
8	5. What is a disclosure statement and its purpose?	4
9	6. What will happen after the Bankruptcy Court approves this Disclosure Statement?	4
10	7. Who may vote to accept or reject a plan?	4
11	8. Do I have an Allowed Claim?	4
12	9. Is my Claim Impaired?	5
13	10. How generally is a plan approved?	6
14	11. What is the general construct of JATCO's Plan?	6
15	12. Will Reorganized BGDC be able to meet the financial terms of the Plan?	6
16	13. What happens at the Confirmation Hearing?	6
17	14. What is the effect of Plan Confirmation?	6
18	15. Can I rely upon the statements and financial information contained in this Disclosure Statement?	7
19	16. Can I rely upon the Disclosure Statement for other purposes?	7
20	17. Who prepared this Disclosure Statement?	7
21	18. Should I consult with my own financial and legal advisors?	8
22	19. I have heard statements from outside sources regarding the Plan. Can I rely on these statements?	8
23	20. What if there is an inconsistency between this Disclosure Statement and the Plan?	8
24	III. BACKGROUND OF DEBTOR AND CHAPTER 11 CASE	8
25	IV. GENERAL OVERVIEW OF THE PLAN	9
26	A. Classification of Claims.	10
27	B. Non-Classified Claims.	11
28	1. Allowed Administrative Claims.	11
29	C. Treatment of Classified Claims.	12
30	1. Class 1 – Clark County	12
31	2. Class 2 – Bank of America.	12
32	3. Class 3 – Bank of New York Mellon.	13
33	4. Class 4 – Clark County.	14
34	5. Class 5 – Hughes Secured Claims. On the Effective Date:	14
35	6. Class 6 – Other Secured Claims.	14
36	7. Class 7 – Priority Unsecured Claims.	15
37	8. Class 8 – General Unsecured Claims.	15
38	9. Class 9 – JATCO Claim.	15
39	10. Class 10 – Diocese Lease Claim. On the Effective Date:	17
40	DISCLAIMER	19
41	VI. ADDITIONAL PLAN PROVISIONS	20
42	A. Means for Implementation of Plan.	20
43	B. Executory Contracts and Unexpired Leases.	21
44	1. Executory Contracts.	21
45	2. Confirmation Order.	22
46	3. Bar Date.	22
47	C. Manner of Distribution of Property Under the Plan.	22
48	D. Conditions Precedent to Confirmation and the Effective Date.	22
49	E. Objections to Claims.	23

1	F. Miscellaneous Plan Provisions.	23
	VII. POST-EFFECTIVE DATE OPERATIONS	24
2	VIII. RETENTION OF JURISDICTION	26
	IX. LIMITATIONS AND RISK FACTORS.....	27
3	X CONFIRMATION OF THE PLAN.....	29
	A. Confirmation of the Plan.....	29
4	B. Objections to Confirmation of the Plan.	29
	C. The Best Interest Test and Feasibility of the Plan.	29
5	2. Liquidation Analysis.....	30
	3. Feasibility.....	31
6	4. Confirmation of the Plan Without Acceptance by All Impaired Classes: the	
	“Cramdown” Alternative.	31
7	5. Accepting Impaired Class.	32
	XII. ALTERNATIVES TO THE PLAN	32
8	XIV. RECOMMENDATION AND CONCLUSION.....	34

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

APPENDIX

EXHIBIT “1”: PLAN

EXHIBIT “2”: LIQUIDATION ANALYSIS

I.
INTRODUCTION

On April 17, 2017 (the “Petition Date”), Bishop Gorman Development Corporation (“Debtor”) filed its voluntary petition under Title 11, Chapter 11 of the United States Code (the “Bankruptcy Code”)¹ with the United States Bankruptcy Court for the District of Nevada (the “Bankruptcy Court”) to commence the above-captioned case (the “Chapter 11 Case”).

J.A. Tiberti Construction, Inc. (“JATCO”) has prepared this Disclosure Statement in connection with the solicitation of votes on *Creditor J.A. Tiberti Construction, Inc.’s Amended Plan of Reorganization* (the “Plan”) [ECF No. 420] filed March 30, 2018, proposed by JATCO to treat the Claims of Creditors in the Chapter 11 Case. The Plan seeks to reorganize the Debtor to provide for the payment of its Allowed Claims, including the JATCO Claim, which is evidenced by a judgment entered on January 19, 2017, in the Eighth Judicial District Court confirming a final arbitration award entered by the Honorable Philip Pro (Ret.) in the total amount of \$28,749,663.34 (the “JATCO Judgment”).

The JATCO Judgment was not appealed by the Debtor. An abstract of the JATCO Judgment was recorded in the official records of the Clark County, Nevada Recorder on January 19, 2017 as Document No. 01340 and rerecorded on January 24, 2017 as Instrument No. 201701240003893, giving rise to a lien (the “JATCO Judgment Lien”). On February 13, 2017, JATCO served a Writ of Execution and Writ of Garnishment (the “Diocese Writ”) on the Diocese and Greenberg Traurig, counsel for Debtor, which gave rise to a lien (the “Diocese Garnishment Lien”), to which the Diocese filed its *Answer of Garnishee* acknowledging the Diocese Receivable, a receivable due to Debtor from the Diocese that according to the Schedules [ECF No. 148] was in the sum of \$4,859,567.42 as of the Petition Date (the “Diocese Obligation”). Also on February 13, 2017, JATCO served a Writ of Execution and Writ of Garnishment on BofA (the “First BofA Garnishment”), which gave rise to the First BofA

¹ All references to “Chapter” and “Section” hereinafter shall be to the Bankruptcy Code; all references to a “Bankruptcy Rule” shall refer to the Federal Rules of Bankruptcy Procedure; and all references to a “Local Rule” shall refer to the Local Rules for the United States Bankruptcy Court, District of Nevada.

Garnishment Lien. On March 2, 2017, BofA acknowledged it was in possession of personal property of BGDC, including deposit accounts containing \$5,410,128.42 in funds (the “BofA Garnished Funds”). On April 4, 2017, the Eighth Judicial District Court entered its *Findings of Fact, Conclusions of Law and Order* (the “BofA Garnishment Order”), which affirmed the validity and enforceability of the First BofA Garnishment Lien, and which provided that BofA was required to pay the \$5,410,128.42 in Garnished Funds to JATCO, less the approximate amount of \$135,000 due to BofA on the Diocese Lease.

On July 11, 2017, after the commencement of the Chapter 11 Case, Debtor filed Adversary Proceeding No. 17-01211 (the “JATCO Adversary Proceeding”) seeking to avoid the Judgment Lien and the First BofA Garnishment Lien as avoidable preferences, in addition to other relief that was previously denied by the Court. Debtor did not seek, however, to avoid the Diocese Writ. As of the filing of the Plan and this Disclosure Statement, the JATCO Adversary Proceeding has concluded, and the Court has not ruled on the avoidance of the Judgment Lien and the First BofA Garnishment Lien. As such, the Plan and this Disclosure Statement provides alternative relief to accommodate both potential outcomes of the Adversary Proceeding. Notwithstanding, BofA asserts a senior security interest in both the Garnished Funds as well as the Diocese Obligation.

CAPITALIZED TERMS USED BUT NOT DEFINED IN THIS DISCLOSURE STATEMENT HAVE THE MEANINGS ASCRIBED TO SUCH TERMS IN THE PLAN. IN THE EVENT OF A CONFLICT OR DIFFERENCE BETWEEN THE DEFINITIONS USED IN THIS DISCLOSURE STATEMENT AND IN THE PLAN, THE DEFINITIONS CONTAINED IN THE PLAN SHALL CONTROL.

The Exhibits to this Disclosure Statement included in the Appendix are incorporated into, and are a part of, this Disclosure Statement. The Plan is attached hereto as **Exhibit “1.”** Any interested party desiring further information should contact:

Garman Turner Gordon LLP
Gerald M. Gordon, Esq.
Teresa M. Pilatowicz, Esq.
650 White Drive, Ste. 100

Las Vegas, Nevada 89119
Telephone: (725) 777-3000
Email: ggordon@gtg.legal
Email: tpilatowicz@gtg.legal

Interested parties may also obtain further information from the Bankruptcy Court at the following website: <http://www.nvb.uscourts.gov>. Each Holder of a Claim entitled to vote on the Plan should read this Disclosure Statement, the Exhibits hereto including the Plan, and the instructions accompanying the Ballots in their entirety before voting on the Plan. These documents contain important information concerning the classification of Claims for voting purposes and the tabulation of votes.

II. **INFORMATION REGARDING THE PLAN AND THIS DISCLOSURE STATEMENT**

The following are answers to common questions about a Chapter 11 reorganization:

1. What is Chapter 11?

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under Chapter 11, a debtor is authorized to reorganize its business for the benefit of itself, its creditors, and equity interest holders. The commencement of a Chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of the debtor as of the filing date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a “debtor-in-possession.”

