

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

April 12, 2013

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

GL No. S-5844
GL No. S-5372
Hawaii

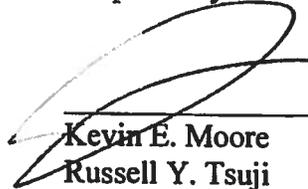
Discussion on the Status of Chapter 11 Bankruptcy Case No. 12-02279, Hawaii Outdoor Tours, Inc., Debtor, Filed in the United States Bankruptcy Court, District of Hawaii, Including the Debtor's Disclosure Statement and Proposed Plan of Reorganization dated and filed on March 20, 2013

The Board will hold the discussion in Executive Session pursuant to Section 92-5(a)(4), Hawaii Revised Statutes, in order to consult with its attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities.

BACKGROUND:

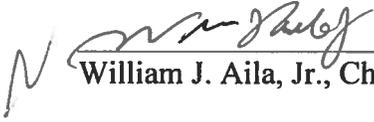
Hawaii Outdoor Tours, Inc. (Lessee or Debtor), is the lessee under General Lease No. S-5844 covering the premises of the Naniloa Volcanoes Resort in South Hilo, Hawaii, and General Lease No. S-5372, which is a pasture lease in Kau, Hawaii. Lessee filed for bankruptcy on November 20, 2012 in the United States Bankruptcy Court for the District of Hawaii. On March 20, 2013, Debtor filed its Disclosure Statement and proposed Plan of Reorganization. The Department of the Attorney General has requested an opportunity to discuss with the Board of Land and Natural Resources, in executive session, the status of the bankruptcy proceeding, including the Debtor's proposed Plan of Reorganization dated March 20, 2013 (copy attached as Exhibit A), and Debtor's Disclosure Statement Re: Plan of Reorganization dated March 20, 2013 (copy attached as Exhibit B).

Respectfully Submitted,



Kevin E. Moore
Russell Y. Tsuji
Land Management Division

APPROVED FOR SUBMITTAL:



William J. Aila, Jr., Chairperson

GC 5372
GC 5844

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

WAGNER, CHOI & VERBRUGGE
James A Wagner
Neil J. Verbrugge
745 Fort Street, Suite 1900
Honolulu, Hawaii, 96813
(808) 533-1877
808) 566-6900(facsimile)
jwagner@hibklaw.com
nverbrugge@hibklaw.com

Attorneys for Hawaii Outdoor Tours
Inc, Debtor and
Debtor in Possession

UNITED STATES BANKRUPTCY COURT
DISTRICT OF HAWAII

RECEIVED
LAND DIVISION
2013 MAR 25 AM 9:50
DEPT. OF LAND &
NATURAL RESOURCES
STATE OF HAWAII

HAWAII OUTDOOR TOURS, INC., a
Hawaii corporation, dba Naniloa Volcanoes
Resort, dba Naniloa Volcanoes Golf Club,
Debtor and
Debtor-in-possession.

Case No. 12-02279 (RJF)
Chapter 11
Date: N/A
Time: N/A
Place: United States Courthouse
Judge: Hon. Robert J. Faris

DEBTOR'S PLAN OF REORGANIZATION, DATED MARCH 20, 2013;
EXHIBITS A - C

RECEIVED
2013 MAR 22 A 11:15
DEPT. OF LAND &
NATURAL RESOURCES
STATE OF HAWAII

EXHIBIT A

3.25.13 uj: HDLO

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

ARTICLE I. DEFINITIONS, INTERPRETATIONS, AND RULES OF CONSTRUCTION 4

 1.01 Definitions..... 4

 1.02 Interpretations, Computation of Time and Governing Law..... 4

 1.03 Undefined Terms..... 15

 1.04 Rules of Interpretation..... 15

 1.05 Computing Time Periods..... 17

 1.06 Section Numbers..... 17

 1.07 Notices and Delivery of Documents..... 17

ARTICLE II. INTRODUCTION..... 18

ARTICLE III. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS . 20

 3.01 General Overview..... 20

 3.02 Unclassified Claims..... 20

 3.02.1 Administrative Expenses..... 21

 3.02.2 Court Approval of Fees Required..... 23

 3.02.3 Priority Tax Claims..... 23

 3.03 Classified Claims and Interests..... 25

 3.03.1 Classes of Secured Claims..... 25

 3.03.2 Classes of General Unsecured Claims..... 32

 3.03.3 Classes of Priority Unsecured Claims..... 33

 3.03.4 Classes of General Unsecured Claims..... 33

 3.03.5 Classes of Interest Holders..... 35

 3.04 Means of Effectuating the Plan..... 36

 3.04.1 Resolution of the State Court Actions..... 36

 3.04.2 Funding for the Plan..... 37

 3.05 Post-confirmation Management..... 38

 3.06 Disbursing Agent..... 38

 3.07 Acceptance of Rejection of the Plan; Cramdown..... 39

 3.07.1 Acceptance by Impaired Classes of Claims and Interests..... 39

 3.07.2 Voting Classes..... 39

 3.07.3 Ballot Instructions..... 40

 3.07.4 Cramdown: Section 1129(b) of the Bankruptcy Code..... 40

 3.08 Employment and Compensation of Professionals..... 40

 3.09 Post-Confirmation Estate Claims..... 41

 3.10 Objections to Claims..... 42

 3.11 Pending Disputed General Unsecured Claims as of the Date of Distribution..... 43

 3.12 Unclaimed Distributions..... 44

 3.13 Other Provisions of the Plan..... 45

 3.13.1 Executory Contracts and Unexpired Leases..... 45

 3.13.2 Changes In Rates Subject to Regulatory Commission Approval..... 49

 3.13.3 Retention of Jurisdiction..... 49

ARTICLE IV. EFFECT OF CONFIRMATION OF THE PLAN..... 52

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

4.01 Discharge 52
4.02 Revesting of Property in the Debtor 52
4.03 Modification of the Plan 53
4.04 Post-Confirmation Status Reports..... 54
4.05 Post-Confirmation Conversion/Dismissal 54
4.06 Final Decree..... 55

ARTICLE V. REVESTING OF THE PROPERTY OF THE ESTATE 55

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

ARTICLE I.

DEFINITIONS, INTERPRETATIONS, AND RULES OF CONSTRUCTION

1.01 Definitions.

1.01.1

1. **“Administrative Claim”** means a Claim for costs and expenses of the administration of the Case under Sections 503(b) or 507(b) 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 the Debtor (such as wages, salaries, or commissions for services); (b) all Claims of professionals employed at the expense of the Estate; and (c) any fees or charges assessed against the Estate under 28 U.S.C. § 1930.

2. **“Allowed Administrative Claim”** means an Administrative Claim allowed pursuant to Sections 503(b) or 507(b) of the Bankruptcy Code.

3. **“Allowed Amount”** means the amount of any Claim against the Debtor determined in accordance with Sections 502 and 506(a) of the Bankruptcy Code and any other applicable Section of the Bankruptcy Code, and recognized by the Debtor as value or allowed by Final Order of the Court, except to the extent described or defined otherwise herein.

4. **“Allowed Claim”** means a Claim: (a) with respect to which a Proof of Claim has not been filed but the Claim has been listed in the Schedules filed with the Bankruptcy Court by the Debtor and not listed as disputed, contingent, or unliquidated as to amount and as to which no objection is filed within the time period fixed by the Bankruptcy Court, or as to which any such objection has been determined by a Final Order; or (b) with respect to which a Proof of Claim has been filed within the time period fixed by the Bankruptcy Court, and as to which no objection is filed within the time period fixed by the Bankruptcy Court, or as to

1 which any such objection has been determined by a Final Order. **Class ___ Claim** means an
2 Allowed Claim in the particular Class described.

3 5. **“Allowed Class Interest”** means an Allowed Interest in the particular Class
4 described

5 6. **“Allowed Class Interest”** means an Allowed Interest in the particular Class
6 described

7 7. **“Allowed General Unsecured Claim”** means an unsecured Allowed Claim
8 against the Debtor, however arising, not entitled to priority under Section 507(a) of the
9 Bankruptcy Code, including, without limitation, an Allowed Claim based on the rejection of an
10 executory contract or unexpired lease.

11 8. **“Allowed Priority Claim”** means an Allowed Administrative Claim, Allowed
12 Priority Tax Claim, or Allowed Priority Unsecured Claim.

13 9. **“Allowed Priority Tax Claim”** means an Allowed Claim entitled to priority
14 pursuant to Section 507(a)(8) of the Bankruptcy Code.

15 10. **“Allowed Priority Unsecured Claim”** means an Allowed Claim entitled to
16 priority pursuant to Sections 507(a)(3), 507(a)(4), or 507(a)(6) of the Bankruptcy Code.

17 11. **“Allowed Secured Claim”** means an Allowed Claim secured by a lien, security
18 interest or other charge against property in which the Estate has an interest, or which is subject
19 to setoff under Section 553 of the Bankruptcy Code, to the extent of the value, determined in
20 accordance with Section 506(a) of the Bankruptcy Code, of the interest of the holder of such
21 Allowed Secured Claim in the Estate’s interest in such property, or to the extent of the amount
22 subject to any setoff, as the case may be.

23 12. **“Amended First Citizens Bank Note 1 Security Documents”** means the First
24

1 Citizens Bank Note 1 Security Documents as they relate to the collateral securing the First
2 Citizens Bank Note 1, as amended pursuant to the Plan. .

3 13. **“Approved Date”** means the date on which an Order approving the Disclosure
4 Statement, or an amended version thereof, is entered by the clerk on the Court's docket.

5 14. **“Avoidance Action”** means any action which is filed or which may be filed
6 pursuant to the provisions of Sections 510, 542, 543, 544, 545, 547, 548, 549, or 550 of the
7 Bankruptcy Code, any actions based on applicable non Bankruptcy law that may be
8 incorporated or brought under the foregoing sections of the Bankruptcy Code, or any other
9 similar action or proceeding filed to recover property for or on behalf of the Estate or to avoid
10 a lien or transfer.

11 15. **“Ballot”** means the form distributed to holders of claims and interests on which
12 is to be stated an acceptance or rejection of the Plan.

13 16. **“Bankruptcy Code”** means Title 11 of the United States Code, as now in effect
14 or hereafter amended. All citations in the Plan to section numbers are to the Bankruptcy Code
15 unless otherwise expressly indicated.

16 17. **“Bankruptcy Court”** means the United States Bankruptcy Court for the
17 Eastern District of Hawaii, which has jurisdiction over the Case and the Estate of the Debtor,
18 or such successor court or tribunal as may hereafter be confirmed or created by lawful
19 authority with power to confirm reorganization plans under Chapter 11 of the Bankruptcy
20 Code and all applicable statutes, rules, and regulations pertaining thereto.

21 18. **“Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure and the
22 Local Bankruptcy Rules for use in the Bankruptcy Court, as now in effect or hereafter
23 amended.

24

1 **19. “Bar Date”** means the last date for filing Proofs of Claim other than
2 Administrative Claims or Claims based upon the rejection of any executory contracts or
3 unexpired leases. The Bar Date for filing Proofs of Claim was set by the Bankruptcy Court as
4 _____.

5 **20. “Business Day”** means any day other than a Saturday, Sunday, or “legal
6 holiday” (as defined in Bankruptcy Rule 9006(a)).

7 **21. “Case”** means the Debtor’s Chapter 11 case which was filed in the Bankruptcy
8 Court, as 12-02279 (RJF)

9 **22. “Cash”** means cash and cash equivalents, including, but not limited to, checks
10 or similar forms of payment or exchange.

11 **23. “Claim”** means: (a) a right to payment from the Debtor, whether or not such
12 right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured,
13 disputed, undisputed, legal, equitable, secured, or unsecured, or (b) a right to an equitable
14 remedy for breach of performance if such breach gives rise to a right to payment from the
15 Debtor, whether or not such right to an equitable remedy is reduced to judgment, liquidated,
16 unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or
17 unsecured.

18 **24. “Claimant”** means the holder of a Claim.

19 **25. “Class”** means a grouping into which Claims or Interests which are
20 substantially similar to other Claims or Interests have been classified pursuant to Article IV of
21 the Plan.

22 **26. “Confirmation”** means the entry of the Confirmation Order by the Bankruptcy
23 Court.

1 27. “Confirmation Date” means the date on which the Confirmation Order is
2 entered by the Bankruptcy Court.

3 28. “Confirmation Hearing” means the hearing, including any continued or
4 postponed session thereof, at which time the Bankruptcy Court will consider and determine
5 whether to confirm the Plan.

6 29. “Confirmation Order” means the order, as entered, of the Bankruptcy Court
7 confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

8 30. “Creditor” means the holder of an Allowed Claim.

9 31. “Debtor” means HAWAII OUTDOOR TOURS INC., the debtor and debtor-in-
10 possession in the Case.

11 32. “Disallowed Claim” means a Claim against the Debtor, which Claim is
12 disallowed pursuant to an order of the Bankruptcy Court as to which eleven (11) calendar days
13 have passed following entry of such order and no stay pending an appeal of such order is
14 obtained during such period

15 33. “Disbursing Agent” means the person or entity charged with making
16 Distributions pursuant to the terms of the Plan. Pursuant to the Plan, the Reorganized Debtor
17 will serve as the Disbursing Agent under the Plan.

18 34. “Disclosure Statement” means the Disclosure Statement (and all exhibits or
19 schedules annexed thereto or referenced therein) which accompanies the Plan, as the
20 Disclosure Statement may be amended, modified, or supplemented from time to time in
21 accordance with the Bankruptcy Code and Bankruptcy Rules.

22 35. “Disputed Claim” means any Claim: (a) listed on the Debtor’s Schedules as
23 unliquidated, disputed, or contingent; or (b) as to which the Debtor, or any other party in
24

1 interest, has interposed a timely objection or request for estimation or subordination in
2 accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection or request
3 for estimation or subordination has not been withdrawn or determined by a Final Order. A
4 Claim will be considered a Disputed Claim in its entirety if an objection is timely filed to any
5 portion of such Claim.

6 36. **“Disputed Claims Reserve Account”** means the segregated account to be
7 created for holding the pro-rata share of any Disputed Claims pending final resolution of the
8 Disputed Claim.

9 37. **“Distribution”** means the Cash which is required to be distributed under the
10 Plan to the holders of Allowed Claims.

11 38. **“DLNR Fiscal Office”** means The Hawaii Department of Land and Natural
12 Resources, the beneficiary of a \$500,000 performance bond dated February 1, 2012 by and
13 between DLNR as beneficiary and Hawaii Outdoor Tours, Inc., as Obligor and which bond had
14 a balance owing of approximately \$259,971.03 on the petition date.¹

15 39. **“Effective Date”** means the date not later than ninety (90) days following the
16 date upon which the Confirmation Order becomes a Final Order; provided, however, that, if an
17 appeal of the Confirmation Order is timely filed, the Debtor may elect to cause the Plan to
18 become effective, notwithstanding the pendency of such appeal, so long as no stay of the
19

20
21 _____
22 ¹ On October 5, 2012, the Lender made a payment of \$260,015.95 to cure the default on the performance
23 bond. On November 20, 2012, the Debtor filed for bankruptcy. In December 2012, the Lender made a lease
24 payment in the amount of \$262,000 which is a superpriority administrative claim.

1 Confirmation Order is in effect, by filing with the Bankruptcy Court a notice of such election,
2 in which event the Plan will become effective as provided herein.

3 40. "Equity Security Holder" means the holder of an Interest in the Debtor.

4 41. "Estate" means the estate created under Section 541 of the Bankruptcy Code in
5 the Case.

6 42. "Exhibits" means those exhibits annexed to the Plan or Disclosure Statement or
7 incorporated by reference in the Plan or Disclosure Statement.

8 43. "File," "Filed," or "Filing" means filed with the Bankruptcy Court having
9 jurisdiction over the Case.

10 44. "Final Distribution" means, for each Class, the last Distribution to be made to
11 holders of Allowed Claims in that Class.

12 45. "Final Order" means an order or judgment of the Bankruptcy Court, or of any
13 court of competent jurisdiction where there is pending an action in which the Debtor is a party,
14 which has not been reversed, stayed, modified, or amended, and as to which: (a) the time to
15 appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which
16 no appeal, petition for certiorari, or other proceeding for reargument or rehearing shall then be
17 pending; or (b) any right to appeal, petition for certiorari, reargument, or rehearing shall have
18 been waived in writing in form and substance satisfactory to the Debtor; or (c) any appeal,
19 petition for certiorari, reargument or rehearing has been resolved by the highest court to which
20 the order or judgment was appealed timely or from which certiorari, reargument, or rehearing
21 was sought.

1 **46. “Financial Projections”** means the financial statements prepared by the Debtor
2 which sets forth, among other things, the Debtor's cash flow projections, and which is attached
3 as Exhibit "C" hereto.

