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9 **UNITED STATES BANKRUPTCY COURT**

10 **DISTRICT OF NEVADA**

11 In re  
12 ASPEN SIERRA LEASING COMPANY,  
13  
14 Debtor.

Case No. BK-N-14-50087-BTB

Chapter 11

**ARROWCREEK HOMEOWNERS  
ASSOCIATION'S BRIEF IN SUPPORT OF  
FRIENDS OF ARROWCREEK, LLC AS  
THE SUCCESSFUL BIDDER**

Hearing Date: September 24, 2014

Hearing Time: 10:00 a.m.

Est. Time Req'd: ½ day

Set by: OST

15  
16  
17 ArrowCreek Homeowners Association ("HOA"), by and through its counsel, Maddox,  
18 Segerblom & Canepa, LLP, hereby files its brief in support of Friends of ArrowCreek being the  
19 successful bidder to acquire the real and personal property assets of Aspen Sierra Leasing  
20 Company and the personal property assets of Golden Gate Golf as set forth in Section VIII.2. and  
21 Exhibit E of the Joint First Amended Debtor's Plan of Reorganization filed on August 15, 2014  
22 ("Plan") (Doc.#82). This brief is supported by the concurrently-filed Declaration of Sam Fox,  
23 President of the HOA, and the following:

24 1. The Plan provides for two alternatives for the reorganization of Debtor Aspen  
25 Sierra Leasing Company ("Debtor"), which owns the real property and personal property  
26 operating as the ArrowCreek Country Club ("the Golf Club"). The first alternative is for Debtor's  
27 Purchaser (a yet to be formed entity to be called ArrowCreek Country Club, Inc.) to acquire a  
28 100% equity interest in Debtor by: paying administrative expenses (\$100,000); assuming certain

1 debts, including a disputed secured claim by Lighthouse Financial (\$140,000), a disputed tax  
2 claim due to the IRS (\$52,000), delinquent real property taxes, SAD and water bills with Washoe  
3 County Treasurer (\$1,451,884.44 estimated); assuming the equipment leases with TCF Equipment  
4 Finance, Inc. for the golf carts and with Wells Fargo Financial for the landscaping equipment; and  
5 making a \$700,000 contribution to fund improvements to the facilities and cover operating  
6 shortfalls. Plan at pp. 40-42.

7 2. The second alternative is for Friends of ArrowCreek, LLC ("FOA") to acquire the  
8 real and personal property assets of the Debtor through an overbid procedure at the confirmation  
9 hearing scheduled for September 24, 2014. Plan at p. 44. The FOA Draft Disclosure Statement  
10 and Business Plan is attached as Exhibit E to the Plan. FOA has prepared a balance sheet and a  
11 cash flow statement showing its projections for the feasibility of its business plan, which are  
12 included in Exhibit E.

13 3. FOA is comprised of 30-35 investors who are residents of the ArrowCreek  
14 community and have committed \$2.25 million so far to make payments under the Plan, fund  
15 capital improvements and pay operating expenses for the Country Club. FOA has partnered with  
16 Arnold Palmer Golf, a reputable national golf club management company to serve as an onsite  
17 operator. If it is the successful bidder, FOA has also given the HOA an option to acquire the  
18 Country Club within 9 months after the Effective Date. The HOA would seek to form a 50/50  
19 joint venture with Arnold Palmer Golf to operate the Country Club. The joint venture would be  
20 funded in part by increased monthly dues (\$75-80 per month) from the HOA members. All  
21 residents would thereby become social members of the Country Club.

22 4. The HOA is comprised of over 1,000 homeowners whose real property values will  
23 be impacted by the success or failure of the Country Club.

24 5. For several reasons outlined below, the HOA's Board has voted to support FOA as  
25 the successful bidder under the Plan and it has requested that the general membership vote to  
26 support FOA's acquisition.