2. What is the objective of a Chapter 11 bankruptcy case?

The objective of a Chapter 11 bankruptcy case is the confirmation (*i.e.* approval by the bankruptcy court) of a plan of reorganization.

3. What is a plan of reorganization?

A plan describes in detail (and in language appropriate for a legal contract) the means for satisfying claims against, and equity interests in, a debtor.

4. What happens after a plan is filed?

After a plan has been filed, the holders of claims and equity interests that are impaired (as defined in Section 1124 of the Bankruptcy Code) and receiving some cash and/or property on

1 account of such claims or equity interests are permitted to vote to accept or reject the plan.

2 **5. What is a disclosure statement and its purpose?**

3 Before a debtor or other plan proponent can solicit acceptances of a plan, Section 1125 of
4 the Bankruptcy Code requires the debtor or other plan proponent to prepare a disclosure
5 statement containing adequate information of a kind, and in sufficient detail, to enable those
6 parties entitled to vote on the plan to make an informed voting decision about whether to accept
7 or reject the plan.

8 The purpose of this Disclosure Statement is to provide sufficient information about the
9 Debtor and the Plan to enable Holders of Impaired Claims to make an informed voting decision
10 about whether to accept or reject the Plan. The Debtor is a non-profit corporation, and, as such,
11 has no equity interests, though in this instance, in the event of a dissolution of the Debtor, any
12 residual value over and above payment in full of Creditors will go to the Diocese.

13 **6. What will happen after the Bankruptcy Court approves this Disclosure Statement?**

14 This Disclosure Statement will be used to solicit acceptances of the Plan only after the
15 Bankruptcy Court has found that this Disclosure Statement provides adequate information in
16 accordance with Section 1125 of the Bankruptcy Code and has entered an order approving this
17 Disclosure Statement. Approval by the Bankruptcy Court is not an opinion or ruling on the
18 merits of the Plan and it does not mean that the Plan has been or will be approved by the
19 Bankruptcy Court.

20 **7. Who may vote to accept or reject a plan?**

21 A claim is defined by the Bankruptcy Code to include a right to payment from a debtor.
22 In order to vote on the Plan, a Creditor must have an Allowed Claim. The solicitation of votes
23 on the Plan will be sought only from Holders of Allowed Claims whose Claims are Impaired and
24 who will receive property or rights under the Plan. As explained further below, to be entitled to
25 vote, a Person must be a Holder of a Claim that is both an "Allowed Claim" and "Impaired."

26 **8. Do I have an Allowed Claim?**

27 You have an Allowed Claim if: (i) you or your representative timely files a proof of
28 Claim and no objection has been filed to your Claim within the time period set for the filing of

such objections; (ii) you or your representative timely files a proof of Claim and an objection is filed to your Claim upon which the Bankruptcy Court has ruled and allowed your Claim; (iii) your Claim is listed by the Debtor in its Schedules or any amendments thereto (which are on file with the Bankruptcy Court as a public record) as liquidated in amount and undisputed and no objection has been filed to your Claim; or (iv) your Claim is listed by the Debtor in its Schedules as liquidated in amount and undisputed and an objection was filed to your Claim upon which the Bankruptcy Court has ruled to allow your Claim. Under the Plan, the deadline for filing objections to Claims is thirty (30) calendar days following the Effective Date. If your Claim is not an Allowed Claim, it is a Disputed Claim and you will *not* be entitled to vote on the Plan unless the Bankruptcy Court temporarily or provisionally allows your Claim for voting purposes pursuant to Bankruptcy Rule 3018. If you are uncertain as to the status of your Claim or if you have a dispute with the Debtor, you should check the Bankruptcy Court record carefully, including the Debtor's Schedules, and seek appropriate legal advice. Neither the Debtor and its professionals nor JATCO and its professionals can advise you about such matters.

9. Is my Claim Impaired?

Impaired Claims include those whose legal, equitable, or contractual rights are altered by the Plan, even if the alteration is beneficial to the Creditor, or if the full amount of the Allowed Claim will not be paid under the Plan. Holders of Claims that are not Impaired under the Plan will be deemed to have accepted the Plan pursuant to Section 1126(f) of the Bankruptcy Code, and JATCO need not solicit acceptance of the Plan by Holders of such Unimpaired Claims. Holders of Claims that are to receive nothing under the Plan will be deemed to have voted to reject the Plan pursuant to Section 1126(g) of the Bankruptcy Code, and JATCO need not solicit votes from such Holders.

Classes 1 (Clark County Treasurer), Class 3 (Bank of New York Mellon – Indenture Trustee), Class 4 (Clark County related to the Bonds), Class 5 (Hughes Secured Claims related to the Declarations), Class 6 (Other Secured Claims), Class 7 (Priority Unsecured Claims), and Class 8 (General Unsecured Claims) are Unimpaired and deemed to accept the Plan, and therefore, will not vote on the Plan.

Class 2 (Claims related to the BofA Credit Facility Claims), Class 9 (JATCO Claims,) and Class 10 (the Diocese Lease Claims) are Impaired, and, therefore, will vote on the Plan.

10. How generally is a plan approved?

In order for a plan to be confirmed, it must be accepted by at least one impaired class of claims, excluding the affirmative votes of any insiders within that class. A class of claims is deemed to have accepted the plan if and when allowed votes representing at least two-thirds in amount and a majority in number of the claims of the class actually voting cast votes in favor of the plan.

11. What is the general construct of JATCO's Plan?

The primary objective of the Plan is to provide the Debtor a means to satisfy the Allowed JATCO Claim evidenced by the JATCO Judgment without having to refinance existing debt or sell its Real Property. JATCO proposes to achieve this objective through an increase in the revenues to be received by Debtor from the lease of the Real Property (Bishop Gorman High School) to meet the proposed monthly payments due JATCO and to raise the required final payment of principal and interest through future donations, gifts and other sources of revenue.

12. Will Reorganized BGDC be able to meet the financial terms of the Plan?

If the Plan is confirmed, the proposed settlement that provides the funding of the Plan will be approved, thus enabling Reorganized BGDC to meet the financial terms of the Plan and continue to own the Real Property upon which the Bishop Gorman High School is located.

13. What happens at the Confirmation Hearing?

At the Confirmation Hearing, the Bankruptcy Court will consider whether the Plan satisfies the requirements of the Bankruptcy Code.

14. What is the effect of Plan Confirmation?

Confirmation of a plan of reorganization by the bankruptcy court makes the plan binding upon the debtor, and *every creditor of the debtor*, regardless of whether such creditor receives or retains any property under the plan. Subject to certain limited exceptions, and other than as provided in the plan itself or the confirmation order, the confirmation order discharges the debtor

1 from any debt that arose prior to the date of confirmation of the plan and substitutes the
2 obligations specified under the plan.

3 **15. Can I rely upon the statements and financial information contained in this**
4 **Disclosure Statement?**

5 **JATCO IS RELYING UPON THE DEBTOR'S STATEMENTS AND FINANCIAL**
6 **INFORMATION AS OF THE DATE HEREOF. AS SUCH, UNLESS OTHERWISE**
7 **SPECIFIED, PERSONS REVIEWING THIS DISCLOSURE STATEMENT SHOULD**
8 **NOT INFER THAT THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE**
9 **THE DATE THIS DISCLOSURE STATEMENT WAS INITIALLY PREPARED. THE**
10 **FINANCIAL INFORMATION CONTAINED IN, OR INCORPORATED BY**
11 **REFERENCE INTO, THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED,**
12 **UNLESS OTHERWISE STATED HEREIN.**

13 **16. Can I rely upon the Disclosure Statement for other purposes?**

14 **THE INFORMATION IN THIS DISCLOSURE STATEMENT IS INCLUDED**
15 **HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND**
16 **MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE**
17 **HOW TO VOTE ON THE PLAN. THIS DISCLOSURE STATEMENT THEREFORE**
18 **DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF**
19 **FACT OR LIABILITY, A STIPULATION, OR A WAIVER IN ANY PROCEEDING**
20 **OTHER THAN THE SOLICITATION OF ACCEPTANCES OF THE PLAN AND**
21 **CONFIRMATION OF THE PLAN. FOR ALL PURPOSES OTHER THAN THE**
22 **SOLICITATION OF ACCEPTANCES OF THE PLAN, THIS DISCLOSURE**
23 **STATEMENT SHOULD BE CONSTRUED AS A STATEMENT MADE IN**
24 **SETTLEMENT NEGOTIATIONS RELATED TO CONTESTED MATTERS,**
25 **ADVERSARY PROCEEDINGS, AND OTHER PENDING OR THREATENED**
26 **LITIGATION OR ACTIONS.**

27 **17. Who prepared this Disclosure Statement?**

1 This Disclosure Statement was prepared by JATCO in conjunction with JATCO'S
2 bankruptcy counsel, the law firm of Garman Turner Gordon LLP.

3 **18. Should I consult with my own financial and legal advisors?**

4 This Disclosure Statement does not constitute legal, business, financial, or tax advice. All
5 persons desiring such advice or any other advice should consult with their own advisors.