4 **47. “First Citizens Bank”** means First Citizens Bank, the holder of the beneficial
5 interest in: (1) 1st deed of trust encumbering the Naniloa Hotel Property. First Citizens Bank is
6 the successor in interest to First Regional Bank. On January 29, 2010 First Citizens Bank
7 entered into an agreement with the Federal Deposit Insurance Corp. (FDIC) to purchase
8 substantially all the assets and assume the majority of the liabilities of First Regional Bank of
9 Los Angeles, California.

10 **48. “First Citizens Bank Note 1”** means that certain Promissory Note secured by a
11 first trust deed encumbering the Naniloa Hotel Property, of First Citizens Bank, as successor in
12 interest to First Regional Bank, as of the petition date including all amendments and
13 modifications thereto.

14 **49. “First Citizens Bank Note 1 Collateral”** means the first deed of trust
15 encumbering the leasehold interest of the Naniloa Hotel Property.

16 **50. “First Citizens Bank First Note 1”** means that certain Promissory Note to be
17 executed by the Reorganized Debtor as maker in favor of the current holder of the First
18 Citizens Bank Note 1 pursuant to the Plan in an amount equal to the amount of the First
19 Citizens Bank Note 1 on the Effective Date secured by an first deed of trust encumbering the
20 First Citizens Bank Note 1 Collateral as of the Effective Date.

21 **51. “General Lease No. S-5844”** means the state of Hawaii or its assignee as Lessor
22 to Hawaii Outdoor Tours, as Lessee under General Lease No. S-5844 effective February 1,
23 2006.

24

1 **52. “General Unsecured Claim”** means an unsecured Claim against the Debtor
2 that is not entitled to priority under Section 507(a) of the Bankruptcy Code, including, without
3 limitation, a Claim based on the rejection of an executory contract or unexpired lease.

4 **53. “KDC”** means Ken Direction Corporation, the parent company of the Debtor.

5 **54. “Kenneth Fujiyama”** means Kenneth Fujiyama, the CEO of the Debtor

6 **55. “Naniloa Hotel Property or Debtors Property”** means the Hotel and golf
7 course located at 93 Banyon Drive, Hilo, Hawaii, 96721 95356, consisting of an area of 6.35
8 acres, more or less (“Naniloa Hotel”), and a nine-hole Golf Course and Allied Facilities Site,
9 containing a gross area of 63.775 acres, and a net area of 62.576 acres after exclusions (“Golf
10 Course”).

11 **56. “Net Sales Proceeds”** means all of the Cash proceeds from the sale of the assets
12 of the Estate minus all costs of sale and administrative expenses of the Estate including, but not
13 limited to, the fees and expenses of the Disbursing Agent and Professionals employed by the
14 Estate, income taxes and payments pursuant to the Plan to creditors holding Allowed

15 **57. “New Value contribution”** means the equity contribution by the KDC for the
16 benefit of the Debtor consisting of approximately 1,951 acres of oceanfront land in the Kau
17 district of Hawaii and any third party cash contributions to fund the plan on the Effective date.

18 **58. “Order”** means an order or judgment of the Bankruptcy Court as entered on
19 the Court's docket.

20 **59. “Person”** means any individual, corporation, general partnership, limited
21 partnership, association, joint stock company, joint venture, estate, trust, government or any
22 political subdivision, governmental unit (as defined in the Bankruptcy Code) or official
23 committee appointed by the United States Trustee.

1 **60. “Petition Date”** means November 20, 2012, the date on which the Debtor filed
2 its voluntary petition under Chapter 11 of the Bankruptcy Code, commencing the Case.

3 **61. “Plan”** means the Debtor’s Chapter 11 Plan of Reorganization, as the Plan may
4 be amended, modified, or supplemented from time to time in accordance with the Bankruptcy
5 Code and Bankruptcy Rules.

6 **62. “Post-Confirmation Estate Claims”** means any and all claims and causes of
7 action which constitute property of the Estate including, but not limited to, any Avoidance
8 Actions, whether or not such claims or causes of action are the subject of litigation pending as
9 of the Effective Date.

10 **63. “Post-Petition Earnings”** means any funds received by Debtor since the
11 Petition Date.

12 **64. “Priority Claim”** means an Administrative Claim, Priority Tax Claim, or
13 Priority Unsecured Claim.

14 **65. “Priority Tax Claim”** means a Claim asserted to have priority under Section
15 507(a)(8) of the Bankruptcy Code.

16 **66. “Priority Unsecured Claim”** means a Claim asserted to have priority under
17 Sections 507(a)(3), 507(a)(4), or 507(a)(6) of the Bankruptcy Code.

18 **67. “Professionals”** mean professionals, such as attorneys, consultants or
19 accountants employed by the Disbursing Agent in this case after the confirmation of the Plan,
20 including but not limited to, James A Wagner.

21 **68. “Pro Rata”** means the proportional amount of any one Claim or Equity Interest
22 in a Class or a group of Claims to the aggregate amount of all Claims or Equity Interests in the
23 same Class or group, including Disputed Claims until disallowed.

1 **69. “Proof of Claim”** means a statement under oath filed in the Case by a Claimant
2 in which the Claimant sets forth the amount claimed to be owed to it and sufficient detail to
3 identify the basis for the Claim, in accordance with Federal Rule of Bankruptcy Procedure
4 3001.

5 **70. “Reorganized Debtor”** means the Debtor, Hawaii Outdoor Tours Incorporated
6 on and after the Effective Date, who shall assume all of the rights and obligations of the Debtor
7 together with title to and control of the Debtor's assets and liabilities upon Confirmation of the
8 Plan, as such rights, obligations, assets and liabilities are modified in the Plan

9 **71. “Schedules”** means the Schedules of Assets and Liabilities and Statement of
10 Financial Affairs filed by the Debtor in the Case, as amended, modified, or supplemented from
11 time to time.

12 **72. “Secured Claim”** means a Claim secured by a lien, security interest or other
13 charge against property in which the Estate has an interest, or which is subject to setoff under
14 Section 553 of the Bankruptcy Code, to the extent of the value, determined in accordance with
15 Section 506(a) of the Bankruptcy Code, of the interest of the holder of such Secured Claim in
16 the Estate's interest in such property, or to the extent of the amount subject to any setoff, as the
17 case may be.

18 **73. “Secured Creditor”** shall mean the holder of an Allowed Secured Claim.

19 **74. “Shareholder Interest”** means a shareholder interest in the Debtor.

20 **75. “Tax Collector”** means the County Treasurer/Tax Collector or its successors-
21 in-interest

22 **76. “Unclaimed Distribution”** means any Distribution which is unclaimed as a
23 result of any of the following: (a) checks which have been returned as undeliverable without a
24

1 proper forwarding address; (b) checks which were not mailed or delivered because of the
2 absence of a proper address to which to mail or deliver the same; (c) checks which remain un-
3 negotiated for a period of ninety (90) days after the date of issuance.

4 77. **“Unclassified Claims”** means the Allowed Amount of all Administrative
5 Claims of the Debtor's Case, allowed pursuant to Section 503(b) of the Bankruptcy Code; and
6 (ii) all Priority Tax Claims entitled to priority pursuant to SECTION 507(a)(8) of the
7 Bankruptcy Code.

8 78. **“Unsecured Creditors”** means Creditors holding Allowed Unsecured Claims
9 against the Debtor for which there are no assets of the Debtor serving as a security, but not
10 including Priority Claims.

11 1.01.1 **“Wage Claimant”** means a Claimant asserting a Claim pursuant to Section 507(a)(3)
12 or (a)(4) of the Bankruptcy Code.

13 **1.02 Interpretations, Computation of Time and Governing Law.**

14 **1.03 Undefined Terms.**

15 Any term used in the Disclosure Statement that is not defined in the
16 Disclosure Statement, either in Section II.A (Definitions) or elsewhere, but that is
17 used in the Bankruptcy Code or the Bankruptcy Rules has the meaning assigned to
18 that term in the Bankruptcy Code or the Bankruptcy Rules.

19 **1.04 Rules of Interpretation.**

20 For the purposes of the Disclosure Statement:

21 1. Whenever, from the context, it is appropriate, each term, whether stated
22 in the singular or the plural, shall include both the singular and the plural.
23
24

1 2. Any reference in the Plan to a contract, instrument, release or other
2 agreement or document being in a particular form or on particular terms and
3 conditions means that such document shall be substantially in such form or
4 substantially on such terms and conditions.

5 3. Any reference in the Plan to an existing document or Exhibit Filed or to
6 be Filed means such document or Exhibit, as it may have been or may be amended,
7 modified, or supplemented as of the Confirmation Date.

8 4. Unless otherwise specified in a particular reference in the Plan, all
9 references in the Plan to Sections, Articles or Exhibits are references to Sections,
10 Articles and Exhibits of or to the Plan.

11 5. Unless otherwise specified in a particular reference in the Plan, the
12 words "herein," "hereof," "hereto," "hereunder," and others of similar import refer to
13 the Plan in its entirety rather than only to a particular paragraph, subparagraph, or
14 clause contained in the Plan.

15 6. Captions and headings to Articles and Sections are inserted for
16 convenience of reference only and are not intended to be a part of or to affect the
17 interpretation of the Plan.

18 7. The rules of construction set forth in Bankruptcy Code Section 102
19 shall apply.

20 8. The provisions of the Plan will control over any description thereof
21 contained in the Disclosure Statement.

22 9. Any term used in the Plan that is not defined in the Plan, but that is used
23 in the Bankruptcy Code or in the Bankruptcy Rules shall have the meaning assigned
24

1 to that term in (and shall be construed in accordance with the rules of construction
2 under) the Bankruptcy Code or the Bankruptcy Rules. Without limiting the
3 foregoing, the rules of construction set forth in Section 102 of the Bankruptcy Code
4 shall apply hereto. The definitions and rules of construction contained herein do not
5 apply to the Disclosure Statement or to the exhibits to the Plan except to the extent
6 expressly so stated in the Disclosure Statement or in each exhibit to the Plan.

7 10. Except to the extent that federal law, including the Bankruptcy Code or
8 the Bankruptcy Rules are applicable, the rights and obligations arising under the Plan
9 shall be governed by, and construed and enforced for all purposes in accordance with,
10 the laws of the State of Hawaii, without giving effect to any principles of conflict of
11 laws thereof.

12 11. All exhibits to the Plan are incorporated into the Plan and will be
13 deemed to be included in the Plan, regardless of when they are filed.

14 **1.05 Computing Time Periods.**

15 In computing any period of time prescribed or allowed by the Plan, the
16 provisions of Bankruptcy Rule 9006(a) shall apply.

17 **1.06 Section Numbers.**

18 References in the Plan and Disclosure Statement to a Code section are
19 references to the United States Bankruptcy Code (Title 11 of the United States Code)
20 except as otherwise indicated.

21 **1.07 Notices and Delivery of Documents.**

22 All notices, correspondence, and other deliveries under this Disclosure
23 Statement must be directed as follows:
24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

To the Debtor or Reorganized Debtor:	Hawaii Outdoor Tours Incorporated Attn: Kenneth Fujiyama P.O. Box 1417, Hilo, HI 96721
With a Copy to:	James A Wagner Esq. 745 Fort Street, Suite 1900, Honolulu, Hawaii, 96813 Telephone: (808) 533-1877

ARTICLE II.

INTRODUCTION

HAWAII OUTDOOR TOURS INCORPORATED, is the Debtor and Debtor in Possession in this Case². The Debtor commenced its Case by filing a voluntary Chapter 11 petition under the United States Bankruptcy Code, ("Code") Sections 101-1330, on November 20, 2012 (the "Petition Date"). This document is the Chapter 11 plan proposed by the Debtor (the Debtor may sometimes be referred to herein as the "Proponent" of the Plan). Sent to you in the same envelope, as this document is the Disclosure Statement which has been approved by the Court and which is provided to help you understand the Plan.

This is a reorganizing Plan. In other words, the Proponent seeks to accomplish payments under the Plan by restructuring a note secured by real property of the estate held by First Citizens Bank. The secured creditors of the estate shall be paid the present value of their

² The definitions of the capitalized terms used in this Plan are contained in Section I. above.

1 claim at a market interest rate over a sixty month period through net income generated from the
2 Naniloa Hotel Property and/or through a sale or refinance of the Naniloa Hotel Property. The
3 Effective Date of the proposed Plan is projected to be September 15, 2013. The first payment
4 due under the plan is based upon the projected Effective Date is October 15, 2013.
5

6 The Plan will be implemented through the following means: The proceeds from net
7 income resultant from the room sales, bar and restaurant revenue, golf course revenue,
8 convention and banquet revenue will be used to fund the payments to both Secured and
9 Unsecured Creditors provided for under the Plan. The CEO of the Debtor Kenneth Fujiyama,
10 will provide oversight and assistance in the operation of the Debtor's business and day-to-day
11 management decisions. The Debtor will work to maintain and increase room sales, bar and
12 restaurant revenue, golf course revenue, convention and banquet revenue, as well as to
13 refinance and or sell the Naniloa Hotel Property providing funds for the payment of creditors.

- 14 • The proceeds from net income resultant from the room sales, bar and restaurant
15 revenue, golf course revenue, convention and banquet revenue and or the
16 sale/refinance of the Naniloa Hotel Property will be used to fund the payments to
17 both Secured and Unsecured Creditors provided for under the Plan. It is anticipated
18 that there will be sufficient funds from the above referenced sources to pay all
19 Allowed Secured and Allowed Unsecured Claims as follows:

- 20 • The secured claims of the Director of Finance-RPT County of Hawaii,
21 Hawaii State Tax Collector, Department of Taxation, and First Citizens Bank
22 will be paid in full on or before the sixtieth (60th) month following the Effective
23 Date, **excepting that the Allowed Claims of Director of Finance-RPT**
24

1 County of Hawaii and Hawaii State Tax Collector, Department of Taxation
2 shall be paid in full on the Effective Date should the state of Hawaii or its
3 assignee as Lessor to Hawaii Outdoor Tours, as Lessee under General
4 Lease No. S-5844 effective February 1, 2006, determine that those allowed
5 claims shall be paid in full on the Effective Date as a cure of monies due to
6 maintain the terms and conditions due under General Lease No. S-5844.

- 7 • Unsecured Priority Claims other than Priority Tax Claims shall be paid
8 in full on the Effective Date
- 9 • Allowed Class 4 General Unsecured Claims will receive 100% of their
10 allowed claim on or before the sixtieth (60th) month following the Effective
11 Date.

12 ARTICLE III.

13 CLASSIFICATION AND TREATMENT OF

14 CLAIMS AND INTERESTS

15 3.01 General Overview.

16 As required by the Bankruptcy Code, the Plan classified Claims and Interests
17 in various classes according to their right to priority of payments as provided under
18 the Bankruptcy Code. The Plan states whether each class of Claim or Interest is
19 impaired or unimpaired. The Plan provides the treatment each class will receive
20 under the Plan.

21 3.02 Unclassified Claims.

22 Certain types of Claims are not placed into voting classes; instead they are
23 unclassified. They are not considered impaired and they do not vote on the Plan
24

1 because they are automatically entitled to specific treatment provided for them in the
2 Bankruptcy Code. As such, Proponent has not placed the following Claims in a class.

3 **3.02.1 Administrative Expenses.**

4 Administrative expenses are Claims for costs or expenses of administering
5 Debtor's Chapter 11 case which are allowed under Code Section 507(a)(1). The Code
6 requires that all Administrative Claims be paid on the Effective Date of the Plan,
7 unless a particular claimant agrees to a different treatment.

8 Except to the extent that the holder of a particular Allowed Administrative
9 Claim agrees to a different treatment thereof, each Allowed Administrative Claim
10 will be paid in full, in Cash, on the later of: (a) the Effective Date; or (b) the fifth
11 Business Day after the order allowing such Administrative Claim becomes a Final
12 Order. Any holder of an Administrative Claim (including, without limitation, any
13 governmental unit holding an Administrative Claim for post-petition taxes and/or
14 interest and penalties related to such taxes) is required to file a request for payment of
15 its Administrative Claim. Requests for payment of Administrative Claims must be
16 filed not later than thirty days after the Effective Date, and will be paid on or before
17 the fifth Business Day after the order allowing such Administrative Claim becomes a
18 Final Order. Any failure by the holder of an Administrative Claim to file a request
19 for payment of its Administrative Claim within thirty days after the Effective Date
20 will forever bar such holder of an Administrative Claim from asserting its
21 Administrative Claim against the Estate.

The following chart lists all of Debtor's Section 507(a)(1) Administrative Claims and their treatment under the Plan:³

all of the Debtor's § 507(a)(1) administrative claims and their treatment under the Plan.

<u>Name</u>	<u>Amount Owed</u>	<u>Treatment</u>
James A Wagner	\$10,000	Paid in full on Effective Date
Priority Unsecured Claims ⁴		
First Citizens Claim for Land Lease Payment Super Priority Administrative Claim	\$262,000 ⁵	Paid in full on Effective Date

³ The amounts listed owed are estimates.