6 **19. I have heard statements from outside sources regarding the Plan. Can I rely on
these statements?**

7 JATCO has not authorized any representations about the Plan, itself, or the value of the
8 Debtor's assets other than those set forth in this Disclosure Statement. Holders of Claims
9 proceed at their own risk to the extent that they rely on any information, representations, or
10 inducements made or given about the Plan that differ from, or are inconsistent with, the
11 information contained herein and in the Plan.

12 **20. What if there is an inconsistency between this Disclosure Statement and the Plan?**

13 This Disclosure Statement summarizes certain provisions of the Plan and certain other
14 documents and financial information that are incorporated by reference herein (collectively, the
15 "Incorporated Documents"). The summaries contained herein are qualified in their entirety by
16 reference to the Incorporated Documents. In the event of any inconsistency or discrepancy
17 between a description in this Disclosure Statement and the actual content of any of the
18 Incorporated Documents, the Incorporated Documents shall govern for all purposes.

19 **III.
BACKGROUND OF DEBTOR AND CHAPTER 11 CASE**

20 The Chapter 11 Case was filed by the Debtor to stay the enforcement of the JATCO
21 Judgment. The Chapter 11 Case was authorized on behalf of the Debtor by The Roman Catholic
22 Bishop of Las Vegas and His Successors, a Corporation sole (the "Diocese"). The Diocese is an
23 insider of the Debtor, being the sole manager/member of the Debtor and the sole recipient of the
24 residual Assets of Debtor in the event of a liquidation of the Debtor.

25 Other than an approximate \$1,000 per month cell tower rental, the sole source of revenue
26 for the Debtor is from the Lease entered into on December 1, 2011, between Debtor, as
27 Landlord, and the Diocese, as Tenant, for the lease by Tenant of the Real Property (the "Diocese
28

1 Lease”). The rent due under the Diocese Lease is adjustable under Section 5.2 of the County
 2 Loan Agreement, Section 10 of the Remarketing Agreement, and Section 2.2 of the
 3 Reimbursement Agreement so that it equals the periodic principal and interest payment on the
 4 Bonds. JATCO has determined that the Diocese Lease is not a true lease subject to assumption
 5 or rejection pursuant to Section 365 of the Bankruptcy Code, but is a disguised security
 6 instrument intended to provide the source of payment and additional security for the
 7 Reimbursement Agreement and the Bonds. See In Re Moreggia & Sons, Inc, 852 F.2d 1179 (9th
 8 Cir. 1988). This is addressed in the Plan regarding the treatment of the Diocese Lease.

9 Pursuant to the *Indenture of Trust*, dated as of December 1, 2011 (the “Bond Indenture”)
 10 between Clark County (the “County”) and the Bank of New York Mellon Trust Company, N.A.,
 11 a national banking association (the “Indenture Trustee”), the County issued the *Clark County,*
 12 *Nevada Variable Rate Demand Economic Development Refunding Revenue Bonds (Bishop*
 13 *Gorman High School Project) Series 2011* in the aggregate amount of \$25,000,000 (the
 14 “Bonds”) the net proceeds thereof were loaned by the County to the Debtor pursuant to the Loan
 15 Agreement. The Bonds are non-recourse with regard to the County. As of the date of this
 16 Disclosure Statement, JATCO has been informed by the Debtor that the outstanding amount of
 17 the Bonds is \$23,850.00.

18 To secure payment of the Bonds in the event of a default under the Indenture and Bonds,
 19 the Bank of America (“BofA”) issued the *Irrevocable Transfer Direct Pay Letter of Credit No.*
 20 *3118248* (as amended, supplemented and or modified from time to time, the “BofA LOC”) to the
 21 Indenture Trustee authorizing the Indenture Trustee on behalf of the Bondholders to make one or
 22 more draws on BofA for the outstanding amount due on the Bonds. The BofA LOC and other
 23 obligations of BofA pursuant to the BofA Credit Facility Documents are secured by the BofA
 24 Credit Facility Deeds of Trust. The BofA LOC expires on November 30, 2018.

25 IV. 26 GENERAL OVERVIEW OF THE PLAN

27 The Plan generally provides for the repayment the JATCO Allowed Claim against the
 28 Debtor as follows: a The granting of a junior deed of trust in favor of JATCO to secure a payout

1 of the Allowed JATCO Claim over 8 years with a balloon payment at the end of the eighth year
 2 which requires (a) a limited modification the Bank of America Credit Facility Documents which
 3 at present prohibit any payments to JATCO but for the execution of a subordination agreement
 4 and a waiver of the bar to the granting of a junior Lien on the Property, and (b) an increase of the
 5 monthly rent paid by the Diocese pursuant to the Diocese Lease which at present does not allow
 6 for a rental payment in excess of the amount necessary to satisfy the monthly obligations and
 7 fees due with regard to the Bonds. In the event the Diocese Lease is not voluntarily increased to
 8 meet the obligation due JATCO, the Property will be sold free and clear of interests pursuant to
 9 Section 363(f) of the Bankruptcy Code.

10 The following is a general overview of the provisions of the Plan, which Plan treatment is
 11 discussed more fully herein and is qualified in its entirety by reference to the provisions of the
 12 Plan itself.

13 **A. Classification of Claims.**

14 Except for Unclassified Claims as described in IV.B. below, Section 1123 of the
 15 Bankruptcy Code provides that a plan of reorganization shall classify the claims of a debtor's
 16 creditors and equity interest holders. In compliance therewith, the Plan divides Claims into
 17 various Classes and sets forth the treatment for each Class. JATCO is also allowed under
 18 Section 1122 of the Bankruptcy Code to place a Claim into a particular Class only if such Claim
 19 is substantially similar to the other Claims in such Class. JATCO believes that the Plan has
 20 classified all Claims in compliance with the provisions of Section 1122 of the Bankruptcy Code,
 21 but it is possible that a Holder of a Claim will challenge the Plan's classifications and that the
 22 Bankruptcy Court will find that different classifications are required in order for the Plan to be
 23 confirmed. In such event, JATCO reserves the right, to the extent permitted by the Bankruptcy
 24 Code, to make modifications of the classifications under the Plan to permit Confirmation of the
 25 Plan and to use the Plan acceptances received in this solicitation for the purpose of obtaining the
 26 approval of the reconstituted Class or Classes of which the accepting Holders are ultimately
 27 deemed members.

28 . . .

The Plan's treatment of each classified Class of Claims is summarized in the following table:

Class 1	Clark County Treasurer	Unimpaired – Deemed Accepted No Solicitation required
Class 2	Bank of America – BofA Credit Facility Claims	Impaired Solicitation required
Class 3	Bank of New York Mellon – Indenture Trustee for Bonds	Unimpaired No Solicitation required
Class 4	Clark County – County Claim	Unimpaired No solicitation required
Class 5	Hughes Secured Claims	Unimpaired No solicitation required
Class 6	Other Secured Claims	Unimpaired No solicitation required
Class 7	Priority Unsecured Claims	Unimpaired No solicitation required
Class 8	General Unsecured Claims	Unimpaired No Solicitation required
Class 9	JATCO Claim	Impaired Solicitation required
Class 10	Diocese Lease Claim	Impaired Solicitation required

B. Non-Classified Claims.

1. Allowed Administrative Claims.

Pursuant to Section 1123(a)(1), Allowed Administrative Claims are not designated as a Class. The Holders of such unclassified Claims shall be *paid in full* under the Plan consistent with the requirements of Section 1129(a)(9)(A) and are not entitled to vote on the Plan. Notwithstanding, none of the collateral for the BofA LOC, for the Lien of the JATCO Judgment, or for the Diocese Garnishment Lien shall be available to use to pay Allowed Administrative Claims.

Each Allowed Administrative Claim shall be paid by Reorganized BGDC (or otherwise satisfied in accordance with its terms) upon the latest of: (i) the Effective Date or as soon thereafter as is practicable; (ii) such date as may be fixed by the Bankruptcy Court, or as soon thereafter as practicable, (iii) the fourteenth (14th) Business Day after such Claim is Allowed, or as soon thereafter as practicable; and (iv) such date as the Holder of such Claim and Reorganized BGDC shall agree upon.

On the Effective Date, the DIP Loan shall be paid in full by the Reorganized BGDC unless otherwise agreed in writing by the Reorganized BGDC and the DIP Lender.

All requests for payment of Administrative Claims against Debtor and all final applications for allowance and disbursement of Professional Fees must be filed by the Administrative Claims Bar Date or the Holders thereof shall be forever barred from asserting such Administrative Claims against Debtor and Reorganized BGDC. All Professional Fees applications must be in compliance with all of the terms and provisions of any applicable order of the Bankruptcy Court, including the Confirmation Order, and all other orders governing payment of Professional Fees. Unless otherwise ordered by the Bankruptcy Court, from and after the Effective Date, no professional shall be required to file fee applications with the Bankruptcy Court and Reorganized BGDC may pay all professionals in the ordinary course for fees and expenses incurred after the Effective Date.

C. Treatment of Classified Claims.

1. Class 1 – Clark County Treasurer. The Special Assessment Claim shall be an Allowed Claim and paid in accordance with the Special Assessment. Any delinquent amounts due the Clark County Treasurer as of the Effective Date, shall be paid by Reorganized BGDC on the Effective Date. On the Effective Date, all pre-Effective Date defaults Documents as a result of the commencement of the Chapter 11 Case, if any, related to the Special Assessment shall be deemed to have been cured. Class 1 is Unimpaired under the Plan.

The Clark County Treasurer is deemed to have accepted the Plan, and is not entitled to vote on the Plan.

2. Class 2 – Bank of America. On the Effective Date, with regard to the BofA

1 Credit Facility Claims and BofA Credit Facility Documents:

2 a. The BofA Credit Facility Document shall remain in full force and effect, save
3 and except that: (a) without any further action by the Debtor, Reorganized BGDC, or
4 BofA, Reimbursement Agreement Section 5.34 shall be stricken together with Exhibit C
5 and shall be of no further force or effect; and (b) Section 5.16 of the Reimbursement
6 Agreement shall be modified to provide consent for the granting of Liens pursuant to the
7 Plan.

8 b. On the Effective Date, all pre-Effective Date defaults, if any, under the BofA
9 Credit Facility Documents as a result of (a) the commencement of the Chapter 11 Case
10 and (b) as a result of the amendment of the Diocese Lease on the Effective Date shall be
11 deemed to have been cured and/or waived, and Debtor and/or Reorganized BGDC shall
12 be current and in good standing under the BofA Credit Facility Documents.

13 Class 2 is Impaired under the Plan. The Holder of the BofA Credit Facility Claims is
14 entitled to vote on the Plan.

15 3. Class 3 – Bank of New York Mellon. On the Effective Date, with regard to the
16 Bond Claims and the Indenture:

17 a. The Bond Indenture and Bonds shall remain in full force and effect, unaffected
18 by the Chapter 11 Case, and shall continue to be paid on and after the Effective Date as
19 provided form in the Bond Indenture and Bonds. Any delinquent amounts due the
20 Indenture Trustee as of the Effective Date shall be paid by Reorganized BGDC within 2
21 Business Days of the Effective Date.

22 b. On the Effective Date, all pre-Effective Date defaults as a result of the
23 commencement of this Chapter 11 Case, if any, under the Bond Indenture and the Bonds
24 shall be deemed to have been cured.

25 c. BofA shall not retain its Liens, if any, in the Garnished Funds and the Diocese
26 Obligation.

27 Class 3 is Unimpaired under the Plan. The Indenture Trustee and Bondholders are
28 deemed to have accepted the Plan and are not entitled to vote on the Plan.

4. Class 4 – Clark County. On the Effective Date:

a. The Clark County Loan Agreement and County Promissory Note shall remain in full force and effect, unaffected by the Chapter 11 Case and performed as provided therein by BGDC on and after the Effective Date. Any delinquent amounts or Allowed Clark County Claims as of the Effective Date shall be paid by Reorganized BGDC within 2 Business Days of the Effective Date. On the Effective Date, all pre-Effective Date defaults.

b. On the Effective Date, all pre-Effective Date defaults as a result of the commencement of this Chapter 11 Case, if any, under Clark County Loan Agreement and County Promissory Note shall be deemed to have been cured.

Class 4 is Unimpaired under the Plan. Clark County is deemed to have accepted the Plan and is not entitled to vote on the Plan.

5. Class 5 – Hughes Secured Claims. On the Effective Date:

a. The Hughes Secured Claims and the Development Declarations shall remain in full force and effect, unaffected by the Chapter 11 Case.

b. On the Effective Date, all pre-Effective Date defaults as a result of the commencement of this Chapter 11 Case, if any, under the Development Declarations shall be deemed to have been cured.

Class 5 is Unimpaired under the Plan. Holders of Class 5 Hughes Secured Claims are deemed to have accepted the Plan and are not entitled to vote on the Plan.

6. Class 6 – Other Secured Claims. Each Allowed Other Secured Claim, if any, shall, in full and final satisfaction of such Claim, be paid in full in Cash or otherwise left Unimpaired by the Debtor or Reorganized BGDC, as the case may be, upon the latest of: (i) the Effective Date or as soon thereafter as practicable; (ii) such date as may be fixed by the Bankruptcy Court; (iii) the fourteenth (14th) Business Day after such Claim is Allowed; and (iv) such date as agreed upon by the Holder of such Claim and the Debtor, and after the Effective Date, Reorganized BGDC.

Class 6 is Unimpaired under the Plan. Holders of Class 6 Other Secured Claims are

1 deemed to have accepted the Plan and are not entitled to vote on the Plan.

2 7. Class 7 – Priority Unsecured Claims. Each Allowed Priority Unsecured Claim, if
3 any, shall, in full and final satisfaction of such Claims, be paid in full in Cash on the latest of: (i)
4 the Effective Date, or as soon thereafter as is practical; (ii) such date as may be fixed by the
5 Bankruptcy Court, or as soon thereafter as is practicable; (iii) the fourteenth (14th) Business Day
6 after such Claim is Allowed, or as soon thereafter as is practicable; or (iv) such date as the
7 Holder of such Claim and Reorganized BGDC have agreed or shall agree.

8 Class 7 is Unimpaired under the Plan. Holders of Class 7 Priority Unsecured Claims, if
9 any, are deemed to have accepted the Plan and are not entitled to vote on the Plan.

10 8. Class 8 – General Unsecured Claims. Each Allowed General Unsecured Claim
11 shall, in full and final satisfaction of such Allowed Claim, be paid in full in Cash on the latest of:
12 (i) the Effective Date, or as soon thereafter as is practical; (ii) such date as may be fixed by the
13 Bankruptcy Court, or as soon thereafter as is practicable; (iii) the fourteenth (14th) Business Day
14 after such Claim is Allowed, or as soon thereafter as is practicable; or (iv) such date as the
15 Holder of such Claim and Reorganized BGDC have agreed or shall agree, together with interest
16 from the Petition Date until paid at the Unsecured Interest Rate.

17 Class 8 is Unimpaired under the Plan. Holders of Class 8 General Unsecured Claims, if
18 any, are deemed to have accepted the Plan and are not entitled to vote on the Plan.

19 9. Class 9 – JATCO Claim. On the Effective Date:

20 a. In the event the JATCO Judgment Lien and First BofA Garnishment Lien are
21 determined in the JATCO Avoidance Action not to be avoided pursuant to Section 547 of the
22 Bankruptcy Code, the JATCO Claim shall be an Allowed Secured Claim in the amount set forth
23 in the JATCO Proof of Claim plus post-Petition Date interest and attorneys' fees as provided for
24 in the JATCO Judgment and the NRS, which Allowed Secured Claim shall be satisfied as
25 follows;

26 (i) BGDC shall pay the sum of Four Million Dollars (\$4,000,000)
27 Cash to JATCO;

1 (ii) To the extent that proceeds of the First BofA Garnishment Lien are
2 available, such proceeds shall be paid to JATCO;

3 (i) Pursuant to the Diocese Garnishment Lien, (a) in the event that the
4 Bankruptcy Court determines that the Diocese Promissory Note is effective, the Diocese
5 Promissory Note shall be assigned to JATCO and all proceeds of the Diocese Promissory
6 Note shall be paid to JATCO as provided for in the Diocese Promissory Note, or (b) in
7 the event that the Bankruptcy Court determines that the Diocese Promissory Note is not
8 effective as a post-petition transaction, JATCO shall receive the \$500,000 proceeds of the
9 Diocese Receivable and shall be entitled to proceed to enforce the Diocese Garnishment
10 Lien;

11 (iii) BGDC shall execute and deliver to JATCO the JATCO Note for
12 the balance of the JATCO Allowed Secured Claim and the JATCO Deed of Trust and the
13 UCC-1s evidencing the grant of a security interest in the personal property of BGDC as
14 provided for in the JATCO Deed of Trust;

15 (iv) The Deed of Trust and UCC-1s shall be recorded or filed, as
16 applicable, with the Clark County Recorder and NV SOS evidencing the Lien and
17 Security Interest granted thereunder and pursuant to this Plan; and

18 (v) All net proceeds recovered by JATCO from the Diocese
19 Garnishment Lien and Diocese Promissory Note shall be applied against the balance due
20 on the JATCO Note.