⁴ The "various guest deposits" of \$109,328.29 referenced as Creditor 5 under Debtors Schedule E" Priority Unsecured Creditors" are deposits associated with room sales and each guest is credited the deposit amount upon final billing, meaning the guest deposits owed by the Debtor in any given week are credited to the guest upon checking out and paid at that time; therefore the \$109,328.29 listed in Schedule E is a fluid amount that is collected by the Debtor and then paid back to the guest by way of room charge credit and is not an amount owing on the Effective Date. The security deposits referenced as Creditors 2, 3 and 4 in Schedule E are payable upon each lease maturing as referenced in Section 3.06.1 and the tenant vacating the premises and are not an amount owing on the Effective Date. Creditor 7 in Schedule E was reclassified in Class 3. Creditors 6 and 8 in Schedule E were listed in error and are not owed monies. Creditors 9 and 10 in Schedule E were listed in error and have been reclassified as Schedule F Unsecured Non-Priority Claims.

⁵ On October 5, 2012, the Lender made a payment of \$260,015.95 to cure the default on the performance bond. On November 20, 2012, the Debtor filed for bankruptcy. In December 2012, the Lender made a lease payment for August 2012 rent in the amount of \$262,000 which is a superpriority administrative pursuant to the terms of the Second Cash Collateral Stipulation.

1	Clerk's Office Fees	500	Paid in full on Effective Date
2	Office of the U.S. Trustee Fees	\$6,500 (3rd qtr '13)	Paid in full on Effective Date
3		TOTAL	
4		\$309,000	

5

6 **3.02.2 Court Approval of Fees Required.**

7 The Court must rule on all professional fees listed in the chart above before
 8 the fees will be owed. For all fees except the Clerk's Office fee and the United States
 9 Trustee's fees, the professional in question must file and serve a properly noticed fee
 10 application and the Court must rule on the application. Only the amount of fees
 11 allowed by the Court will be owed and required to be paid under the Plan.

12 **3.02.3 Priority Tax Claims.**

13 Priority tax claims are certain unsecured income, employment and other taxes
 14 described by Code Section 507(a)(8). Except to the extent that the holder of a
 15 particular Allowed Priority Tax Claim agrees to a different treatment thereof, the
 16 Code requires that each holder of an Allowed Priority Tax Claim receive the present
 17 value of such Allowed Priority Tax Claim in deferred Cash payments over a period
 18 not exceeding six years from the date of assessment of such tax.

19 Treatment of Allowed Priority Tax Claims.

20 Priority tax claims are certain unsecured income, employment and other taxes
 21 described by Code Section 507(a)(8). Except to the extent that the holder of a
 22 particular Allowed Priority Tax Claim agrees to a different treatment thereof, the
 23

1 i. of a total value, as of the Effective Date of the Plan, equal to the allowed
2 amount of such Claim; ii. over a period ending not later than five years after the
3 Petition Date under Section 301, 302 or 303; and iii. in a manner not less favorable
4 than the most favored nonpriority Unsecured Claim provided for by the Plan (other
5 than Cash payments made to a class of creditors under Section 1122(b)).

6 The Debtor has no Section 507(a)(8) Priority Tax Claims. If it is determined
7 that there are allowed Section 507(a)(8) Priority Tax Claims, such Allowed Priority
8 Tax Claims will be paid in monthly installment payments such that they are paid in
9 full within five years of the Petition Date, with payments to commence within thirty
10 days of the Effective Date, will include annual interest at the published rate for one-
11 year Treasury constant in the middle of the month of the Effective date and will be
12 fully amortized in 60 equal payments. Alternatively, the Allowed Claim amount may
13 be paid in full on the Effective Date.

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

16 **The Debtor has no Section 507(a)(8) priority tax claims.**⁶

17 //

18 //

19 //

20 //

21 //

22

23 ⁶ In the event any taxing agencies filed Priority Tax Claims, the Debtor reserves the right to file
24 an objection to such Claims on any appropriate grounds.

<u>Description</u>	<u>Amount Owed</u>	<u>Treatment</u>
· Name = Not Applicable	0.00	· Pymt interval =
· Type of tax = None		· Est. pymt amt/interval =
· Date tax assessed = Not Applicable		· Begin date =
		· End date =
		· Interest rate % =
		· Total payout amount % = \$0

3.03 Classified Claims and Interests

3.03.1 Classes of Secured Claims.

Secured claims are claims secured by liens on property of the estate. The following chart lists all classes containing Debtor's secured pre-petition claims and their treatment under the Plan.

3.03.1.1 Class 1

//

<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>INSIDERS</u>	<u>IMPAIRED</u>	<u>TREATMENT</u>
		<u>(Y/N)</u>	<u>(Y/N)</u>	

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

1	<p>Secured claim of:</p> <ul style="list-style-type: none"> · Name = First Citizens Bank · Collateral description = (see Definitions: First Citizens Bank Note 1 Collateral) · Collateral value = Fully secured Priority of security int. = 1st, subject to General Lease No. S-5844 Principal owed = \$9,859,655⁷ Pre-pet. Arrearage amount = \$ (included above) · Post-pet. arrearage amount = \$0 (est) · Total claim amount = \$9,859,655 	N	<p>Impaired, Claims in this class are entitled to vote on the Plan.</p>	<p>· Pymt interval = Monthly</p> <ul style="list-style-type: none"> · Est. pymt amt/interval = \$41,082 months 1-30 and \$53,044 months 31-60 · Balloon pymt = \$9,488,650 Begin date = 10/15/2013· End date = 10/14/2018 Interest rate % = 5.0% fixed interest only months 1-30 and amortized over 30 years in months 31-60. · Total payout % = 100% \$12,324,569 will be paid over on 100% of a principal balance of \$9,859,655. · Treatment of lien = Lien is retained and in full force and effect.
---	--	---	---	---

Comments:

Class 1 consists of the Allowed Claims of First Citizens Bank or the holder of the First Citizens Bank Note 1. Class 1 is impaired under the Plan. As of the confirmation date, the First Citizens Bank Note 1 shall be deemed satisfied and paid in full. Within five (5) business days after the Confirmation Date (but coterminous with the execution and delivery of the First Citizens Bank First Note 1 as described below), First Citizens Bank or the holder of the First Citizens Bank Note 1 shall return to the Reorganized Debtor the First Citizens Bank Note 1 marked "Paid in Full." First Citizens Bank or the holder of the First Citizens Bank Note 1 Security Documents shall also return to the Reorganized Debtor the First Citizens Bank Note 1 Security Documents marked "Canceled" and "Superseded." In full and complete satisfaction

⁷ On October 5, 2012, the Lender made a payment of \$260,015.95 to cure the default on the performance bond. On November 20, 2012, the Debtor filed for bankruptcy. In December 2012, the Lender made a lease payment for the August 2012 rent in the amount of \$262,000 which is a superpriority administrative claim

1 of the Allowed Class 1 Claim, First Citizens Bank or the holder of the Allowed Class 1 Claim
2 shall receive the following:

3
4 (1) Within five (5) business days after the Confirmation Date (but coterminous
5 with the cancellation and return of the First Citizens Bank Note 1 as described above), the
6 Reorganized Debtor shall execute the First Citizens Bank First Note 1 and the Amended First
7 Citizens Bank Note 1 Security Documents.

8 (a) The First Citizens Bank First Note 1. The First Citizens Bank First Note 1
9 and Amended First Citizens Bank Note 1 Security Documents shall be in the same form as the
10 First Citizens Bank First Note 1 and First Citizens Bank Note 1 Security Documents,
11 respectively.

12 In the event there is any provision of the First Citizens Bank First Note 1 which is
13 inconsistent with the terms of the Plan, the terms of the Plan shall control.

14 The Amended First Citizens Bank Note 1 Security Documents shall secure a lien on the
15 First Citizens Bank Note 1 Collateral with the same priority and validity that existed prior to
16 the Debtor's alleged pre-petition default(s). The Amended First Citizens Bank Note 1 Security
17 Documents shall secure repayment of the First Citizens Bank First Note 1. Since the First
18 Citizens Bank Note 1 has been paid in full pursuant to the Plan, any event of default that may
19 have existed pre-petition with respect to the First Citizens Bank Note 1 and/or the First
20 Citizens Bank Note 1 Security Documents shall be deemed cured and any notice of default
21 which may have been recorded pre or post-petition with respect to the First Citizens Bank Note
22 1 and the First Citizens Bank Note 1 Security Documents shall be deemed null and void and of
23 no further force or effect, and First Citizens Bank or the holder of the First Citizens Bank Note
24

1 1 shall execute any documents or instruments necessary to reflect the same, including the
2 execution and recordation of a release of notice of default.

3 Payments on the First Citizens Bank First Note 1 shall be shall be made in monthly
4 installments of interest only calculated at a fixed interest rate of five percent (5.0%) for the first
5 30 months, and then amortized over 360 months for the final 30 months, calculated at a fixed
6 interest rate of five percent (5.0%). Interest shall begin to accrue on the First Citizens Bank
7 First Note 1 as of the Effective Date. The first (1st) payment shall be due on the fifteenth
8 (15th) day of the first (1st) full month following the Effective Date, and shall be in an amount
9 equal to a percentage of a full monthly installment payment derived from the number of days
10 remaining in the month in which the Effective Date occurs (the numerator) divided by the
11 number of days in the month in which the Effective Date occurs (the denominator).
12 Thereafter, payments shall be due on the fifteenth (15th) day of each and every month until the
13 sixtieth (60th) month after the Effective Date at which time the entire outstanding balance of
14 the First Citizens Bank First Note 1 shall be all due and payable excepting that should any
15 collateral securing the First Citizens Bank First Note 1 be sold prior to the sixtieth (60th)
16 month after the Effective Date, the Class 1 Claimant shall be paid in full or in part in
accordance with its lien position upon the sale of said collateral.

17 Upon payment in full of the First Citizens Bank First Note 1, the lien evidenced by the
18 Amended First Citizens Bank Note 1 Security Documents shall be deemed satisfied and shall
19 be deemed canceled.

20 In the event that the Reorganized Debtor defaults in its obligation to pay each payment
21 due and payable under the First Citizens Bank First Note 1 and the Amended First Citizens
22 Bank Note 1 Security Documents , the holder of the First Citizens Bank First Note 1 shall be
23 entitled to record a notice of default and accelerate the entire unpaid indebtedness and/or
24 exercise such other remedies as provided under the guarantee, the First Citizens Bank First

Note 1 and the Amended First Citizens Bank Note 1 Security Documents or under applicable Hawaii law. The Reorganized Debtor shall be entitled to cure and reinstate any such default under applicable Hawaii law.

Nothing in the Plan shall enhance or otherwise increase the rights of the holder of the Class 1 claim to seek recovery on its claim as against any party other than the Reorganized Debtor.

3.03.1.2 Class 2

<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>INSIDERS</u> (Y/N)	<u>IMPAIRED</u> (Y/N)	<u>TREATMENT</u>
2	Secured claim of: · Name = Hawaii State Tax Collector, Department of Taxation · Collateral description = General Excise Taxes, Transient Taxes secured by a Property Tax Lien · Priority of security int. = 1st Principal owed = \$471,861.15 · Post-pet. Arrearage amount = \$50,000 (est) Total claim amount = \$521,861.15	N	Unimpaired, Claims in this class are not entitled to vote on the Plan.	Scenario 1: Pymt interval = Monthly · Est. pymt amt/interval = \$10,892 · Balloon pymt = 0 Begin date = 10/15/2013 End date = 10/14/2018 · Interest rate % = 8.0% · Total payout % = 100 \$653,517 will be paid over 60 months at \$10,892 per month on 100% of a principal balance of \$521,861.15 unless the Naniloa Hotel Property securing the lien is sold at which time the Class 2 Claimant will be paid in full at close of escrow. Treatment of lien = Lien is retained and in full force and effect. Scenario 2: Pymt interval = \$521,861.15 all Due on Effective Date if the state of Hawaii or its assignee as Lessor under General Lease No. S-5844 determines that Class 2 shall be paid in full on the Effective Date as a cure of monies due to maintain the terms and conditions under General Lease No. S-5844

Comments: Class 2 consists of any and all secured claims for General Excise Taxes and Transient Taxes and or assessments of Hawaii State Tax Collector, Department of Taxation pertaining to the Naniloa Hotel Property. Class 2 is unimpaired under the Debtor's Plan.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

Payment under Scenario 1

In the event that the state of Hawaii or its assignee as Lessor under General Lease No. S-5844 determines the Class 2 Claimants Claim may be paid under scenario 1, then the Debtor proposes to satisfy the Allowed Secured Claim of the Class 2 Claimant by paying the Class 2 Claimant deferred cash payments equal to the value of its Allowed Secured Claim as of the Effective Date as follows: Commencing on the tenth (10th) day of the first full month after the Effective Date, such deferred cash payments will be made in equal monthly installments of principal and interest in an amount sufficient to amortize the Allowed Secured Claim over a period of five (5) years, all due in five (5) years from the Effective Date. The outstanding and unpaid amount of the Allowed Secured Claim will bear interest, commencing on the Effective Date and continuing until such Allowed Secured Claim is paid in full. Interest on the tax claim will be paid in accordance with applicable non-bankruptcy law at the rate of 8.0% per annum.

Payment under Scenario 2

The Debtor proposes to satisfy the Allowed Secured Claim of the Class 2 Claimant by paying the Class 2 Claimant one hundred percent (100%) of its allowed Claim on the Effective Date if the state of Hawaii or its assignee as Lessor under General Lease No. S-5844 determines that Class 2 Claimant shall be paid in full on the Effective Date as a cure of monies due the Class 2 Claimant in order to maintain the terms and conditions under General Lease No. S-5844. Debtor will attach as Exhibit "I" to the Disclosure Statement the Letter of Intent for the new value contribution to be utilized to pay the Class 2 Claimant in full on the Effective date if the state of Hawaii or its assignee as Lessor under General Lease No. S-5844 determines that Class 2 Claimant shall be paid in full on the Effective Date as a cure of monies due the Class 2 Claimant in order to maintain the terms and conditions under General Lease No. S-5844.

//

//

1 //
 2 //
 3 //
 4 //
 5 //

6 3.03.1.3 Class 3

CLASS#	DESCRIPTION	INSIDERS (Y/N)	IMPAIRED (Y/N)	TREATMENT
3	Secured claim of: · Name = Director of Finance, RPT County of Hawaii · Collateral description = Real Property Taxes secured by a Property Tax Lien · Priority of security int. = 1st Principal owed = \$411,430.27 · Post-pet. Arrearage amount = \$40,000 (est) Total claim amount = \$451,420.27	N	Unimpaired, Claims in this class are not entitled to vote on the Plan.	Scenario 1: Pymt interval = Monthly · Est. pymt amt/interval = \$9,422 · Balloon pymt = 0 Begin date = 10/15/2013 End date = 10/14/2018 · Interest rate % = 8.0% · Total payout % = 100 \$565,306 will be paid over 60 months at \$9,422 per month on 100% of a principal balance of \$451,420.27 unless the Naniloa Hotel Property securing the lien is sold at which time the Class 3 Claimant will be paid in full at close of escrow. Treatment of lien = Lien is retained and in full force and effect. Scenario 2: Pymt interval = \$451,420.27 all Due on Effective Date if the state of Hawaii or its assignee as Lessor under General Lease No. S-5844 determines that Class 3 shall be paid in full on the Effective Date as a cure of monies due to maintain the terms and conditions under General Lease No. S-5844

19
 20 Comments: Class 3 consists of any and all secured claims for Real Property
 21 Taxes pertaining to the Naniloa Hotel Property. Class 3 is unimpaired under the Debtor's Plan.

22 Payment under Scenario 1

23 In the event that the state of Hawaii or its assignee as Lessor under General Lease No.
 24 S-5844 determines the Class 3 Claimants Claim may be paid under Scenario 1, then the Debtor
 proposes to satisfy the Allowed Secured Claim of the Class 3 Claimant by paying the Class 3

1 Claimant deferred cash payments equal to the value of its Allowed Secured Claim as of the
2 Effective Date as follows: Commencing on the tenth (10th) day of the first full month after the
3 Effective Date, such deferred cash payments will be made in equal monthly installments of
4 principal and interest in an amount sufficient to amortize the Allowed Secured Claim over a
5 period of five (5) years, all due in five (5) years from the Effective Date. The outstanding and
6 unpaid amount of the Allowed Secured Claim will bear interest, commencing on the Effective
7 Date and continuing until such Allowed Secured Claim is paid in full. Interest on the tax claim
8 will be paid in accordance with applicable non-bankruptcy law at the rate of 8.0% per annum.