21 b. In the event the JATCO Judgment Lien and First BofA Garnishment Lien are
22 determined in the JATCO Avoidance Action to be avoidable pursuant to Section 547 of the
23 Bankruptcy Code;

24 (i) The JATCO Claim shall be bifurcated between (a) an Allowed Secured
25 Claim evidenced by and equal to the value of the collateral of the Diocese Garnishment
26 Lien and the Second BofA Garnishment Lien and (b) an Allowed Unsecured Claim for
27 the balance of the JATCO Judgment and treated as follows: and

28 (ii) With regard to the Allowed Secured Claim, on the Effective Date

JATCO shall receive the proceeds subject to the Second BofA Garnishment Lien, and with regard to the Diocese Garnishment Lien, (a) in the event that the Bankruptcy Court determines that the Diocese Promissory Note is effective, the Diocese Promissory Note shall be assigned to JATCO and all proceeds of the Diocese Promissory Note shall be paid to JATCO as provided for in the Diocese Promissory Note, or (b) in the event that the Bankruptcy Court determines that the Diocese Promissory Note is not effective as a post-petition transaction, JATCO shall receive the \$500,000 proceeds of the Diocese Receivable and shall be entitled to proceed to enforce the Diocese Garnishment Lien.

(iii) Notwithstanding the treatment of the JATCO Claim as provided for in this Section 4.9.2, JATCO reserves the right to vote to reject this treatment and enforce its rights under Section 1129(b) regarding cramdown, including the right to seek enforcement of the absolute priority rule as provided for in Section 1129(b)(2)(B).

c. While Reorganized BGDC shall retain all Litigation Claims, any recoveries received by Reorganized BGDC after repayment of fees and costs incurred in any recovery shall upon receipt by Reorganized BGDC be paid to JATCO as an additional payment on the JATCO Note provided in a. above, or alternatively, in addition to the payment due pursuant to b. above.

d. JATCO shall recover as a Section 503(b)(3)(b) Administrative Claims, subject to Bankruptcy Court approval, attorneys' fees and costs incurred in the preparation of this Plan and the Disclosure Statement, the approval of the Disclosure Statement and the confirmation of this Plan.

Class 9 is Impaired under the Plan. The Holder of the Class 9 JATCO Claim is entitled to vote on the Plan.

10. Class 10 – Diocese Lease Claim. On the Effective Date:

a. If it is determined that the Diocese Lease is not a true lease subject to treatment pursuant to Section 365 of the Bankruptcy Code but is a disguised security instrument intended to provide the source of payment and additional security for the Reimbursement Agreement and the Bonds, see In Re Moreggia & Sons, Inc., 852 F.2d 1179 (9th Cir. 1988):

(i) The first paragraph of Section 3 of the Diocese Lease shall be amended to provide that the annual lease shall be in a sum sufficient to pay all of the obligations required to be paid by Reorganized BGDC pursuant to the Plan, including Section 5.2 of the certain Loan Agreement dated December 1, 2011; Section 10 of that certain Remarketing Agreement dated December 1, 2011; Section 2.2 of that certain Letter of Credit and Reimbursement Agreement dated December 1, 2011; and all payments required to be made by Landlord pursuant to the Plan of Reorganization confirmed by order entered on _____, 2018, by the United States Bankruptcy Court for the District of Nevada in case no. 17-11942-abl, including Allowed Administrative Claims, Allowed General Unsecured Claims and the JATCO Claim.

(ii) The second paragraph of Section 3 of the Diocese Lease shall be amended to read as follows:

During each month of this Lease or such other period as determined by Landlord, Landlord shall adjust any and each Monthly Installment (and thereby adjust the total annual rental sum for the respective year to equal the payments due pursuant to Section 5.2 of the certain Loan Agreement dated December 1, 2011; Section 10 of that certain Remarketing Agreement dated December 1, 2011; Section 2.2 of that certain Letter of Credit and Reimbursement Agreement dated December 1, 2011; and all payments required to be made by Landlord pursuant to the Plan of Reorganization confirmed by order entered on _____, 2018, by the United States Bankruptcy Court for the District of Nevada in case no. 17-11942-abl, including Allowed Administrative Claims, Allowed General Unsecured Claims and the JATCO Claim.

(iii) The last paragraph of Section 3 of the Diocese Lease shall be amended to read as follows:

In addition, Tenant covenants and agrees to pay to Landlord as rental hereunder all amounts required to be paid by Landlord pursuant to Sections 8.5 and 10.4 of the Loan Agreement together with all payments required to be made by Landlord pursuant to the Plan of Reorganization confirmed by order entered on _____, 2018, by the United States Bankruptcy Court for the District of Nevada in case no. 17-11942-abl, including Allowed Administrative Claims, Allowed General Unsecured Claims and the JATCO Claim.

(iv) Subject to the amendments contained therein to be set forth in the Amended Diocese Lease, the Diocese Lease shall remain in full force and effect on and after the Effective Date.

b. If it is determined that the Diocese Lease is a true lease, the Diocese shall on or before the Effective Date either (a) agree to execute the Amended Diocese Lease, or (b) the Diocese Lease shall be rejected as provided for under VL.B, and treated as provided for in VL.A.

Class 10 is Impaired under the Plan. The Holder of the Diocese Claim is entitled to vote on the Plan.

V.

DISCLAIMER

In formulating the Plan, JATCO relied primarily on financial data derived from the pleadings, testimony and other documents filed in the Chapter 11 Case by the Debtor. However, JATCO cannot and does not confirm the current accuracy of the statements appearing in this Disclosure Statement.

The discussion in this Disclosure Statement regarding the Debtor may contain “forward-looking statements,” as that term is used in the Private Securities Litigation Reform Act of 1995. Such statements consist of any statement other than one of historical fact, and can be identified by the use of forward-looking terminology such as “may,” “expect,” “believe,” “anticipate,” “estimate,” “likely,” “probable,” or “continue” or the negative thereof or other variations thereof or comparable terminology. All such forward-looking statements are speculative, and there are risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements. The liquidation analysis and distribution projections are estimates only, and the timing and amounts of actual distributions may be affected by many factors that cannot be predicted. Therefore, any analysis, estimates, or recovery projections may not turn out to be accurate.

NOTHING IN THIS DISCLOSURE STATEMENT IS, OR SHALL BE DEEMED, AN ADMISSION OR STATEMENT AGAINST INTEREST BY JATCO FOR PURPOSES OF ANY PENDING OR FUTURE LITIGATION MATTER OR PROCEEDING.

ALTHOUGH THE ATTORNEYS AND OTHER PROFESSIONALS EMPLOYED BY JATCO HAVE ASSISTED IN PREPARING THIS DISCLOSURE STATEMENT BASED UPON FACTUAL INFORMATION AND ASSUMPTIONS RESPECTING FINANCIAL, BUSINESS, AND ACCOUNTING DATA FOUND IN THE PLEADINGS AND PUBLICALLY FILED DOCUMENTS, THEY HAVE NOT INDEPENDENTLY VERIFIED SUCH INFORMATION AND MAKE NO REPRESENTATIONS AS TO THE ACCURACY THEREOF. THE ATTORNEYS AND OTHER PROFESSIONALS EMPLOYED BY JATCO SHALL HAVE NO LIABILITY FOR INFORMATION CONTAINED IN, OR OMITTED FROM, THIS DISCLOSURE STATEMENT.

VI. ADDITIONAL PLAN PROVISIONS

A. Means for Implementation of Plan.

1. During the Confirmation Hearing the Bankruptcy Court shall determine whether the Diocese Lease is a true lease subject to treatment pursuant to Section 365 or is a disguised security instrument not subject to treatment as an executory contract pursuant to Section 365.

2. In the event that the Diocese Lease is determined to be a true lease and the Diocese, Debtor do not elect to enter into an Amended Diocese Lease on or before the Effective Date and the Diocese Lease is rejected, then within 14 days of the Effective Date, JATCO shall present to the Bankruptcy Court a procedure to conduct the Section 363(f) Sale free and clear of the any remaining rights and interests that the Diocese may retain under Section 365 to remain in possession of the Real Property. Any such sale procedure shall provide for the sale to take place no later than 150 days of the Effective Date with the sale to close no later than 180 days of the Effective Date.

3. On or before the Effective Date, the Reorganized BGCD Organizational Documents shall be executed and, to the extent required, filed with the NV SOS. The Reorganized BGDC Organizational Documents shall (i) include, pursuant to Section 1123(a)(6) of the Bankruptcy Code, a provision prohibiting the issuance of non-voting equity securities, but only to the extent required by Section 1123(a)(6) of the Bankruptcy Code; and (ii) to the extent

1 necessary or appropriate, include such provisions as may be needed to effectuate and
 2 consummate the Plan and the transactions contemplated therein. After the Effective Date,
 3 Reorganized BGDC shall be responsible for the preparation of all reports, tax returns and other
 4 governmental filings required to be filed by the Debtor and Reorganized BGDC and all
 5 obligations related thereto.

6 4. The Reorganized BGDC Organizational Documents, and resolutions or similar
 7 documents related to the formation and governance of Reorganized BGDC under the Plan shall
 8 be subject to applicable bankruptcy and/or Nevada law. Reorganized BGDC shall remain a
 9 Nevada non-profit corporation.

10 5. On the Effective Date, the following events shall occur in the following sequence:

11 a. The Restated Reimbursement Agreement shall be executed by
 12 Reorganized BGDC and BofA and delivered to BofA.

13 b. Reorganized BGDC shall execute and deliver the JATCO Note, JATCO
 14 Deed of Trust and Diocese Promissory Note Assignment to JATCO.

15 c. The JATCO Deed of Trust and UCC-1s shall be recorded or filed, as
 16 applicable, with the Clark County Recorder and NV SOS evidencing the
 17 Lien and Security Interest granted thereunder and pursuant to the Plan.

18 d. The JATCO Avoidance Action shall be dismissed with prejudice unless
 19 not already decided by the Bankruptcy Court with a Final Order.

20 e. If the Diocese elects to execute the Amended Diocese Lease, the
 21 Reorganized Debtor and Diocese shall execute the Amended Diocese
 22 Lease Diocese.

23 **B. Executory Contracts and Unexpired Leases.**

24 1. Executory Contracts.

25 Except for Executory Contracts and Unexpired Leases specifically addressed in the Plan,
 26 assumed pursuant to prior order of the Bankruptcy Court or set forth on the schedule of Assumed
 27 Executed Contracts and Unexpired Leases attached to the Plan as Schedule 6.1 (which may be
 28 supplemented and amended up to the date the Bankruptcy Court enters the Confirmation Order),

all Executory Contracts and Unexpired Leases that exist on the Confirmation Date shall be deemed assumed by Debtor on the Effective Date.

2. Confirmation Order.

The Confirmation Order will constitute an order of the Bankruptcy Court approving the assumptions described in this Article 6 pursuant to Section 365 of the Bankruptcy Code as of the Effective Date. Notwithstanding the forgoing, if, as of the date the Bankruptcy Court enters the Confirmation Order, there is pending before the Bankruptcy Court a dispute concerning the Cure amount or adequate assurance for any particular Executory Contract or Unexpired Lease, the assumption of such Executory Contract or Unexpired Lease shall be effective as of the date the Bankruptcy Court enters an order resolving any such dispute and authorizing assumption by Debtor.

3. Bar Date.

All proofs of Claims with respect to Claims arising from the rejection of any Executory Contract or Unexpired Lease shall be filed no later than thirty (30) calendar days after the Effective Date. Any Claim not filed within such time shall be forever barred

C. Manner of Distribution of Property Under the Plan.

Reorganized BGDC shall be responsible for making the Distributions described in the Plan. Reorganized BGDC may make such Distributions before the allowance of each Claim has been resolved if Reorganized BGDC have a good faith belief that the Disputed Claims Reserve is sufficient for all Disputed Claims. Except as otherwise provided in the Plan or the Confirmation Order, the Cash necessary for Reorganized BGDC to make payments pursuant to the Plan may be obtained from existing Cash balances and Debtor's operations. Reorganized BGDC shall establish and maintain the Disputed Claim Reserve.

D. Conditions Precedent to Confirmation and the Effective Date.

1. Condition Precedent to Confirmation.

- a. The Bankruptcy Court shall have made a determination regarding the Diocese Lease as provided for in Section 5.1 of the Plan.
- b. The Confirmation Order shall have been entered and be in form and

substance reasonable acceptable to JATCO.

2. Conditions Precedent to Effectiveness. The following are conditions precedent to the occurrence of the Effective Date:

- a. The Confirmation Order shall be a Final Order, except that JATCO reserves the right to cause the Effective Date to occur notwithstanding the pendency of an appeal of the Confirmation Order, under circumstances that would moot such appeal;
- b. No request for revocation of the Confirmation Order under Section 1144 of the Bankruptcy Code shall have been made, or, if made, shall remain pending, including any appeal; and
- c. All documents necessary to implement the transactions contemplated by the Plan shall be in form and substance reasonable acceptable to JATCO.

3. Waiver of Conditions. JATCO, in its sole discretion, may waive any and all of the other conditions set forth in the Plan and specifically 2.a, 2.b and 2.c above without leave of or order of the Bankruptcy Court and without any formal action.

E. Objections to Claims.

1. Resolution of Objections After the Effective Date. From and after the Effective Date, Reorganized BGDC may litigate to judgment, propose settlements of, or withdraw objections to, all pending or filed Disputed Claims and may settle or compromise any Disputed Claim without notice and a hearing and without approval of the Bankruptcy Court.

2. Late Filed Claims. No Claim filed after the Bar Date or, as applicable, the Administrative Claim Bar Date, shall be allowed, and all such Claims are hereby disallowed in full. After the Bar Date or the Administrative Bar Date, as applicable, no Creditor shall be permitted to amend any claim to increase the claimed amount and any such amendment shall be disallowed to the extent of the late-filed increase in the claimed amount.

F. Miscellaneous Plan Provisions.

1. Revocation or Withdrawal of the Plan. JATCO reserves the right to revoke or withdraw the Plan at any time prior to its substantial consummation. If the Plan is withdrawn or revoked, then the Plan shall be deemed null and void and nothing contained therein shall be

1 deemed to constitute a waiver or release of any Claims by or against Debtor or any other Person
 2 nor shall the withdrawal or revocation of the Plan prejudice in any manner the rights of Debtor or
 3 any Person in any further proceedings involving Debtor. In the event the Plan is withdrawn or
 4 revoked, nothing set forth therein shall be deemed an admission of any sort and the Plan and any
 5 transaction contemplated thereby shall be inadmissible into evidence in any proceeding.

6 2. Modification and Amendment. Prior to Confirmation, JATCO may alter, amend,
 7 or modify the Plan under Section 1127(a) of the Bankruptcy Code at any time. After the
 8 Confirmation Date and prior to substantial consummation of the Plan as defined in Section
 9 1101(2) of the Bankruptcy Code, JATCO may, under Section 1127(b), (c), and (d) of the
 10 Bankruptcy Code, alter, amend, or modify the Plan or institute proceedings in the Bankruptcy
 11 Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the
 12 Disclosure Statement, or the Confirmation Order, to make appropriate adjustments and
 13 modifications to the Plan or the Confirmation Order as may be necessary to carry out the
 14 purposes and effects of the Plan so long as such proceedings do not materially adversely affect
 15 the treatment of Holders of Claims under the Plan.

16 VII. 17 POST-EFFECTIVE DATE OPERATIONS

18 1. Vesting of Assets. Subject to the provisions of the Plan and as permitted by
 19 Section 1123(a)(5)(B) of the Bankruptcy Code, the Assets, including the Litigation Claims and
 20 right, title, and interest being assumed by Reorganized BGDC in the assumed Executory
 21 Contracts, shall be transferred to Reorganized BGDC on the Effective Date. As of the Effective
 22 Date, all such property shall be free and clear of all Liens, Claims, and Equity Securities except
 23 as otherwise provided therein. On and after the Effective Date, Reorganized BGDC may operate
 24 its business and may use, acquire, and dispose of property and compromise or settle any Claim
 25 without the supervision of or approval of the Bankruptcy Court and free and clear of any
 26 restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than restrictions expressly
 27 imposed by the Plan or the Confirmation Order.

28 2. Preservation and Settlement of Litigation Claims. In accordance with Section
 1123(b)(3) of the Bankruptcy Code, and except as otherwise expressly provided therein, all
 Litigation Claims shall be assigned and transferred to Reorganized BGDC pursuant to Section

1 5.3 of the Plan. Reorganized BGDC, as the successors in interest to Debtor and the Estate, may
 2 and shall have the exclusive right to sue on, settle, or compromise any and all Litigation Claims,
 3 including derivative actions existing against Debtor on the Effective Date.

4 **3. Injunction.** From and after the Effective Date, and except as provided in the
 5 Plan and the Confirmation Order, all Persons that (i) have held, currently hold, or may
 6 hold a Claim (whether or not for which a proof of Claim was filed) that is terminated
 7 pursuant to the terms of the Plan, or (ii) assert rights, entitlements or privileges to the Real
 8 Property which are addressed in the Plan or the Confirmation Order, are permanently
 9 enjoined from taking any of the following actions on account of any such Claims or rights,
 10 entitlements or privileges related thereto: (i) commencing or continuing in any manner any
 11 action or other proceeding against Reorganized BGDC or its property, including the Real
 12 Property; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment,
 13 award, decree, or order against Reorganized BGDC or its property, including the Real
 14 Property; (iii) creating, perfecting, or enforcing any Lien or encumbrance against
 15 Reorganized BGDC or its property, including the Real Property; (iv) asserting a setoff,
 16 right of subrogation, or recoupment of any kind against any debt, liability, or obligation
 17 due to Reorganized BGDC or its property, or Real Property; and (v) commencing or
 18 continuing any action, in any manner or any place, that does not comply with or is
 19 inconsistent with the provisions of the Plan or the Bankruptcy Code.