9 Payment under Scenario 2

10 The Debtor proposes to satisfy the Allowed Secured Claim of the Class 3 Claimant by
11 paying the Class 3 Claimant one hundred percent (100%) of its allowed Claim on the Effective
12 Date if the state of Hawaii or its assignee as Lessor under General Lease No. S-5844
13 determines that Class 3 Claimant shall be paid in full on the Effective Date as a cure of monies
14 due the Class 3 Claimant in order to maintain the terms and conditions under General Lease
15 No. S-5844. Debtor will attach as Exhibit "I" to the Disclosure Statement the Letter of Intent
16 for the new value contribution to be utilized to pay the Class 3 Claimant in full on the Effective
17 date if the state of Hawaii or its assignee as Lessor under General Lease No. S-5844
18 determines that Class 3 Claimant shall be paid in full on the Effective Date as a cure of monies
19 due the Class 3 Claimant in order to maintain the terms and conditions under General Lease
20 No. S-5844.

21 3.03.2 Classes of General Unsecured Claims.

22
23
24

1 General unsecured claims are unsecured claims not entitled to priority under
2 Code Section 507(a). The following chart identifies the Plan's treatment of the
3 classes containing all of Debtor's General Unsecured Claims:⁸

4 **3.03.3 Classes of Priority Unsecured Claims**

5 Certain priority claims that are referred to in Code Sections 507(a)(3), (4), (5),
6 (6), and (7) are required to be placed in classes. These types of claims are entitled to
7 priority treatment as follows: the Code requires that each holder of such a Claim
8 receive cash on the Effective Date equal to the allowed amount of such Claim.
9 However, a Class of unsecured priority claim holders may vote to accept deferred
10 cash payments of a value, as of the Effective Date, equal to the allowed amount of
11 such Claim. **The Debtor has no Claims of the type identified in Code Sections**
12 **507(a)(3), (4), (5), (6), and (7).**

13 **3.03.4 Classes of General Unsecured Claims**

14 General unsecured claims are unsecured claims not entitled to priority under
15 Code Section 507(a). The following chart identifies the Plan's treatment of the
16 classes containing all of Debtor's General Unsecured Claims:⁹

17 **3.03.4.1 Class 4**

18
19
20
21 ⁸ The Debtor reserve its right to object to any of the Claims filed by the Creditors on any
22 reasonable grounds.

23 ⁹ The Debtor reserves its right to object to any of the Claims filed by the Creditors on any reasonable
24 grounds.

CLASS#	DESCRIPTION	INSIDERS (Y/N)	IMPAIRED (Y/N)	TREATMENT
4	General unsecured claims Total amt of claims = \$405,723.33 ¹⁰	N	Impaired. Claims in this class are entitled to vote on the Plan.	Pymt interval = Monthly Est. pymt amt/interval = \$1,104.31 Balloon pymt = \$405,723.33 Begin date = 10/15/2013 End date = 10/14/2018 Interest rate % = 3% Total payout = \$466,581,830 Claim will be paid over sixty months on 100% of a principal balance of \$405,723.33 Treatment = Amounts owed are converted to promissory notes.

Class 4 consists of the Allowed Claims of the General Unsecured Creditors. Class 4 is impaired under the Plan. In full and complete satisfaction of the Class 4 Claim, the Class 4 Claimant shall be treated as follows: On or before the Effective Date, the Debtor shall execute a promissory note with each holder of a Class 4 Claim. Interest shall accrue on the promissory Note at an interest rate equal three percent (3%) interest-only beginning on the Effective Date. The first (1st) payment shall be due on the fifteenth (15th) day of the first (1st) full month following the Effective Date, and shall be in an amount equal to a percentage of a full monthly installment payment derived from the number of days remaining in the month in which the Effective Date occurs (the numerator) divided by the number of days in the month in which the Effective Date occurs (the denominator). Commencing on the fifteenth (15th) day of each month thereafter through the sixtieth (60th) month following the Effective Date, the Reorganized Debtor shall make equal monthly payments of interest to the Class

¹⁰ The Debtors Insiders are waiving 100% of their Insider General Unsecured Claims totaling \$487,533.02

1 11 Claimant. The Promissory Note shall be due and payable sixty (60) months
2 following the Effective Date.

3
4 In the event funds are not sufficient to pay the Class 4 Claimants upon any sale of the
5 Naniloa Hotel Property, the Class 4 Claimants shall receive a pro-rata share of the funds
6 available by dividing the total amount of money each Class 4 and is owed by the sum of the
7 Class 4 Claimants claims and multiplying that percentage by the amount of money available to
8 pay the Class 4 Claimants after sale of the Naniloa Hotel Property. On the 12th month
9 following the Effective Date, individual Class 4 Claimants may elect to receive a one-time
10 lump sum payment equal to twenty five percent (25%) of their claim(s) as payment in full of
11 their Class 4 claim(s)

12 Nothing in the Plan shall enhance or otherwise increase the rights of the holder of the
13 Class 4 claim to seek recovery on its claim as against any party other than the Reorganized
14 Debtor.

15 **3.03.5 Classes of Interest Holders.**

16 Interest holders are the parties who hold ownership interest (i.e., equity
17 interest) in the debtor. If the debtor is a corporation, entities holding preferred or
18 common stock in the debtor are the interest holders. If the debtor is a partnership, the
19 interest holders include both general and limited partners. If the debtor is an
20 individual, the debtor is the interest holder. The following chart identifies the Plan's
21 treatment of the class of interest holders.

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u> <u>(Y/N)</u>	<u>TREATMENT</u>
----------------	--------------------	---------------------------------	------------------

5	Interest holders KDC 100%	Insider; claims in this class are not entitled to vote on the Plan	Class 5 is unimpaired under the Plan and will receive the pro-rata share of monies available after payment to classes 1 through 4.
---	----------------------------------	---	--

Notwithstanding any other provision of the Plan, no payments or Distributions shall be made on account of any Disputed Claim or Disputed Interest until such Claim or Interest becomes an Allowed Claim or Allowed Interest, and then only to the extent it becomes an Allowed Claim or Allowed Interest. Any Proof of Claim or Proof of Interest filed which differs from the Scheduled amount is deemed to be a Disputed Claim or Disputed Interest.

3.04 Means of Effectuating the Plan

3.04.1 Resolution of the State Court Actions

It is anticipated that the following state court actions will be resolved by or will not interfere with plan confirmation:

Foreclosure Action: Case # 12-1-2105-08: First Citizens Bank vs. Hawaii Outdoor Tours Inc.

Rosenbaum Litigation: Deborah Rosenbaum vs. Hawaii Outdoor Tours Inc. A stipulation to modify the automatic stay was entered allowing this personal injury action to proceed against the Debtor's insurance.

Appointment of Receiver: First Citizens Bank vs. Hawaii Outdoor Tours Inc.

1 3.04.2 **Funding for the Plan**

2 It is anticipated that there will be sufficient funds from these sources to pay all
3 Allowed Secured and Allowed Unsecured Claims as follows:

4 The Reorganized Debtor shall make all payments due under the Plan out of the
5 funds on hand in the Debtor's Estate as of the Effective Date, and through the Income
6 generated by the Naniloa Hotel Property through room sales, bar and restaurant revenue, golf
7 course revenue, convention and banquet revenue, and or the sale or refinance of the Naniloa
8 Hotel Property.

9 It is anticipated that there will be sufficient funds from these sources to pay all Allowed
10 Secured and Allowed Unsecured Claims as follows:

11
12 • The secured claims of the Director of Finance-RPT County of Hawaii,
13 Hawaii State Tax Collector, Department of Taxation, and First Citizens Bank
14 will be paid in full on or before the sixtieth (60th) month following the Effective
15 Date, **excepting that the Allowed Claims of Director of Finance-RPT**
16 **County of Hawaii and Hawaii State Tax Collector, Department of Taxation**
17 **shall be paid in full on the Effective Date should the state of Hawaii or its**
18 **assignee as Lessor to Hawaii Outdoor Tours, as Lessee under General**
19 **Lease No. S-5844 effective February 1, 2006, determine that those allowed**
20 **claims shall be paid in full on the Effective Date as a cure of monies due to**
21 **maintain the terms and conditions due under General Lease No. S-5844.**

22 • Unsecured Priority Claims other than Priority Tax Claims shall be paid
23 in full on the Effective Date
24

- 1 • Allowed Class 4 General Unsecured Claims will receive 100% of their
2 allowed claim on or before the sixtieth (60th) month following the Effective
3 Date.

4 **3.05 Post-confirmation Management**

5 The Debtor will retain possession of the Naniloa Hotel and the management
6 of its financial affairs after the confirmation of the Plan under the following
7 management: Kenneth Fujiyama, who will also manage the Debtor.

8 **3.06 Disbursing Agent**

9 The Debtor, under the direction of Kenneth Fujiyama, shall act as the
10 Disbursing Agent for the purpose of making all distributions provided for under the
11 Plan. The Disbursing Agent shall serve without bond and shall receive no fee for
12 Disbursing Agent services rendered and expenses incurred pursuant to the Plan.

13 In its capacity as Disbursing Agent, the Debtor shall be responsible for all
14 actions necessary to maintain and maximize the Debtor's business affairs. The
15 Disbursing Agent shall be responsible for the operation of the Debtor's business,
16 preservation of assets, and pursuit of any claims held by the Debtor's bankruptcy
17 estate, including any Avoidance Actions and Post-Confirmation Estate Claims, and
18 for the Distribution of the Debtor's Cash or any recoveries to Creditors pursuant to
19 the provisions of the Bankruptcy Code and the Plan. The duties of the Disbursing
20 Agent shall also include preparing and filing the post-confirmation status reports with
21 the Office of the United States Trustee and paying all post-confirmation quarterly
22 fees of the Office of the United States Trustee until the bankruptcy case is dismissed
23
24

1 or a final decree has been entered, whichever occurs first. Any recovery from
2 Avoidance Actions will be utilized to pay the Class 1, 2, 3, and 4 creditors in full.

3 **3.07 Acceptance of Rejection of the Plan; Cramdown**

4 **3.07.1 Acceptance by Impaired Classes of Claims and Interests**

5 3.07.1.1 Pursuant to section 1126(c) of the Bankruptcy Code, an Impaired Class of Claims
6 shall have accepted the Plan if: (a) the holders of at least two-thirds (2/3) in dollar
7 amount of the Allowed Claims actually voting in such Class (other than Claims held
8 by any holder designated pursuant to section 1126(e) of the Bankruptcy Code) have
9 timely and properly voted to accept the Plan, and (b) more than one-half (1/2) in
10 number of the holders of such Allowed Claims actually voting in such Class (other
11 than Claims by any holder designated pursuant to section 1126(e) of the Bankruptcy
12 Code) have timely and properly voted to accept the Plan

13 3.07.1.2 No Class of Interests is entitled to vote on the Plan pursuant to section 1126(f) of the
14 Bankruptcy Code

15 **3.07.2 Voting Classes**

16 3.07.2.1 Except as otherwise required by the Bankruptcy Code or the Bankruptcy Rules or as
17 otherwise provided in this Section II.G.2, the holders of Claims in Classes 1 and 4
18 shall be entitled to vote to accept or reject the Plan. Classes 2 and 3 are unimpaired
19 under the Plan and, as a result, shall not be entitled to vote to accept or reject the
20 Plan, and shall be conclusively presumed to have accepted the Plan pursuant to
21 section 1126(f) of the Bankruptcy Code.

1 3.07.2.2 Administrative Claims and Priority Tax Claims are deemed to be Unimpaired and not
2 classified under the Plan. As a result, such Claims are not entitled to vote to accept or
3 rejection the Plan.

4 **3.07.3 Ballot Instructions**

5 3.07.3.1 Each Claimant entitled to vote on the Plan is required to complete and return a Ballot
6 to the voting agent, which will compile the votes so received. All questions as to the
7 validity, form, and eligibility (including time of receipt) of Ballots will be resolved by
8 the Bankruptcy Court upon application or at the Confirmation Hearing.

9 **3.07.4 Cramdown: Section 1129(b) of the Bankruptcy Code**

10 3.07.4.1 If all applicable requirements for confirmation of the Plan are satisfied as set forth in
11 section 1129(a)(1) through (13) of the Bankruptcy Code except subsection (8)
12 thereof, the Debtor intends to request that the Bankruptcy Court confirm the Plan in
13 accordance with section 1129(b) of the Bankruptcy Code, notwithstanding the
14 requirements of section 1129(a)(8) of the Bankruptcy Code.

15 **3.08 Employment and Compensation of Professionals**

16 The Debtor does not anticipate that professionals will be employed to assist
17 with their duties herein other than the professionals that were employed by the Debtor
18 pursuant to Court order during the Case. In carrying out its duties under the Plan, the
19 Debtor as the Disbursing Agent shall use the services of its professionals employed
20 pursuant to order of the Bankruptcy Court prior to confirmation of the Plan. The
21 continued employment of such professionals will save the fees and costs associated
22 with counsel not already familiar with the matters which the professionals will
23 undertake. Since their involvement in Debtor's Case, the professionals have
24

1 conducted investigations and obtained special knowledge that will assist the
2 Disbursing Agent in carrying out the provisions of the Plan and assist with the
3 winding up of the Case including claims objections.

4 Except as set forth herein to the contrary, any professional employed by the
5 Disbursing Agent in this Case after the confirmation of the Plan seeking payment of
6 its post-confirmation fees and costs will be entitled to seek payment of such fees and
7 costs without the need for any further order of the Bankruptcy Court.

8 **3.09 Post-Confirmation Estate Claims**

9 The right to enforce, litigate, collect, and settle, on behalf of the Estate (at the
10 expense of the Estate), any and all Claims and causes of action which constitute
11 property of the Estate including, but not limited to, any Avoidance Actions, whether
12 or not such Claims or causes of action are the subject of litigation pending as of the
13 Effective Date (collectively, the "Post-Confirmation Estate Claims"), shall be vested
14 solely in the Reorganized Debtor as of the Effective Date. From and after the
15 Effective Date, the Reorganized Debtor shall have the sole right to enforce, file,
16 prosecute, collect, or settle, any Post-Confirmation Estate Claims.

17 Any litigation based upon Post-Confirmation Estate Claims will be filed no
18 later than one (1) year after the Effective Date, or within any applicable limitations
19 period, or within such additional period of time as the Bankruptcy Court may allow
20 upon motion of the Debtor, after such notice as the Bankruptcy Court may deem
21 appropriate. In the event that litigation based upon any Post-Confirmation Estate
22 Claim is not timely commenced, such Post-Confirmation Estate Claim will be
23 deemed forever waived by the Estate and neither the Debtor nor any other party-in-
24

1 interest will have the right to pursue the same; provided, however, that any such Post-
2 Confirmation Estate Claim may be utilized as a defense against or offset to any Claim
3 or cause of action which may be brought against the Estate.

4 Notwithstanding the rights of the Reorganized Debtor with respect to Post-
5 Confirmation Estate Claims, nothing in the Plan will require the Reorganized Debtor
6 to prosecute or litigate any such matters, all of which may be decided by the
7 Reorganized Debtor in its sole discretion. Any recovery from Avoidance Actions will
8 be utilized to pay the Class 1, 2, 3 and 4 creditors in full.

9 THE DEBTOR HAS NOT FULLY REVIEWED WHETHER POST-
10 CONFIRMATION ESTATE CLAIMS EXIST, INCLUDING, WITHOUT
11 LIMITATION, WHETHER OR NOT THERE ARE ANY AVOIDANCE ACTIONS
12 THAT MAY BE BROUGHT BY THE REORGANIZED DEBTOR AFTER THE
13 EFFECTIVE DATE. THIS INVESTIGATION IS ON-GOING AND WILL OCCUR
14 IN LARGE PART AFTER THE EFFECTIVE DATE, AS A RESULT, CREDITORS
15 AND OTHER PARTIES-IN-INTEREST SHOULD BE, AND ARE PURSUANT TO
16 THE TERMS OF THE PLAN, SPECIFICALLY ADVISED THAT,
17 NOTWITHSTANDING THAT THE EXISTENCE OF ANY PARTICULAR POST-
18 CONFIRMATION ESTATE CLAIM MAY NOT BE LISTED, DISCLOSED, OR
19 SET FORTH IN THE PLAN OR THE DISCLOSURE STATEMENT, A POST-
20 CONFIRMATION ESTATE CLAIM MAY BE BROUGHT AGAINST ANY
21 CLAIMANT AT ANY TIME, SUBJECT TO THE BAR DATE LIMITATIONS SET
22 FORTH IN THE PLAN.

23 **3.10 Objections to Claims**

1 The right to litigate, resolve, and settle objections to Claims (at the expense of
2 the Estate), whether or not the subject of litigation as of the Effective Date, will be
3 vested solely in the Reorganized Debtor as of the Effective Date. From and after the
4 Effective Date, the Reorganized Debtor shall have the sole right to file, prosecute,
5 litigate, and settle any objections to Claims, whether or not any such objection is
6 pending as of the Effective Date.

7 Notwithstanding that the Reorganized Debtor shall have the right to file,
8 litigate, prosecute, and settle objections to Claims on behalf of the Estate, nothing
9 contained herein will be deemed to obligate the Reorganized Debtor to take any such
10 actions, all of which will be determined in the Reorganized Debtors' sole discretion.