20 **4. Exculpation.** From and after the Effective Date, neither JATCO, the
 21 professionals employed on its behalf, nor any of its respective present or future
 22 shareholders, directors, officers, managers, employees, advisors, attorneys, or agents, shall
 23 have or incur any liability, including derivative claims, but excluding direct claims, to any
 24 Holder of a Claim or any other party-in-interest, or any of their respective agents,
 25 employees, representatives, financial advisors, attorneys, or Affiliates, or any of their
 26 successors or assigns, for any act or omission in connection with, relating to, or arising out
 27 of (from the Petition Date forward), the Chapter 11 Case, Reorganized BGDC, the pursuit
 28 of confirmation of the Plan, or the consummation of the Plan, except for gross negligence
 and willful misconduct, and in all respects shall be entitled to reasonably rely upon the
 advice of counsel with respect to their duties and responsibilities under the Plan or in the
 context of the Chapter 11 Case.

VIII.
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the Chapter 11 Case and Reorganized BGDC after the Effective Date as is legally permissible, including jurisdiction to:

1. Allow, disallow, determine, liquidate, classify, estimate, or establish the priority or secured or unsecured status of any Claim or Disputed Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the allowance or priority of Claims or Disputed Claims;

2. Grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan for periods ending on or before the Effective Date;

3. Resolve any matters related to the assumption, assignment, or rejection of any Executory Contract or Unexpired Lease to which Debtor or Reorganized BGDC are party and to hear, determine, and, if necessary, liquidate any Claims arising there from or Cure amounts related thereto;

4. Insure that distributions to Holders of Allowed Claims and Equities Securities are accomplished pursuant to the provisions of the Plan;

5. Decide or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters and grant or deny any applications or motions involving Debtor or Reorganized BGDC that may be pending on the Effective Date or commenced thereafter as provided for by the Plan;

6. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan or the Disclosure Statement or the Confirmation Order, except as otherwise provided therein;

7. Decide or resolve any cases, controversies, suits, or disputes that may arise in connection with the consummation, interpretation, or enforcement of any Final Order, the Plan, the Confirmation Order, or any Person's obligations or claim rights to or against the Real Property or other Assets;

8. Modify the Plan before or after the Effective Date pursuant to Section 1127 of the Bankruptcy Code and Section 11.1 of the Plan or modify any contract, instrument, release or

1 other agreement or document created in connection with the Plan, the Disclosure Statement, or
 2 the Confirmation Order or the Reorganized BGDC; or remedy any defect or omission or
 3 reconcile any inconsistency in any Final Order, the Plan, the Confirmation Order, or any
 4 contract, instrument, release or other agreement or document created in connection with the Plan,
 5 the Disclosure Statement, or the Confirmation Order, in such manner as may be necessary or
 appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code;

6 9. Issue injunctions, enter and implement other orders, or take such other actions as
 7 may be necessary or appropriate to restrain interference by any person with consummation,
 8 implementation, or enforcement of any Final Order, the Plan, or the Confirmation Order, except
 9 as otherwise provided therein;

10 10. Enter and implement such orders as are necessary or appropriate if a Final Order
 or the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

11 11. Determine any other matters that may arise in connection with or relate to the
 12 Plan, any Final Order, the Disclosure Statement, the Confirmation Order, or any contract,
 13 instrument, release, or other agreement or document created in connection with the Plan
 14 (including the Woolley Agreement), the Disclosure Statement, any Final Order, or Confirmation
 15 Order, except as otherwise provided therein;

16 12. Enter an order closing the Chapter 11 Case;

17 13. Hear and decide Litigation Claims and continue to hear and decide pending
 Litigation Claims and any other claim or cause of action of Debtor and Reorganized BGDC; and

18 14. Decide or resolve any matter over which the Bankruptcy Court has jurisdiction
 19 pursuant to Section 505 of the Bankruptcy Code.

20 **IX.** 21 **LIMITATIONS AND RISK FACTORS**

22 In addition to risks discussed elsewhere in this Disclosure Statement, the Plan and the
 23 transactions contemplated by the Plan involve the following limitations and risks, which should
 be taken into consideration.

24 **A. JATCO Has No Duty to Update.** The statements in this Disclosure Statement
 25 are made by JATCO as of the date hereof, unless otherwise specified herein. The delivery of this
 26 Disclosure Statement after that date does not imply that there has been no change in the
 27 information set forth herein since that date. JATCO has no duty to update this Disclosure
 28 Statement unless ordered to do so by the Bankruptcy Court.

1 **B. Information Presented Is Based on Debtor's Pleadings, Publicly Available**
 2 **Information, and Is Unaudited.** While JATCO has endeavored to present information fairly in
 3 this Disclosure Statement, there is no assurance that Debtor's pleadings, testimony and
 4 documents provided in the Bankruptcy Case and the publicly available information upon which
 5 this Disclosure Statement is based are complete and accurate.

6 **C. Projections and Other Forward-Looking Statements Are Not Assured and**
 7 **Actual Results Will Vary.** Certain information in this Disclosure Statement is forward-looking,
 8 and contains estimates and assumptions that might ultimately prove to be incorrect, and
 9 projections that may differ materially from actual future results. JATCO believes that the
 10 projections of future performance upon which the treatments under the Plan are based are
 11 reasonable and fairly represent the future performance of Debtor's business operations.
 12 However, there are uncertainties associated with all assumptions, projections, and estimates, and
 13 they should not be considered assurances or guarantees of the amount of funds that will be
 14 distributed, the amount of Claims in the various Classes that will be allowed, or the success or
 15 results of Reorganized BGDC's business operations.

16 **D. No Legal or Tax Advice Is Provided to You by This Disclosure Statement.**
 17 The contents of this Disclosure Statement should not be construed as legal, business, or tax
 18 advice. Each Creditor should consult his, her, or its own legal counsel and accountant as to
 19 legal, tax, and other matters concerning his, her or its Claims.

20 **E. No Admissions Made.** Nothing contained herein shall constitute an admission of
 21 any fact or liability by JATCO or any other party nor shall it be deemed evidence of the tax or
 22 other legal effects of the Plan on Debtor or on Holders of Claims.

23 **F. Confirmation of the Plan Is Not Assured.** Although JATCO believes the Plan
 24 will satisfy all requirements for Confirmation, the Bankruptcy Court might not reach that
 25 conclusion. It is also possible that modifications to the Plan will be required for Confirmation
 26 and that such modifications would necessitate a re-solicitation of votes. Confirmation requires,
 27 among other things, a finding by the Bankruptcy Court that it is not likely that there will be a
 28 need for further financial reorganization and that the value of distributions to dissenting members
 of Impaired Classes of Creditors would not be less than the value of distributions such Creditors
 would receive if Debtor was liquidated under Chapter 7 of the Bankruptcy Code ("Chapter 7").
 Although JATCO believes that the Plan will not be followed by a need for further financial
 reorganization and that dissenting members of Impaired Classes of Creditors will receive

Distributions at least as great as they would receive in a liquidation under Chapter 7, there can be no assurance that the Bankruptcy Court will conclude that these tests have been met.

G. The Effective Date or Substantial Consummation Date Might Be Delayed or Never Occur. There is no assurance as to the timing of the Effective Date, Substantial Confirmation Date, or that it will occur. If the respective conditions precedent to the Effective Date and Substantial Consummation Date do not occur, the Confirmation Order will be vacated. In that event, the Holders of Claims would be restored to their respective positions as of the day immediately preceding the Confirmation Date, and Debtor's obligations for Claims would remain unchanged as of such day (except to the extent of any post-Effective Date payments).

X **CONFIRMATION OF THE PLAN**

A. Confirmation of the Plan.

Pursuant to Section 1128(a) of the Bankruptcy Code, the Bankruptcy Court will hold a hearing regarding confirmation of the Plan at the United States Bankruptcy Court for the District of Nevada, Foley Federal Building and U.S. Courthouse, 300 Las Vegas Blvd South, Las Vegas, NV 89101 on _____.

B. Objections to Confirmation of the Plan.

Section 1128(b) provides that any party-in-interest may object to confirmation of a plan. Any objections to confirmation of the Plan must be in writing, must state with specificity the grounds for any such objections, and must be timely filed with the Bankruptcy Court and served upon counsel for Debtor at the following address:

Garman Turner Gordon LLP
Teresa M. Pilatowicz, Esq.
650 White Drive, Ste. 100
Las Vegas, Nevada 89119
Telephone: (725) 777-3000
Email: tpilatowicz@gtg.legal

For the Plan to be confirmed, the Plan must satisfy the requirements stated in Section 1129. In this regard, the Plan must satisfy, among other things, the following requirements.

C. The Best Interest Test and Feasibility of the Plan.

For the Plan to be confirmed, it must satisfy the requirements discussed below:

1 1. Best Interest Test.