11 THE DEBTOR HAS NOT FULLY REVIEWED THE CLAIMS IN THE
12 CASE OR DETERMINED WHETHER OBJECTIONS TO CLAIMS EXIST. THIS
13 INVESTIGATION IS ONGOING AND WILL OCCUR IN LARGE PART AFTER
14 THE EFFECTIVE DATE. CREDITORS AND OTHER PARTIES-IN-INTEREST
15 SHOULD BE, AND ARE PURSUANT TO THE TERMS OF THE PLAN
16 SPECIFICALLY ADVISED THAT, NOTWITHSTANDING THAT THE
17 EXISTENCE OF ANY PARTICULAR OBJECTION TO CLAIM MAY NOT BE
18 LISTED, DISCLOSED, OR SET FORTH IN THE PLAN OR DISCLOSURE
19 STATEMENT, AN OBJECTION TO CLAIM MAY BE BROUGHT AGAINST
20 ANY CLAIMANT AFTER THE EFFECTIVE DATE.

21 **3.11 Pending Disputed General Unsecured Claims as of the Date of Distribution**

22 In the event that any objection to any General Unsecured Claim should be
23 pending as of the date on which a Distribution is owed to the holder of such General
24

1 Unsecured Claim, no Distribution will be made on account of such disputed General
2 Unsecured Claim until such Disputed Claim has been determined and allowed by a
3 Final Order. In the event that a Disputed Claim is allowed by a Final Order, within
4 five Business Days after such Disputed Claim is allowed by such Final Order, such
5 Allowed General Unsecured Claim will be paid to the extent of the Distributions
6 previously made on account of Allowed General Unsecured Claims in the same
7 Class. Further Distributions, if any, on account of such Allowed General Unsecured
8 Claim will be paid directly to the holder of such Allowed General Unsecured Claim,
9 in an aggregate amount not to exceed the amount of the General Unsecured Claim
10 allowed by the Final Order.

11 **3.12 Unclaimed Distributions**

12 Distributions to holders of Allowed Claims will be made either: (a) at the
13 addresses set forth in the Proof of Claim filed by the Creditor; or (b) at the address set
14 forth in any written notice of address change delivered to the Debtor or the
15 Disbursing Agent after the date on which any related Proof of Claim was filed; or (c)
16 at the address reflected in the Schedules relating to the applicable Allowed Claim if
17 no Proof of Claim has been filed by the Creditor and neither the Debtor nor the
18 Reorganized Debtor has received a written notice of a change of address.

19 The Disbursing Agent shall not be required to perform any investigation or
20 inquiry as to the proper address for such Creditor if the address stated in any Proof of
21 Claim filed by the Creditor, written notice of change of address filed by the Creditor,
22 or in the Schedules is incorrect.

1 Any unclaimed Distribution (“Unclaimed Distribution”) provided for under
2 the Plan (which will include: (a) checks which have been returned as undeliverable
3 without a proper forwarding address; (b) checks which were not mailed or delivered
4 because of the absence of a proper address to which to mail or deliver the same; or (c)
5 checks which remain unnegotiated for a period of ninety (90) days), will be retained
6 and utilized by the Reorganized Debtor.

7 Following the earlier to occur of: (a) two (2) years after a Distribution
8 becomes and Unclaimed Distribution, or (b) ninety (90) days after the making of the
9 Final Distribution under the Plan (collectively, the “Unclaimed Distribution Holding
10 Period”), such Unclaimed Distribution will become property of the Reorganized
11 Debtor, free and clear of any restrictions thereon, and the holders of Allowed Claims
12 otherwise entitled to such Unclaimed Distributions will cease to be entitled thereto
13 and their Claims based thereon will be deemed discharged, waived, and forever
14 barred.

15 **3.13 Other Provisions of the Plan**

16 **3.13.1 Executory Contracts and Unexpired Leases**

17 **3.13.1.1 Assumptions**

18 The following are the unexpired leases and executory contracts that are to be
19 assumed as obligations of the reorganized Debtor under the Plan:
20
21
22
23
24

1 The State of Hawaii has informed the Debtor that it requires the Debtor to file its
2 reorganization plan and disclosure statement in order for the State of Hawaii to consider any
3 proposal to pay any and all arrearages and deficiencies that caused State Lease No S-5844 to
4 be in default. To that end, any payment schedule different than that called for in State Lease
5 No S-5844 is a proposal only and must be approved by the State of Hawaii and or DLNR. As
6 of the writing of this Disclosure Statement, the Debtor is in default under State Lease No S-
7 5844 because of the sums due to the Class 2 and Class 3 Claimants were supposed to have
8 been paid in full and are events of default under Lease No S-5844. In addition, the \$500,000
9 Performance Bond balance to be maintained by the Debtor on deposit at First Citizens Bank in
10 Torrance, California was been reduced to \$240,028.97 by way of the State of Hawaii
11 withdrawing \$259,971.03 as payment of a scheduled lease payment due under Lease No S-
12 5844 that the Debtor failed to make. This also is an event of default under Lease No S-5844.
13 In addition to proposing the payment schedules to the Class 2 and 3 Claimants as detailed in
14 the Classes of Secured Claims section (Section 3.03) of this Disclosure Statement, the Debtor
15 proposes in this Disclosure Statement and the accompanying plan to replenish the Performance
16 Bond such that its balance is brought back to \$500,000, by making \$10,000 per month deposits
17 into the Performance Bond account at the First Citizens Bank in Torrance to be credited toward
18 the \$259,971.03 performance bond deficiency as it relates to Lease No S-5844. The proposed
19 monthly payments to pay the performance bond deficiency are hereinafter referred to as "bond
20 deficiency payments." Although the debtor proposes the bond deficiency payments commence
21 on the Effective Date of the Plan, the DLNR and or the state of Hawaii will determine whether
22 the proposed bond deficiency payment schedule is acceptable, if another as yet undetermined
23 payment schedule is acceptable, **or if the Debtor must fully reimburse the \$259,971.03 on
24 or before the Effective Date.**

The following are the unexpired leases to be assumed as obligations of the reorganized Debtor under this Plan:

LEASES	ARREARS/DMGs	METHODS OF CURE
Lessor: State of Hawaii Lease # No. S-5844 ·Description = Land Lease	·Default amt = up to \$973,383 in taxes owed Class 2 and Class 3. Claimants plus \$259,971.03 To replenish performance bond (See Executory Contracts to be assumed)	·Method of curing default & loss = See treatment of Class 2 and Class 3 Claimants for schedule of payments on the 973,383 in taxes owed Class 2 and Class 3 Claimants. See Executory Contracts to be assumed for treatment of \$259,971.03 due under performance bond.
Lessor: State of Hawaii Lease # No. S-5372 ·Description = Land Lease/	Default amt ·None	N/A
Lessee: Dawn Patterson	Default amt ·None	N/A. deposit to be returned per lease
Lessor: Benda Trust	Default amt ·None	N/A
Lessee: Traditional Chinese Medicine	Default amt ·None	N/A deposit to be returned per lease
Lessee: Sprint PCS	Default amt ·None	N/A
Lessee: T-Mobile	Default amt ·None	N/A
Lessee: Total Health of Hawaii	Default amt ·None	N/A
Default amt ·None	Default amt ·None	N/A deposit to be returned per Lease
Default amt ·None	Default amt ·None	N/A deposit to be returned per lease
Default amt ·None	Default amt ·None	N/A deposit to be returned per lease
Default amt ·None	Default amt ·None	N/A deposit to be returned per lease
Default amt ·None	Default amt ·None	N/A deposit to be returned per lease
Default amt ·None	Default amt ·None	N/A deposit to be returned per lease
Default amt ·None	Default amt ·None	N/A deposit to be returned per lease

On the Effective Date, the unexpired leases listed above if any shall be assumed as obligations of the reorganized Debtor. The Order of the Court confirming the Plan shall constitute an Order approving the assumption of the lease listed above. If you are a party to a lease or contract to be assumed and you object to the assumption of your lease or contract, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan. See Section {I.B.3.} of this document for the specific date.

The following are the executory contracts to be assumed as obligations of the reorganized Debtor under this Plan:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

<u>Executory Contract</u>	<u>ARREARS/DMGS</u>	<u>METHODS OF CURE</u>
Beneficiary: DLNR Description = Performance Bond Contract: Hawaiian Telecom dated 4/11/07 Contract: Hawaiian Telecom dated 5/15/07 Contract: KONE Contract: Ohana Control System	Default amt = \$259,971.03	At the discretion of the DLNR and the state of Hawaii, either \$259,971.03 to be paid on the Effective Date or Monthly Payments of \$10,000 per month commencing on The Effective Date to pay \$259,971.03 arrearage due under performance bond.

3.13.1.2 Rejections

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

On the Confirmation Date, except for any executory contract or unexpired lease specifically assumed or rejected pursuant to a prior order of the Bankruptcy Court or assumed pursuant to the Plan, each executory contract or unexpired lease entered into by the Debtor prior to the Petition Date that has not previously expired or terminated pursuant to its own terms will be deemed rejected pursuant to Section 365 of the Bankruptcy Code.

The order confirming the Plan shall constitute an Order approving the rejection of any leases or contracts. If you are a party to a contract or lease to be rejected and you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan. See Section I.B.3. of the Disclosure Statement for the specific date.

1 THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A
2 CLAIM ARISING FROM THE REJECTION OF LEASE OR CONTRACT IS
3 THIRTY (30) DAYS FROM THE CONFIRMATION DATE. Any Claim based on
4 the rejection of a contract or lease will be barred if the proof of Claim is not timely
5 filed, unless the Court later orders otherwise.

6 Proofs of Claim for any Claims arising by reason of any rejection of
7 executory contracts or unexpired leases pursuant to the Plan shall be filed and served
8 upon the Disbursing Agent and counsel for the Disbursing Agent within thirty days
9 after the Confirmation Date. In the event that any such Proof of Claim is not filed
10 and served as set forth herein, such Claim will be deemed conclusively to be waived
11 and will be forever barred in the Case, without further notice. Any Claim timely
12 asserted hereunder arising out of the rejection of an executory contract or unexpired
13 lease will be deemed to be a General Unsecured Claim under the Plan, but will not
14 automatically become an Allowed Claim.

15 **3.13.2 Changes In Rates Subject to Regulatory Commission Approval**

16 The Debtor is not subject to governmental regulatory commission approval of
17 its rates. The Debtor is not regulated by a governmental commission.

18 **3.13.3 Retention of Jurisdiction**

19 Until this Plan has been fully consummated, the Bankruptcy Court shall retain
20 jurisdiction to the extent provided by law, including, but not limited to, the following
21 purposes:

22 **3.13.3.1** The classification, allowance, disallowance, or estimation of the Claim of any
23 Claimant and the re-examination of Claims which have been allowed for the purposes
24

1 of determining acceptance of the Plan at the time of the Confirmation Hearing and the
2 determination of such objections as may be filed to Claims. The failure by the Debtor
3 to object to or to examine any Claim for the purpose of determining acceptance of
4 this Plan shall not be deemed to be a waiver of the right of Debtor to object to or to
5 re-examine the Claim, in whole or in part, at a later date.

6 3.13.3.2 The resolution of any matters, including, without limitation, the allowance or
7 disallowance of any Claim for damages by reason of the rejection of any executory
8 contract or unexpired lease, related to the assumption, assumption and assignment, or
9 rejection of any executory contract or unexpired lease to which Debtor is a party or
10 with respect to which the Debtor or Reorganized Debtor may be liable, including the
11 determination of whether such contract is executory for the purposes of Section 365
12 of the Bankruptcy Code, and to hear, determine and, if necessary, liquidate any
13 Claims arising therefrom.

14 3.13.3.3 Except for as otherwise provided herein, the determination of all questions and
15 disputes regarding title to the assets of Debtor, the Estate, or Reorganized Debtor and
16 the determination of all causes of action, controversies, disputes, or conflicts, whether
17 or not subject to any action pending as of the Confirmation Date, in which the Debtor
18 or the Reorganized Debtor is a party.

19 3.13.3.4 The correction of any defect, the curing of any omission, or the reconciliation of any
20 inconsistency in the Plan or in the Confirmation Order as may be necessary to carry
21 out the purposes and intent of the Plan.
22
23
24

- 1 3.13.3.5 The resolution of any motions, adversary proceedings, contested or litigated matters
2 and any other matters and grant or deny any applications involving the Debtor or the
3 Reorganized Debtor that may be pending on the Effective Date.
- 4 3.13.3.6 The modification of the Plan after confirmation pursuant to the Bankruptcy Code and
5 the Bankruptcy Rules, or if in the best interests of the Estate and the Creditors,
6 modification of this Plan even after the Plan has been substantially consummated.
- 7 3.13.3.7 The enforcement and interpretation of the terms and conditions of the Plan or the
8 Confirmation Order, and the determination of such matters, and the making of such
9 orders consistent with the Plan as may be necessary or desirable to effectuate the
10 provisions of the Plan.
- 11 3.13.3.8 The determination, either before or after the closing of the Case, of any Claims
12 concerning state, local, and federal taxes pursuant to Section 346, 505, 525, or 1146
13 of the Bankruptcy Code or other applicable law, and the Debtor's, Reorganized
14 Debtor's, or the Estate's entitlement, if any, to tax attributes which may have been
15 property of the Estate, either before or after the closing of the Case.
- 16 3.13.3.9 The shortening or extending, for cause, of the time fixed for doing any act or thing
17 under the Plan, on such notice, if any, as the Bankruptcy Court shall determine to be
18 appropriate.
- 19 3.13.3.10 The entry of any order, including, without limitation, any injunction, to enforce the
20 title, rights, and powers of the debtor or the Reorganized debtor and such limitations,
21 restrictions, terms, and conditions of such title, rights, and powers as the Bankruptcy
22 Court may deem necessary.

23
24

- 1 3.13.3.11 The determination of any disputes arising under or relating to any order entered by
2 the Bankruptcy Court in the Case.
- 3 3.13.3.12 The determination of the validity, extent, or priority of any liens and security
4 interests against property of Debtor, the Reorganized Debtor, or the Estate.
- 5 3.13.3.13 The determination of all actions and proceedings which relate to pre-confirmation
6 matters affecting the Debtor or the Estate whether such action or proceeding is
7 brought before or after the Effective Date.
- 8 3.13.3.14 The liquidation or allowance of any Claim as well as any objection or dispute
9 concerning any Claim of the Estate.
- 10 3.13.3.15 The determination of all questions and disputes regarding collection of assets of
11 Debtor or the Estate as of the Confirmation Date.
- 12 3.13.3.16 The entry of an order concluding and terminating the Case.
- 13 3.13.3.17 Such other matters to the extent provided by law.

14 **ARTICLE IV.**

15 **EFFECT OF CONFIRMATION OF THE PLAN**

16 **4.01 Discharge**

17 The Plan provides that upon confirmation of the Plan, the Debtor shall be
18 discharged of liability for payment of debts incurred before confirmation of the Plan
19 to the extent specified in 11 U.S.C. Section 1141. However, the discharge will not
20 discharge any liability imposed by the Plan.

21 **4.02 Revesting of Property in the Debtor**

22 Except as provided herein and except as provided elsewhere in the Plan, the
23 confirmation of the Plan revests all of the property of the estate in the Debtor. After
24

1 the Confirmation Date, the sale of any property owned by the Debtor shall not be
2 subject to or require Court approval.

3 Except as set forth in the Plan to the contrary, on the Effective Date, the
4 property of the Estate will vest in the Reorganized Debtor, free and clear of any
5 Claims, liens, encumbrances, or interests of Creditors, Interest Holders, parties-in-
6 interest, and other entities.

7 From and after the Effective Date, the Reorganized Debtor may acquire, and
8 dispose of property and settle and compromise claims without supervision by the
9 Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy
10 Rules, other than restrictions expressly imposed by the Plan, the Confirmation Order,
11 and any document, agreement, or instrument delivered in connection therewith.

12 Except as otherwise provided in the Plan or in the Confirmation Order, the
13 rights afforded in the Plan and the treatment of all Claims in the Plan will be in
14 exchange for and in complete satisfaction, discharge, and release of all Claims
15 (including Administrative Claims and any interest accrued on any Claim from and
16 after the Petition Date) against the Debtor and any of its assets and properties.

17 **4.03 Modification of the Plan**

18 The Debtor may modify the Plan at any time before confirmation. However,
19 the Court may require a new disclosure statement and/or re-voting on the Plan.

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

1 If the Bankruptcy Court determines that a post-confirmation modification of
2 the Plan is in the best interest of the Estate and the Creditors, even after substantial
3 consummation of the Plan, then, notwithstanding the provisions of Section 1127(b) of
4 the Bankruptcy Code, the Bankruptcy Court may authorize such modification of the
5 Plan, after notice and a hearing, in such manner and under such conditions, as the
6 Bankruptcy Court deems appropriate.