2 Pursuant to Section 1129(a)(7) of the Bankruptcy Code, for the Plan to be confirmed, it
 3 must provide Holders of Allowed Claims or Allowed Equity Securities with at least as much
 4 under the Plan as they would receive in a liquidation of Debtor under Chapter 7 of the
 5 Bankruptcy Code (the “Best Interest Test”). The Best Interest Test with respect to each Impaired
 6 Class requires that each Holder of an Allowed Claim in such Class either: (i) accepts the Plan; or
 7 (ii) receives or retains under the Plan property of a value, as of the Effective Date, that is not less
 8 than the value such Holder would receive or retain if Debtor were liquidated under Chapter 7.
 9 The Bankruptcy Court will determine whether the value to be received under the Plan by the
 10 Holders of Allowed Claims in each Class of Creditors equals or exceeds the value that would be
 11 allocated to such Holders in a liquidation under Chapter 7. JATCO believes that the Plan meets
 12 the Best Interest Test and provides value which is not less than what would be recovered by each
 13 Holder of an Impaired Claim in a Chapter 7 proceeding for Debtor.

14 2. Liquidation Analysis.

15 The Liquidation Analysis attached as **Exhibit “2”** hereto summarizes Debtor’s best
 16 estimate of recoveries by Creditors in the event of liquidation of Debtor as of _____, 2018.

17 Generally, to determine what Holders of Allowed Claims in each Impaired Class would
 18 receive if Debtor was liquidated, the Bankruptcy Court must determine what funds would be
 19 generated from the liquidation of Debtor’s Assets and properties in a Chapter 7 liquidation case
 20 for Debtor, which for unsecured Creditors would consist of the proceeds from the disposition of
 21 the Assets of Debtor, augmented by the unencumbered Cash held by Debtor upon the completion
 22 of the liquidation. Such Cash amounts would be reduced by the costs and expenses of the
 23 liquidation and by such additional Administrative Claims and Other Priority Claims as may
 24 result from the Chapter 7 case and the use of Chapter 7 for the purpose of liquidation.

25 In a Chapter 7 liquidation, holders of allowed claims receive distributions based on the
 26 liquidation of the non-exempt assets of a debtor. However, there are no exempt assets in the
 27 Chapter 11 Case, and, as such, the distributions would include the same Assets being collected
 28 and liquidated under the Plan, namely the interests of Debtor in the Assets. In this case, the

Assets consists the Real Property, deposits with banks and the account receivable from the Diocese.

Furthermore, the proceeds from the collection and sale of property of the Estate available for distribution to Creditors would be first reduced by the satisfaction of any liens and security interests in the Assets, costs of sale, any commission payable to the Chapter 7 trustee, the trustee's attorneys' and accounting fees, as well as the administrative costs of the Chapter 7 estate. In a Chapter 7 case, the Chapter 7 trustee would be entitled to seek a sliding-scale commission based upon the funds distributed by such trustee to secured creditors.

The distributions from the liquidation proceeds would be paid Pro Rata according to the amount of the aggregate Claims held by each Creditor in each Chapter 7 case in accordance with the distribution scheme of the Bankruptcy Code. Debtor believes that the most likely outcome under Chapter 7 would be the application of the "absolute priority rule."

3. Feasibility.

The Bankruptcy Code requires that in order to confirm the Plan, the Bankruptcy Court must find that Confirmation is not likely to be followed by liquidation or the need for further financial reorganization of Debtor (the "Feasibility Test"). For the Plan to meet the Feasibility Test, the Bankruptcy Court must find that Reorganized BGDC will possess the resources and working capital necessary to meet their obligations under the Plan. In this case, that will be the obligations due JATCO as provided for in the Plan.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the statutory requirements for Confirmation.

4. Confirmation of the Plan Without Acceptance by All Impaired Classes: the "Cramdown" Alternative.

Section 1129(b) of the Bankruptcy Code provides that a plan of reorganization may be confirmed even if it has not been accepted by all impaired classes, as long as at least one impaired class of claims has accepted it. Consequently, the Bankruptcy Court may confirm the Plan at JATCO's request notwithstanding the Plan's rejection by Impaired Classes, as long as at

1 least one Impaired Class has accepted the Plan and the Plan “does not discriminate unfairly” and
2 is “fair and equitable” as to each Impaired Class that has not accepted it.

3 A plan will be deemed fair and equitable as to a class of secured claims that rejects the
4 plan if the plan provides: (i)(a) that the holders of claims in the rejecting class retain the lien
5 securing those claims, whether the property subject to those liens is retained by the debtor or
6 transferred to another entity, to the extent of the allowed amount of such claims, and (b) that
7 each holder of a claim in such class receives on account of that claim deferred cash payments
8 totaling at least the allowed amount of that claim of a value, as of the effective date of the plan,
9 at least equal to the value of the holder’s interest in the estate’s interest in such property; (ii) for
10 the sale, subject to Section 363(k) of the Bankruptcy Code, of any property that is subject to the
11 liens securing the claims included in the rejecting class, free and clear of the liens, with the liens
12 to attach to the proceeds of the sale, and the treatment of the liens on such proceeds as described
13 under clause (i) or (ii) of this paragraph; or (iii) for the realization by such holders of the
14 indubitable equivalent of such claims.

15 A plan is fair and equitable as to a class of unsecured claims that rejects the plan if the
16 plan provides: (i) for each holder of a claim included in the rejecting class to receive or retain on
17 account of such claim property that has a value, as of the effective date of the plan, equal to the
18 allowed amount of such claim; or (ii) that the holder of any claim or interest that is junior to the
19 claims of such rejecting class will not receive or retain on account of such junior claim or interest
20 any property at all.

21 5. Accepting Impaired Class.

22 Since at least one Class of Claims is Impaired under the Plan, in order for the Plan to be
23 confirmed, the Plan must be accepted by at least one Impaired Class of Claims (not including the
24 acceptance votes of Insiders of Debtor). For an Impaired Class of Claims to accept the Plan,
25 those representing at least two-thirds in amount and a majority in number of the Allowed Claims
26 voted in that Class must be cast for acceptance of the Plan.

27 **XII.**
28 **ALTERNATIVES TO THE PLAN**

1 JATCO believes that the Plan provides Creditors the best and most complete form of
2 recovery available. As a result, JATCO believes that the Plan serves the best interests of all
3 Creditors and parties-in-interest in the Chapter 11 Case.

4 In formulating and developing the Plan, JATCO explored numerous alternatives. JATCO
5 believes not only that the Plan fairly adjusts the rights of various Classes of Creditors and
6 enables the Creditors to realize the greatest sum possible under the circumstances, but also that
7 rejection of the Plan in favor of some theoretical alternative method of reconciling the Claims of
8 the various Classes would require, at the very least, an extensive and time-consuming negotiation
9 process and would not result in a better recovery for any Class.

10 Under the Bankruptcy Code, a debtor has an exclusive period of one hundred twenty
11 (120) days and an additional vote solicitation period of sixty (60) days from the entry of the
12 order for relief during which time, assuming that no trustee has been appointed by the
13 Bankruptcy Court, only a debtor may propose a plan of reorganization. After the expiration of
14 the initial 180-day period and any extensions thereof, the debtor or any other party-in-interest
15 may propose a different plan, unless the Bankruptcy Court has extended the exclusivity periods.

16 The exclusivity period in this Chapter 11 Case had expired on August 15, 2017, and, as
17 such, JATCO filed a predecessor to the Plan on September 6, 2017. The Debtor had filed a
18 motion to extend exclusivity on August 14, 2017, and the Court granted the motion and initially
19 extended the exclusivity period, Debtor filed its initial proposed plan of reorganization on
20 November 14, 2017, which was subsequently amended on December 27, 2017, and
21 supplemented on March 1, 2018. On March 16, 2018, the Court terminated the exclusivity
22 period, and JATCO subsequently filed the Plan and this Disclosure Statement.

23 If no plan of reorganization can be confirmed, a Chapter 11 case may be converted to a
24 Chapter 7 case, in which a trustee would be elected or appointed to liquidate the assets of the
25 debtor for distribution to creditors in accordance with the priorities established by the
26 Bankruptcy Code. For a discussion of the effect that a Chapter 7 liquidation in the Chapter 11
27 Case would have on recovery by Creditors, see Section X.C. and **Exhibit “2.”**

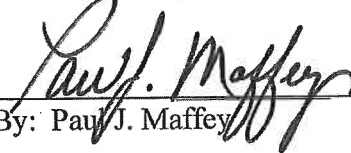
28

XIV.
RECOMMENDATION AND CONCLUSION

The Plan provides the best possible recovery for all parties-in-interest. Accordingly, JATCO recommends that all Creditors who are entitled to vote on the Plan timely submit their votes to accept the Plan.

DATED this 30th day of March, 2018

J.A. Tiberti Construction Company
A Nevada Corporation,


By: Paul J. Maffey

Prepared and Submitted:

GARMAN TURNER GORDON

By: /s/ Gerald M. Gordon
GERALD M. GORDON, ESQ.
TERESA PILATOWICZ, ESQ.
ERICK T. GJERDINGEN, ESQ.
650 White Drive, Suite 100
Las Vegas, NV 89119
Attorneys for J.A. Tiberti Construction, Inc.