7 **4.04 Post-Confirmation Status Reports**

8 Within 120 days of the entry of the order confirming the Plan, the debtor shall
9 file a status report with the Bankruptcy Court explaining what progress has been
10 made toward consummation of the confirmed Plan. The status report shall be served
11 on the United States Trustee, the twenty largest unsecured Creditors, and those parties
12 who have requested special notice. Further status reports shall be filed every 120
13 days and served on the same entities.

14 **4.05 Post-Confirmation Conversion/Dismissal**

15 A Creditor or party in interest may bring a motion to convert or dismiss the
16 case under Section 1112(b), after the Plan is confirmed, if there is a default in
17 performing the Plan. If the Bankruptcy Court orders the case converted to Chapter 7
18 after the Plan is confirmed, then all property that had been property of the Chapter 11
19 estate, and that has not been disbursed pursuant to the Plan, will revert in the Chapter
20 7 estate. The automatic stay will be reimposed upon the reverted property, but only
21 to the extent that relief from stay was not previously authorized by the Court during
22 this case.

1 Except as otherwise provided in the Plan or in the Confirmation Order, the rights
2 afforded in the Plan and the treatment of all Claims in the Plan will be in exchange for and in
3 complete satisfaction, discharge, and release of all Claims (including Administrative Claims
4 and any interest accrued on any Claim from and after the Petition Date) against the Debtor and
5 any of its assets and properties.
6

7 Dated: March 20, 2013

Respectfully submitted,

HAWAII OUTDOOR, TOURS, INC.

9
10 
Kenneth Fujiyama, C.E.O.

11 By: s/James A. Wagner
12 James A Wagner
13 Attorney for Debtor
14
15
16
17
18
19
20
21
22
23
24

EXHIBIT A – RESERVED

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24

EXHIBIT B – RESERVED

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

EXHIBIT C - FINANCIAL PROJECTIONS

This information is supplied by the Debtor and is based on Debtors development experience.

NANILOA VOLCANOES RESORT
INCOME AND EXPENSE PROJECTIONS 2013

	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
REVENUES														
Room	288676	419371.3	430000	440000	370000	370000	412000	340000	285000	304000	330000	380000	380000	4369047
Food	29408.8	36632.35	39000	56000	42000	62000	65000	62000	41000	42000	45000	63000	63000	583041.2
Liquor	12610	5129.5	12000	14500	15500	27500	28500	17500	12600	12800	13500	25500	25500	197639.5
Sundry	1386.07	1794.34	1500	1760	1480	1480	1648	1500	1300	1380	1450	1520	1520	18198.41
Self	12675	9290.25	11500	12000	13000	14000	14000	14000	12000	12000	12000	12000	12000	148465.3
Rentals	10902.54	9462.53	9352	9352	9352	11000	11000	14000	14000	15000	15000	15000	15000	143421.1
Gift Shop				20000	15000	20000	20000	20000	15000	15000	15000	20000	20000	160000
Entertainment														0
TOTAL REVENUES	355658.4	481680.2	503352	553612	466332	505980	552148	469000	380900	402180	431950	517020	517020	5619813
COST OF SALES														
Food	12327.6	16420.82	12870	18480	13860	20460	21450	20460	13530	13860	14850	20790	20790	199358.4
Liquor	4444.99	1615.08	3000	3625	3875	6875	7125	4375	3150	3200	3375	6375	6375	51035.07
Sundry	543.24	1090.06	750	880	740	740	824	750	650	690	725	760	760	9142.3
Self	243.17	164.12	200	200	200	200	200	200	200	200	200	200	200	2407.29
Gift Shop	0	0	0	10000	7500	10000	10000	10000	7500	7500	7500	10000	10000	80000
TOTAL COST OF SALES	17559	19290.08	16820	33185	26175	38275	39599	35785	25030	25450	26650	38125	38125	341943.1
EXPENSES														
Advertising	31.77	997.79	750	1750	1750	2200	2200	2200	1750	1750	2200	1750	1750	19329.56
Amortization	16.32	22.64	439	439	439	439	439	439	439	439	439	439	439	4428.96
Supplies	4295.14	10181.5	5536.872	6089.732	5129.652	5565.78	6073.628	5159	4189.9	4423.98	4751.45	5687.22	5687.22	67083.85
Credit Card	9863.62	7588.84	7550.28	8304.18	6994.98	7589.7	8282.22	7035	5713.5	6032.7	6479.25	7755.3	7755.3	89189.57
Payroll Processing	300.44	247.28	300	300	300	300	300	300	300	300	300	300	300	3547.72
Imp. Benefit Dental	744.62	721.64	718	718	718	718	718	718	718	718	718	718	718	8646.26
Imp. Benefit Medical	14668.32	13625.7	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	174954
Imp. PICA, FUTA, SUC	10833.43	11812.49	11288	11288	10608	11288	11288	10608	10608	10608	10608	11288	11288	132125.9
DI	0	0		993.7717			976			956				2925.772

	2013	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
Worker Comp		3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	47004	
Software Fee		1413.45	1265.57	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	16979.02	
Gas Diesel		907.81	730.92	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	13638.73	
Insurance Flood		3820.92	3820.92	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	45841.84	
Insurance Fire Liability		14205.33	14205.33	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	172310.7	
Interest Bank		55155.79	55055.34	55000	55000	55000	55000	55000	55000	55000	55000	55000	55000	618457.1	
Lease State		41666.67	41666.67	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	499993.3	
Lease Benda		2666.67	2666.67	2666.67	2666.67	2666.67	2666.67	2666.67	2666.67	2666.67	2666.67	2666.67	2666.67	32000.04	
Lease Ka'u		410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	4929.96	
Misc		1641.93	416.49	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	17058.42	
Music Entertainment		750	1575	2800	2800	3500	3500	2800	3500	2800	2800	3500	2800	33125	
Repair Maintenance		2880	5265.54	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	58145.54	
Rent Commission	0	5933.06	5098.31	5590	5720	4810	4810	5356	4420	3705	3952	4290	4940	58624.37	
Salaries Wages		79442.17	86000.76	83000	83000	78000	83000	83000	78000	78000	78000	78000	83000	970442.9	
GE Tax	0	12845.78	17912.63	20969.64	23063.48	19427.39	21079.13	23002.49	19538.54	15868.29	16754.82	17995.04	21539.05	229996.3	
TAT Tax	0	23357.87	33630.2	36990.75	37851	31829.25	31829.25	35442.3	29248.5	24517.13	26151.6	28388.25	32689.5	371925.6	
Real Property Tax		10179.02	10179.02	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	121528	
Telephone		580.87	4990.98	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30571.85	
Utility Electric		47993.66	46183.1	52000	52000	49000	50000	50000	50000	48000	48000	49000	51000	593176.8	
Utility Propane		10104.18	9253.09	10500	10500	9252	9252	10000	9252	8000	8000	9252	10500	113865.3	
Utility Waste Removal		2471.22	6231.24	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	68702.46	
Utility Water		6392.83	8490	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	79882.83	
Utility Cable TV		1994.15	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	23928.15	
Prof Services (budget)		40000	40000	40000	40000	40000	40000	40000	2000	2000	2000	2000	2000	290000	
US Trustee Fee		1400			6500						6500			20900	
Class 4 Unsecured										0	1104	1104			
TOTAL EXPENSES	0	412853.1	445159.7	450460	462344.7	432785.8	442148.4	456955.1	392995.5	377636.3	375599.6	375684.5	394619.6	5019242	5019242
NET INCOME	0	-74753.7	17230.46	36071.95	58082.34	7371.227	25556.64	55593.87	40219.46	-21766.3	1130.401	29615.51	84275.43	258627.3	258627.3
Beginning Balance		408455.6	333701.9	350932.3	387004.3	445086.6	452457.9	478014.5	533608.4	573827.8	769780.5	770910.9	800526.4		
Ending Cash Balance		333701.9	350932.3	387004.3	445086.6	452457.9	478014.5	533608.4	573827.8	552061.5	770910.9	800526.4	884801.8		
New Value										1500000					
Administrative Claims										309000					
Class 0											41082	41082	41082	123246	123246
Class 2															
Class 3															
Class 4											1104	1104	1104	3312	3312

NANILOA VOLCANOES RESORT
INCOME AND EXPENSE PROJECTIONS 2014

	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
REVENUES														
Room	337000	420000	510000	520000	380000	396000	450000	420000	290000	320000	380000	450000	4873000	
Food	65000	65000	75000	75000	60000	70000	80000	75000	50000	50000	55000	73000	793000	
Liquor	15000	15000	15000	13000	12000	14000	15000	15000	13000	13000	14000	18000	172000	
Sundry	1348	1680	2040	2080	1520	1584	1800	1680	1160	1280	1520	1800	19492	
Gift Shop	13000	13000	13000	13000	13000	13000	13000	13000	13000	13000	13000	13000	156000	
Rental	13500	13500	13500	13500	13500	13500	13500	13500	13500	13500	13500	13500	162000	
Gift Shop	15000	15000	15000	25000	15000	18000	21000	20000	15000	15000	17000	20000	211000	
Net														0
TOTAL REVENUES	459848	543180	643540	661580	495020	526084	594300	558180	395660	425780	494020	589300	6386492	12006305
GOST OF SALES														
Food	21450	21450	24750	24750	19800	23100	26400	24750	16500	16500	18150	24090	261690	
Liquor	3750	3750	3750	3250	3000	3500	3750	3750	3250	3250	3500	4500	43000	
Sundry	674	840	1020	1040	760	792	900	840	580	640	760	900	9746	
Gift Shop	200	200	200	200	200	200	200	200	200	200	200	200	2400	
Gift Shop	7500	7500	7500	12500	7500	9000	10500	10000	7500	7500	8500	10000	105500	
TOTAL COST OF SALES	26074	26240	29720	29240	23760	27592	31250	29540	20530	20590	22610	29690	316836	658779.1
EXPENSES														
Advertising	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	26400	
Amortization	439	439	439	439	439	439	439	439	439	439	439	439	5268	
Supplies	5058.328	5974.98	7078.94	7277.38	5445.22	5786.924	6537.3	6139.98	4352.26	4683.58	5434.22	6482.3	70251.41	
Credit Card	6897.72	8147.7	9653.1	9923.7	7425.3	7891.26	8914.5	8372.7	5934.9	6386.7	7410.3	8839.5	95797.38	
Payroll Processing	300	300	300	300	300	300	300	300	300	300	300	300	3600	
Emp. Benefit Dental	523	523	523	523	523	523	523	523	523	523	523	523	6276	
Emp. Benefit Medical	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	175992	
Emp. FICA, FUTA, SUC	10608	11288	11288	12648	10608	11288	11288	11288	10608	10608	11288	11288	134096	
Net	957			976			1016			976			3925	

2014	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
Worker Comp	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	47004	
Software Fee	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	17160	
Gas Diesel	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	14400	
Insurance Flood	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	45840	
Insurance Fire Liability	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	172580	
Interest Bank	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	492984	
Lease Slate	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	499992	
Lease Banda	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	31992	
Lease Kau	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	4929.96	
Misc.	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	36000	
Music Entertainment	2800	2800	3500	2800	3500	3500	2800	3500	2800	2800	3500	2800	37100	
Repair Maintenance	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	60000	
Room Commission	4381	5460	6630	6760	4940	5148	5850	5460	3770	4160	4940	5850	63349	
Salaries Wages	78000	83000	83000	93000	78000	83000	83000	83000	78000	78000	83000	83000	986000	
GE Tax	19157.27	22628.88	26809.88	27561.42	20622.53	21916.66	24758.54	23253.78	16483.2	17737.99	20580.87	24550.24	266061.3	
FAT Tax	28990.43	36130.5	43872.75	44733	32689.5	34065.9	38711.25	36130.5	24947.25	27528	32689.5	38711.25	419199.8	
Real Property Tax	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	121404	
Telephone	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30000	
Utility Electric	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	600000	
Utility Propane	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	99600	
Utility Waste Removal	6000	6000	6000	6500	6000	6000	6000	6000	6000	6000	6000	6000	72500	
Utility Water	5400	5400	5400	6200	5400	5400	5400	5400	5400	5400	5400	5400	65600	
Utility - Cable TV	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	23928	
Professional Service	40000	40000	40000	40000	40000	40000	40000	2000	2000	2000	2000	2000	290000	
U.S. Trustee Fee	6500			6500			6500						26000	
Class 4 Unsecured	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	
TOTAL EXPENSES	423274.6	435354.9	451757.5	473404.3	423155.4	432521.6	449300.4	399069.8	368820.4	381305.1	390767.7	403446.1	5032178	10051420
NET INCOME	10499.43	81585.11	162062.5	158935.7	48104.62	59970.43	113749.6	129570.2	6309.564	23884.9	80642.28	156163.9	1037478	1296106
Beginning Balance	884801.8	895301.2	976886.3	1138949	1297885	1345989	1411960	1525709	1655279	1661589	1685474	1766116		
Ending Cash Balance	895301.2	976886.3	1138949	1297885	1345989	1411960	1525709	1655279	1661589	1685474	1766116	1922280		
New Value														
Plan Payments														
Administrative Claims														
Class 1	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	492984	616230
Class 2														
Class 3														
Class 4	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	16560

NANILOA VOLCANOES RESORT
INCOME AND EXPENSE PROJECTIONS 2015

	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
REVENUES														
Room	350000	430000	520000	463035	315000	396000	430000	420000	290000	325000	390000	460000	4789035	
Food	65000	65000	75000	75000	60000	70000	80000	75000	50000	50000	55000	73000	793000	
Liquor	16000	16000	16000	14000	13000	15000	16000	16000	14000	13000	14000	18000	181000	
Sundry	1400	1720	2080	1852.14	1260	1584	1720	1680	1160	1300	1560	1840	19156.14	
Golf C	13000	13000	13000	13000	13000	13000	13000	13000	13000	13000	13000	13000	156000	
Rental	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	180000	
Gift Shop	15000	15000	15000	25000	15000	18000	21000	20000	15000	15000	17000	20000	211000	
TOTAL REVENUES	0 475400	555720	656080	606887.1	432260	528584	576720	560680	398160	432300	505560	600840	6329191	18335496
COST OF SALES														
Food	21450	21450	24750	24750	19800	23100	26400	24750	16500	16500	18150	24090	261690	
Liquor	4000	4000	4000	3500	3250	3750	4000	4000	3500	3250	3500	4500	45250	
Sundry	700	860	1040	926.07	630	792	860	840	580	650	780	920	9578.07	
Golf C	200	200	200	200	200	200	200	200	200	200	200	200	2400	
Gift Shop	7500	7500	7500	12500	7500	9000	10500	10000	7500	7500	8500	10000	105500	
TOTAL COST OF SALES	0 26350	26510	29990	29376.07	23880	27842	31460	29790	20780	20600	22630	29710	318918.1	977697.2
EXPENSES														
Advertising	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	26400	
Amortization	439	439	439	439	439	439	439	439	439	439	439	439	5268	
Supplies	5229.4	6112.92	7216.88	6675.759	4754.86	5814.424	6343.92	6167.48	4379.76	4755.3	5561.16	6609.24	69621.1	
Credit Card	7131	8335.8	9841.2	9103.307	6483.9	7928.76	8650.8	8410.2	5972.4	6484.5	7583.4	9012.6	94937.87	
Payroll Processing	300	300	300	300	300	300	300	300	300	300	300	300	3600	
Emp. Benefit Dental	523	523	523	523	523	523	523	523	523	523	523	523	6276	
Emp. Benefit Medical	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	175992	
Emp. BENEFIT, FUTA, SUC	10608	11288	11288	12648	11288	12648	11288	11288	10608	10608	11288	12648	137496	
TDI	0	0	0	976	976	1076	1076	976	976	976	976	976	3028	

	2015	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
Worker Comp		3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	47004	
Software Fee		1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	17160	
Gas Diesel		1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	14400	
Insurance Flood		3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	45840	
Insurance Fire Liability		14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	172680	
Interest Bank		41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	492984	
Lease State		41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	499992	
Lease Benda		2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	31992	
Lease Kau		410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	4929.96	
Misco		3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	36000	
Music Entertainment		2800	2800	3500	2800	3500	3500	2800	3500	2800	2800	3500	2800	37100	
Repair Maintenance		5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	60000	
Roof Commission	o	4550	5590	6760	6019.455	4095	5148	5590	5460	3770	4225	5070	5980	62257.46	
Salaries Wages		78000	83000	83000	93000	83000	93000	83000	83000	78000	78000	83000	83000	1011000	
GE Tax	o	19805.16	23151.3	27332.29	25282.92	18007.95	22020.81	24026.16	23357.93	16587.35	18009.62	21061.63	25030.99	263674.1	
TAT Tax	o	30108.75	36990.75	44733	39832.59	27097.88	34065.9	36990.75	36130.5	24947.25	27958.13	33549.75	39571.5	411976.7	
Real Property Tax		10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	121404	
Telephone		2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30000	
Utility Electric		50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	600000	
Utility Propane		8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	99600	
Utility Waste Removal		6000	6000	6000	6500	6000	6000	6000	6000	6000	6000	6000	6000	72500	
Utility Water		5400	5400	5400	6200	5400	5400	5400	5400	5400	5400	5400	5420	65620	
Utility Cable TV		1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	23928	
Professional Service		2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	24000	
US Trustee Fee		6500			6500			6500			6500			26000	
Class Unsecured		1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	
TOTAL EXPENSES	o	386657.1	399193.6	415596.2	426062.9	380152.4	406050.7	408190.5	399238.9	368989.6	382241.4	392538.8	416597.2	4781509	14832929
NET INCOME	o	62392.86	130016.4	210493.8	151448.2	28227.58	94691.28	137069.5	131651.1	8390.414	29458.63	90391.23	154532.8	1228764	2524870
Beginning Balance		1922280	1984673	2114689	2325183	2476631	2504859	2599550	2736620	2868271	2876661	2906120	2996511		
Ending Cash Balance		1984673	2114689	2325183	2476631	2504859	2599550	2736620	2868271	2876661	2906120	2996511	3151044		
New Value															
Plan Payments															
Administrative Claims															
Class 1		41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	492984	1109214
Class 2															
Class 3															
Class 4		1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	29808

NANILOA VOLCANOES RESORT
INCOME AND EXPENSE PROJECTIONS 2016

C.	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
REVENUES														
Room	360000	440000	530000	470000	320000	396000	460000	430000	300000	330000	390000	470000	4896000	
Food	65000	65000	75000	75000	60000	70000	80000	75000	50000	50000	55000	73000	793000	
Liquor	18000	18000	18000	15000	14000	16000	17000	16000	14000	13000	14000	20000	193000	
Sundry	1440	1760	2120	1880	1280	1584	1840	1720	1200	1320	1560	1880	19584	
Golf C	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	168000	
Rental	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	180000	
Gift Shop	18000	18000	18000	26000	15000	18000	18000	16000	15000	15000	16000	20000	213000	
														0
TOTAL REVENUES	0 491440	571760	672120	616880	439280	530584	605840	567720	409200	438320	505560	613880	6462584	24798080
COST OF SALES														
Food	21450	21450	24750	24750	19800	23100	26400	24750	16500	16500	18150	24090	261690	
Liquor	4500	4500	4500	3750	3500	4000	4250	4000	3500	3250	3500	5000	48250	
Sundry	720	880	1060	940	640	792	920	860	600	660	780	940	9792	
Golf C	200	200	200	200	200	200	200	200	200	200	200	200	2400	
Gift Shop	9000	9000	9000	13000	7500	9000	9000	8000	7500	7500	8000	10000	106500	
TOTAL COST OF SALES	0 26870	27030	30510	29640	24140	28092	31770	29810	20800	20610	22630	30230	322132	1299829
EXPENSES														
Advertising	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	19200	
Amortization	439	439	439	439	439	439	439	439	439	439	439	439	5268	
Supplies	5405.84	6289.36	7393.32	6785.68	4832.08	5836.424	6664.24	6244.92	4501.2	4821.52	5561.16	6752.68	71088.42	
Credit Card	7371.6	8576.4	10081.8	9253.2	6589.2	7958.76	9087.6	8515.8	6138	6574.8	7583.4	9208.2	96938.76	
Payroll Processing	650	650	650	650	650	650	650	650	650	650	650	650	7800	
Emp. Benefit Dental	523	523	523	523	523	523	523	523	523	523	523	523	6276	
Emp. Benefit Medical	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	175992	
Emp. N. SICA, FUTA, SUC	10608	11288	12648	11288	10608	11288	11288	11288	10608	10608	10608	11288	133416	
FDI	0			1016			976			976			2968	

2016	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
Worker Comp	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	47004	
Software Fee	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	17160	
Gas Diesel	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000	
Insurance Flood	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	45840	
Insurance Fire Liability	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	172680	
Interest Bank	41082	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	624566	
Lease State	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	499992	
Lease Benda	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	31992	
Lease Ka'u	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	4929.96	
Misc	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	36000	
Music/Entertainment	2800	2800	3500	2800	3500	3500	2800	2800	2800	2800	3500	2800	37100	
Repair Maintenance	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	60000	
Room Commission	4680	5720	6890	6110	4160	5148	5980	5590	3900	4290	5070	6110	63648	
Salaries Wages	78000	83000	93000	83000	78000	83000	83000	83000	78000	78000	78000	83000	981000	
GE Tax	20473.39	23819.52	28000.52	25699.22	18300.4	22104.13	25239.29	23651.22	17047.27	18260.41	21061.63	25574.24	269231.2	
TAT Tax	30969	37851	45593.25	40431.75	27528	34065.9	39571.5	36990.75	25807.5	28388.25	33549.75	40431.75	421178.4	
Real Property Tax	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	121404	
Telephone	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30000	
Utility Electric	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	600000	
Utility Propane	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	99600	
Utility Waste Removal	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	72500	
Utility Water	5400	5400	5400	6200	5400	5400	5400	5400	5400	5400	5400	5400	65600	
Utility Cable TV	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	23928	
Professional Service													0	
JS Trustee Fee	6500			6500						6500			26000	
Class 1 Unsecured	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	
TOTAL EXPENSES	387382.7	411881.1	439643.7	426720.7	386054.5	405438	423643.5	411317.5	381338.8	393755.8	397470.8	417701.7	4882349	19715278
NET INCOME	77187.34	132848.9	201966.3	160519.3	29085.49	97053.96	150426.5	126592.5	7061.198	23954.19	85459.23	165948.3	1258103	3782973
Beginning Balance	3151044	3228231	3361080	3563047	3723566	3752651	3849705	4000132	4126724	4133785	4157740	4243199		
Ending Cash Balance	3228231	3361080	3563047	3723566	3752651	3849705	4000132	4126724	4133785	4157740	4243199	4409147		
New Value														
Plan Payments														
Administrative Claims														
Class 1	41082	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	624566	1733780
Class 2														
Class 3														
Class 4	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	43056

NANILOA VOLCANOES RESORT
INCOME AND EXPENSE PROJECTIONS 2017

	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
REVENUES														
Room	37000	45000	54000	47500	325000	395000	470000	435000	320000	330000	390000	480000	4981000	
Food	7000	7000	8500	8000	65000	80000	85000	80000	60000	60000	60000	75000	870000	
Liquor	18000	18000	18000	15000	15000	18000	21000	16000	16000	16000	16000	20000	207000	
Sundry	1480	1800	2160	1900	1300	1584	1880	1740	1280	1320	1560	1920	19924	
Golf	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	168000	
Rental	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	216000	
Gift Shop	20000	20000	20000	28000	15000	20000	20000	20000	15000	15000	18000	25000	236000	
TOTAL REVENUES	511480	591800	697160	631900	453300	547584	629880	584740	444280	454320	517560	633920	6697924	31496004
COST OF SALES														
Food	23100	23100	28050	26400	21450	26400	28050	26400	19800	19800	19800	24750	287100	
Liquor	4500	4500	4500	3750	3750	4500	5250	4000	4000	4000	4000	5000	51750	
Sundry	740	900	1080	950	650	792	940	870	640	660	780	960	9962	
Golf	200	200	200	200	200	200	200	200	200	200	200	200	2400	
Gift Shop	10000	10000	10000	14000	7500	10000	10000	10000	7500	7500	9000	12500	118000	
TOTAL COST OF SALES	28540	28700	33830	31300	26050	31892	34440	31470	24640	24660	24780	30910	351212	1651041
EXPENSES														
Advertising	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	19200	
Amortization	439	439	439	439	439	439	439	439	439	439	439	439	5268	
TOTAL	2039	2039	2039	2039	2039	2039	2039	2039	2039	2039	2039	2039	24468	
Supplies	5626.28	6509.8	7668.76	6950.9	4986.3	6023.424	6928.68	6432.14	4887.08	4997.52	5693.16	6973.12	73677.16	
Credit Card	7672.2	8877	10457.4	9478.5	6799.5	8213.76	9448.2	8771.1	6664.2	6814.8	7763.4	9508.8	100468.9	
Payroll Processing	300	300	300	300	300	300	300	300	300	300	300	300	3600	
Emp. Benefit Dental	523	523	523	523	523	523	523	523	523	523	523	523	6276	
Emp. Benefit Medical	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	175992	
Emp. FICA, FUTA, SUC	11288	11288	12648	12648	10608	11288	12648	11288	10608	10608	11288	12648	138856	
FDI				1036			1016			1016			3068	

2017	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
Worker Comp	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	47004	
Software Fee	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	17160	
Gas Diesel	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000	
Insurance Flood	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	45840	
Insurance Fire Liability	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	172680	
Interest Bank	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	636528	
Lease State	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	499992	
Lease Benda	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	31992	
Lease Ka'u	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	4929.96	
Misc	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	36000	
Music/Entertainment	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800	37100	
Repair Maintenance	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	60000	
Room/Commission	4810	5850	7020	6175	4225	5148	6110	5655	4160	4290	5070	6240	64753	
Salaries Wages	83000	83000	93000	93000	78000	83000	93000	83000	78000	78000	83000	93000	1021000	
SE Tax	21308.26	24654.39	29043.69	26324.95	18884.48	22812.35	26240.8	24360.27	18508.7	18926.97	21561.55	26409.11	279035.5	
TAT Tax	31829.25	38711.25	46453.5	40861.88	27958.13	34065.9	40431.75	37420.88	27528	28388.25	33549.75	41292	428490.5	
Real Property Tax	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	121404	
Telephone	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30000	
Utility Electric	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	600000	
Utility Propane	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	99600	
Utility Waste Removal	6000	6000	6000	6500	6000	6000	6000	6000	6000	6000	6000	6000	72500	
Utility Water	5400	5400	5400	6200	5400	5400	5400	5400	5400	5400	5400	5400	65600	
Utility Cable TV	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	23928	
Professional Service	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	24000	
JS Trustee Fee	6500			6500			6500			6500			26000	
Class Unsecured	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	
TOTAL EXPENSES	409020.8	415877.3	443978.2	441262.1	389148.2	408238.3	439310.3	414614.2	387342.8	396528.4	405612.7	433057.9	4983991	24699269
NET INCOME	73919.18	147222.7	219351.8	159337.9	38101.77	107453.7	156129.7	138655.8	32297.19	33131.63	87167.31	169952.1	1362721	5145694
Beginning Balance	4409147	4483066	4630289	4849641	5008979	5047080	5154534	5310664	5449320	5481617	5514749	5601916		
Ending Cash Balance	4483066	4630289	4849641	5008979	5047080	5154534	5310664	5449320	5481617	5514749	5601916	5771868		
New Value														
Plan Payments														
Administrative Claims														
Class 1	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	636528	2370308
Class 2														
Class 3														
Class 4	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	56304

NANILOA VOLCANOES RESORT
INCOME AND EXPENSE PROJECTIONS 2018

	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
REVENUES														
Room	370000	460000	540000	480000	315000	396000	480000	440000	340000	340000	395000	485000	5041000	
Food	70000	70000	85000	80000	65000	80000	85000	80000	60000	60000	60000	75000	870000	
Liquor	18000	18000	18000	15000	15000	18000	21000	16000	16000	16000	16000	20000	207000	
Sundry	1480	1840	2160	1920	1260	1584	1920	1760	1360	1360	1580	1940	20164	
Golf	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	168000	
Rental	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	216000	
Gift Shop	20000	20000	20000	28000	15000	20000	20000	20000	15000	15000	18000	25000	236000	
													0	
TOTAL REVENUES	511480	601840	697160	636920	443260	547584	639920	589760	464360	464360	522580	638940	6758164	38254168
COST OF SALES														
Food	23100	23100	28050	26400	21450	26400	28050	26400	19800	19800	19800	24750	287100	
Liquor	4500	4500	4500	3750	3750	4500	5250	4000	4000	4000	4000	5000	51750	
Sundry	740	920	1080	960	630	792	960	880	680	680	790	970	10082	
Golf	200	200	200	200	200	200	200	200	200	200	200	200	2400	
Gift Shop	10000	10000	10000	14000	7500	10000	10000	10000	7500	7500	9000	12500	118000	
TOTAL COST OF SALES	28540	28720	33830	31310	26030	31892	34460	31480	24680	24680	24790	30920	351332	2002373.2
EXPENSES														
Advertising	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	19200	
Amortization	439	439	439	439	439	439	439	439	439	439	439	439	5268	
													0	
Supplies	5626.28	6620.24	7668.76	7006.12	4875.86	6023.424	7039.12	6487.36	5107.96	5107.96	5748.38	7028.34	74339.804	
Credit Card	7672.2	9027.6	10457.4	9553.8	6648.9	8213.76	9598.8	8846.4	6965.4	6965.4	7838.7	9584.1	101372.46	
Payroll Processing	300	300	300	300	300	300	300	300	300	300	300	300	3950	
Imp. Benefit Dental	523	523	523	523	523	523	523	523	523	523	523	523	6276	
Imp. Benefit Medical	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	175992	
Imp. B.C.A. FUTA, SUC	11288	12648	12648	12648	10608	11288	12648	11288	10608	10608	11288	12648	140216	
DI				1076			1016			1016			3108	

2018	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
Worker Comp	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	47004	
Software Fee	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	17160	
Gas Diesel	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000	
Insurance Flood	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	45840	
Insurance Fire Liability	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	172680	
Interest Bank	53044	53044	53044	53044	53044	53044	53044	53044	53044				424352	
Lease Gate	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	499992	
Lease Honda	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	31992	
Lease Ka'u	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	4929.96	
Misc. O	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	36000	
Misc Entertainment	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800	37100	
Repair Maintenance	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	60000	
Room Commission	4810	5980	7020	6240	4095	5148	6240	5720	4420	4420	5135	6305	65533	
Salaries Wages	83000	93000	93000	93000	78000	83000	93000	83000	78000	78000	83000	93000	1031000	
State Tax	21308.257	25072.654	29043.686	26534.087	18466.212	22812.349	26659.067	24569.402	19345.2376	19345.238	21770.683	26618.24	281545.112	
AT Tax	31829.25	39571.5	46453.5	41292	27097.875	34065.9	41292	37851	29248.5	29248.5	33979.875	41722.125	433652.025	
Real Property Tax	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	121404	
Telephone	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30000	
Utility Electric	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	600000	
Utility Gas	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	99600	
Utility Waste Removal	6000	6000	6000	6500	6000	6000	6000	6000	6000	6000	6000	6000	72500	
Utility Water	5400	5400	5400	6200	5400	5400	5400	5400	5400	5400	5400	5400	65600	
Utility - Cable TV	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	23928	
Professional Service													0	
US Trust Fee	1400			6500			6500			4875			19275	
Class Unsecured	1104	1104	1104	1104	1104	1104	1104	1104					8832	
TOTAL EXPENSES	401920.8	426906.8	441978.2	440136.8	385478.7	406588.3	438979.8	413449	334533.93	340424.9	350299.5	377744.6	4758441.4	29457710
NET INCOME	81019.18	146213.2	221351.8	165473.2	31751.32	109103.7	166480.2	144831	105146.07	99255.07	147490.5	230275.4	1648390.6	6794084.4
Beginning Balance	5771868	5852887	5999100	6220452	6385925	6417677	6526780	6693261	6838091.6	7048864	7148119	7295610		
Ending Cash Balance	5852887	5999100	6220452	6385925	6417677	6526780	6693261	6838092	6943237.7	7148119	7295610	7525885		
Low Value									10000000					
Loan Payments														
Administrative Claims														
Class 1	53044	53044	53044	53044	53044	53044	53044	53044	9488650				9913002	12283310
Class 2														
Class 3														
Class 4														
Class 5	1104	1104	1104	1104	1104	1104	1104	1104	405723.33				414555.33	470859.33

GL 5372
GL 5844

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

WAGNER, CHOI & VERBRUGGE
James A Wagner
Neil J. Verbrugge
745 Fort Street, Suite 1900
Honolulu, Hawaii, 96813
(808) 533-1877
808) 566-6900(facsimile)
jwagner@hibklaw.com
nverbrugge@hibklaw.com

Attorneys for Hawaii
Outdoor Tours Inc.
Debtor and Debtor in Possession

UNITED STATES BANKRUPTCY COURT
DISTRICT OF HAWAII

DEPT. OF LAND &
NATURAL RESOURCES
STATE OF HAWAII

2013 MAR 25 AM 9:51

RECEIVED
LAND DIVISION

In re:

HAWAII OUTDOOR TOURS, INC. dba
Nanihoa Volcanoes Resort and Nanihoa
Volcanoes Golf Club,

Debtor and Debtor-in-
Possession

Case No. 12-02279 (RJF)
Chapter 11

Date: N/A
Time: N/A
Place: United States Courthouse
Judge: Honorable Robert J. Faris

NATURAL RESOURCES

2013 MAR 22 AM 11:16

RECEIVED

**DEBTOR'S DISCLOSURE STATEMENT RE: PLAN OF REORGANIZATION,
DATED MARCH 20, 2013; EXHIBITS A - I**

The debtor is a Corporation, tax ID # xx-xxx2353. The Debtor's address is P.O. Box 1417, Hilo, HI 96721

EXHIBIT B

3-25-13 by: HDLO

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

ARTICLE I. INTRODUCTION 4

 1.01 Purpose of this Document 7

 1.02 Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing..... 9

 1.02.1 Time and Place of the Confirmation Hearing 9

 1.02.2 Deadline for Objecting to the Confirmation of the Plan 9

 1.02.3 Identity of Person to Contact for More Information Regarding the Plan .. 10

 1.03 Disclaimer 10

 1.04 Definitions, Interpretations and Rules of Construction 14

 1.04.1 Definitions..... 14

 1.04.2 Undefined Terms 26

 1.05 Interpretations, Computation of Time and Governing Law..... 26

 1.05.1 Rules of Interpretation 26

 1.05.2 Computing Time Periods 28

 1.05.3 Section Numbers 28

 1.05.4 Notices and Delivery of Documents 28

ARTICLE II. BACKGROUND 29

 2.01 Description and History of the Debtor’s Business..... 29

 2.02 Principals/Affiliates of Debtor’s Business..... 31

 2.03 Management of the Debtor Before and After the Bankruptcy..... 31

 2.04 Events Leading to Chapter 11 Filing 31

 2.05 Significant Events During the Bankruptcy 34

 2.05.1 Bankruptcy Proceedings 35

 2.05.2 Other Legal Proceedings 35

 2.05.3 Actual and Projected Recovery of Preferential or Fraudulent Transfers ... 36

 2.05.4 Procedures Implemented to Resolve Financial Problems..... 36

 2.05.5 Current 37

ARTICLE III. SUMMARY OF THE PLAN OF REORGANIZATION 40

 3.01 What Creditors and Interest Holders Will Receive Under The Proposed Plan
 40

 3.02 Unclassified Claims 41

 3.02.1 Administrative Expenses 41

 3.02.2 Priority Tax Claims 43

 3.03 Classified Claims and Interests..... 44

 3.03.1 Classes of Secured Claims 44

 3.03.2 Classes of Priority Unsecured Claims..... 52

 3.03.3 Classes of General Unsecured Claims 53

 3.03.4 Classes of Interest Holders..... 55

 3.03.5 Other State Court Actions 56

 3.04 Means of Effectuating Plan..... 56

 3.04.1 Funding for the Plan..... 57

 3.04.2 Post-Confirmation Management 57

 3.04.3 Disbursing Agent 57

1	3.05	<u>Risk Factors</u>	58
	3.06	<u>Other Provisions of the Plan</u>	58
2	3.06.1	Executory Contracts and Unexpired Leases	58
	3.06.2	Changes in Rates Subject to Regulatory Commission.....	62
3	3.06.3	Retention of Jurisdiction.....	62
	3.07	<u>Tax Consequences of Plan</u>	62
4			
		<u>ARTICLE IV. CONFIRMATION REQUIREMENTS AND PROCEDURES</u>	64
5	4.01	<u>Who May Vote or Object</u>	64
	4.01.1	Who May Object to Confirmation of the Plan.....	64
6	4.01.2	Who.....	64
	4.01.3	Who Is Not Entitled to Vote	66
7	4.01.4	Who Can Vote in More Than One Class	66
	4.01.5	Votes Necessary to Confirm the Plan	66
8	4.01.6	Votes Necessary for a Class to Accept the Plan	67
	4.01.7	Treatment of Nonaccepting Classes.....	67
9	4.01.8	Request for Confirmation Despite Nonacceptance by Impaired Class(es) 67	67
	4.02	<u>Liquidation Analysis</u>	68
10	4.03	<u>Feasibility</u>	74
11		<u>ARTICLE V. EFFECT OF CONFIRMATION OF PLAN</u>	76
	5.01	<u>Discharge</u>	76
12	5.02	<u>Revesting of Property in the Debtor</u>	76
	5.03	<u>Modification of Plan</u>	76
13	5.04	<u>Post-Confirmation Status Report</u>	76
	5.05	<u>Post-Confirmation Conversion/Dismissal</u>	77
14	5.06	<u>Final Decree</u>	77
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			

1 ARTICLE I.

2 INTRODUCTION

3 HAWAII OUTDOOR TOURS INC., the Debtor in Possession (hereinafter referred to
4 as "Debtor" in this Case¹, provides this Disclosure Statement to all of its Creditors, Equity
5 Security Holders, and to other parties in interest in the Case.

6 The Debtor commenced its Bankruptcy case by filing a voluntary Chapter 11 petition
7 under the United States Bankruptcy Code, ("Code") Sections 101-1330, on November 20,
8 2012 (the "Petition Date"). The Debtor is continuing in the operation and management of its
9 business pursuant to Bankruptcy Code Sections 1107 and 1108.

10 Section 1125 of the Bankruptcy Code requires that, at the time when the Plan is
11 delivered to Creditors, the Plan be accompanied by this Disclosure Statement². The purpose of
12 this Disclosure Statement is to provide information of a kind, and in sufficient detail, so far as
13 is reasonably practicable, in light of the nature and history of the Debtor and the condition of
14 the Debtor's books and records, to enable a typical Creditor or Equity Security Holder to make
15 an informed judgment about the Plan and to enable such Creditor or Equity Security Holder to
16

17 _____
18 ¹ The definitions of the capitalized terms used in this Disclosure Statement are contained in
19 Section II. of this Disclosure Statement.

20 ² Section 1125(b) provides, in pertinent part, as follows: An acceptance or rejection of a plan may
21 not be solicited after the commencement of the case under this title from a holder of a claim or interest with
22 respect to such claim or interest, unless, at the time of or before such solicitation, there is transmitted to such
23 holder the plan or a summary of the plan, and a written disclosure statement approved, after notice and a hearing,
24 by the court as containing adequate information. . . .

11 U.S.C. § 1125(b) (2003).

1 determine whether it is in his best interest to vote for (accept) or against (reject) the Plan.

2 Chapter 11 of the Bankruptcy Code allows debtors, and under some circumstances,
3 creditors and other parties in interest, to propose a plan of reorganization. The plan may
4 provide for Debtor to reorganize by continuing to operate, to liquidate by selling assets of the
5 estate, or a combination of both. The Debtor is the party proposing the Plan sent to you in the
6 same envelope as this document. THE DOCUMENT YOU ARE READING IS THE
7 DISCLOSURE STATEMENT FOR THE ENCLOSED PLAN. This Disclosure Statement
8 contains a description of the Plan and other information relevant to the decision whether to
9 vote to accept or to reject the Plan. The Debtor urges you to read this Disclosure Statement
10 because it contains important information concerning the Debtor's history, business, assets,
11 and liabilities and sets forth a summary of the Plan.

12 The Debtor's Plan is a reorganizing plan accomplished through the continuation of
13 Debtor's primary business, the ownership, management, refinance and or sale of the Debtors'
14 Hotel. In other words, the Plan Proponent (i.e., the Debtor) seeks to accomplish payment
15 under the Plan primarily from the net proceeds and revenues generated through the revenues
16 resultant from the room sales, bar and restaurant revenue, golf course revenue, convention and
17 banquet revenue, and or the sale or refinance of the Nanihoa Hotel Property. The Plan may
18 provide for the Debtor to reorganize by continuing to operate, to liquidate by selling assets of
19 the estate, refinancing assets of the estate or a combination of all of the above. The Debtor,
20 Hawaii Outdoor Tours Inc., is the party proposing the Plan sent to you in the same envelope as
21 this document. THE DOCUMENT YOU ARE READING IS THE DISCLOSURE
22 STATEMENT FOR THE ENCLOSED PLAN.

1 This is a reorganizing Plan. In other words, the Proponent seeks to accomplish
2 payments under the Plan by restructuring a note secured by real property of the estate held by
3 First Citizens Bank. The secured creditors of the estate shall be paid the present value of their
4 claim at a market interest rate over a sixty month period through net income generated from the
5 Naniloa Hotel Property and/or through a sale or refinance of the Naniloa Hotel Property. The
6 Effective Date of the proposed Plan is projected to be September 15, 2013. The first payment
7 due under the plan is based upon the projected Effective Date is October 15, 2013.

8 The Plan will be implemented through the following means: The proceeds from net
9 income resultant from the room sales, bar and restaurant revenue, golf course revenue,
10 convention and banquet revenue will be used to fund the payments to both Secured and
11 Unsecured Creditors provided for under the Plan. The CEO of Debtor Kenneth Fujiyama, will
12 provide oversight and assistance in the operation of the Debtor's business and day-to-day
13 management decisions. The Debtor will work to maintain and increase room sales, bar and
14 restaurant revenue, golf course revenue, convention and banquet revenue, as well as to
15 refinance and or sell the Naniloa Hotel Property providing funds for the payment of creditors.

- 16 • The proceeds from net income resultant from the room sales, bar and restaurant
17 revenue, golf course revenue, convention and banquet revenue and or the
18 sale/refinance of the Naniloa Hotel Property will be used to fund the payments to
19 both Secured and Unsecured Creditors provided for under the Plan. It is anticipated
20 that there will be sufficient funds from the above referenced sources to pay all

21 Allowed Secured and Allowed Unsecured Claims as follows:

- 22 • The secured claims of the Director of Finance-RPT County of Hawaii,
23 Hawaii State Tax Collector, Department of Taxation, and First Citizens Bank
24

1 will be paid in full on or before the sixtieth (60th) month following the Effective
2 Date, **excepting that the Allowed Claims of Director of Finance-RPT**
3 **County of Hawaii and Hawaii State Tax Collector, Department of Taxation**
4 **shall be paid in full on the Effective Date should the state of Hawaii or its**
5 **assignee as Lessor to Hawaii Outdoor Tours, as Lessee under General**
6 **Lease No. S-5844 effective February 1, 2006, determine that those allowed**
7 **claims shall be paid in full on the Effective Date as a cure of monies due to**
8 **maintain the terms and conditions due under General Lease No. S-5844.**

9 • Unsecured Priority Claims other than Priority Tax Claims shall be paid
10 in full on the Effective Date

11 • Allowed Class 4 General Unsecured Claims will receive 100% of their
12 allowed claim on or before the sixtieth (60th) month following the Effective
13 Date.

14 **A MORE COMPLETE DESCRIPTION OF THE PROVISIONS OF THE PLAN**
15 **AND THE MEANS OF EFFECTUATING THE PLAN ARE LOCATED AT SECTION**
16 **IV.D. BELOW.**

17 **1.01 Purpose of this Document.**

18 This Disclosure Statement summarizes what is in the Plan and tells you certain
19 information relating to the Plan and the process the Court follows in determining whether or
20 not to confirm the Plan. This Disclosure Statement does not purport to be a complete
21 description of the Plan, the financial data pertaining to the Debtor's business operations, the
22 applicable provisions of the Bankruptcy Code, or any other matter which may be deemed
23 significant by Creditors or Interest Holders. Out of practical necessity, this Disclosure
24

1 Statement represents an attempt to summarize extensive overall data, legal documents and
2 legal principles, including provisions of the Bankruptcy Code, and to set them forth in
3 understandable, readable form.

4 **READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO**
5 **KNOW ABOUT:**

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

16 This Disclosure Statement cannot tell you everything about your rights. You should
17 consider consulting your own lawyer to obtain more specific advice on how the Plan will affect
18 you and what is the best course of action for you. Be sure to read the Plan as well as all of this
19 Disclosure Statement.

20
21 The Code requires a Disclosure Statement to contain "adequate information"
22 concerning the Plan. The Bankruptcy Court has conditionally approved this document as an
23 adequate Disclosure Statement, containing enough information to enable parties affected by the
24 Plan to make an informed judgment about the Plan. Any party can now solicit votes for or

1 against the Plan. However, the statements and conclusions set forth in this document are,
2 unless otherwise noted, those of the Proponent of the Plan. The accuracy has not yet been
3 determined by the Court, and the Court may determine such accuracy at the hearing regarding
4 whether or not to confirm the Plan.

5 **1.02 Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing.**

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

11 **1.02.1 Time and Place of the Confirmation Hearing**

12 The hearing where the Court will determine whether or not to confirm the Plan will
13 take place on _____, 2013, at _____ A.M., 1132 Bishop Street, Suite
14 250L, Honolulu, Hawaii.

15 **1.02.2 Deadline for Objecting to the Confirmation of the Plan**

16 Objections to the confirmation of the Plan must be filed with the Court and served upon
17 **WAGNER, CHOI & VERBRUGGE** to the attention of James A Wagner , 745 Fort Street,
18 Suite 1900, Honolulu, Hawaii, 96813 Telephone: (808) 533-1877, by _____,2013, at
19 5:00 P.M. Hawaii time.

20 At the Confirmation Hearing, the Bankruptcy Court will determine, pursuant to
21 Section 1129 of the Bankruptcy Code, whether the Plan has been accepted by the necessary
22 Classes of Claims and Interests created under the Plan, and if not, whether the Bankruptcy
23 Court should nevertheless confirm the Plan. If at the Confirmation Hearing the Bankruptcy
24

1 Court determines that the Plan meets all of the requirements for confirmation prescribed by the
2 Bankruptcy Code, the Bankruptcy Court will enter a Confirmation Order. Pursuant to Section
3 1141 of the Bankruptcy Code, the effect of the Confirmation Order will be to make the
4 provisions of the Plan binding upon the Debtor and each of its Creditors and Interest Holders,
5 regardless of whether each Creditor or Interest Holder voted to accept the Plan.

6 **1.02.3 Identity of Person to Contact for More Information Regarding the**
7 **Plan**

8 Any interested party desiring further information about the Plan may contact James A
9 Wagner at **WAGNER, CHOI & VERBRUGGE** 745 Fort Street, Suite 1900, Honolulu,
10 Hawaii, 96813, Telephone: (808) 533-1877

11 **1.03 Disclaimer**

12 The Plan involves the payment of Claims from available Cash, from the room sales, bar
13 and restaurant revenue, golf course revenue, convention and banquet revenue, and or from the
14 sale or refinance of the Naniloa Hotel Property. The Debtor projects that there will be
15 sufficient funds available to make the payments called for under the Plan. **The Debtor's**
16 **financial projections filed in support of the Plan (included in Exhibit C attached hereto)**
17 **were prepared by the Debtor.**

18 THE PROJECTIONS SET FORTH IN THIS DISCLOSURE STATEMENT
19 REPRESENT A PREDICTION OF FUTURE EVENTS BASED UPON CERTAIN
20 ASSUMPTIONS SET FORTH WITH SUCH PROJECTIONS. THESE FUTURE EVENTS
21 MAY OR MAY NOT OCCUR, AND THE PROJECTIONS MAY NOT BE RELIED UPON
22 AS A GUARANTEE OR OTHER ASSURANCE OF THE ACTUAL RESULTS WHICH
23 WILL OCCUR. BECAUSE OF THE UNCERTAINTIES INHERENT IN PREDICTIONS OF
24

1 FUTURE EVENTS, THE DEBTOR'S ACTUAL CASH FLOW MAY WELL BE
2 DIFFERENT FROM THAT PREDICTED, AND SUCH DIFFERENCE MAY BE
3 MATERIAL AND ADVERSE TO THE INTERESTS OF THE CREDITORS.

4 The projections are intended to assess the future cash flow available to the
5 Debtor for making the distributions required by the Plan. Significant assumptions underlying
6 the financial projections include the following:

7 1. Effective Date of the Plan

8 For the purpose of the Projections, the Debtor estimates that the Confirmation
9 Date will occur in or about August 15, 2013 and hence, that the Effective Date will occur in or
10 about September 15, 2013.

11 2. Earnings Generated by Naniloa Hotel Property.

12 The Debtor's projection of the future earnings which will be generated by the
13 Naniloa Hotel Property through the room sales, bar and restaurant revenue, golf course
14 revenue, convention and banquet revenue, and or the sale/refinance of Naniloa Hotel Property
15 is derived from Debtor's estimate of the revenue which the Naniloa Hotel Property will
16 generate after the Confirmation Date.

17 3. Expenses of the Debtor

18 The Debtor has assumed, for the purpose of the Projections that their expenses
19 will not increase by any significant amount, except as specifically set forth in the Projections,
20 during the term of the Plan.

21 The information contained in this Disclosure Statement is provided by the Debtor. The
22 Debtor represents that everything stated in the Disclosure Statement is true to the Proponent's
23 best knowledge. The Court has not yet determined whether or not the Plan is confirmable and
24

1 makes no recommendation as to whether or not you should support or oppose the Plan.

2 The financial data relied upon in formulating the Plan is based on the Debtor's post-
3 petition financial projections, the Debtor's Bankruptcy Schedules, and the financial
4 information contained in pleadings filed with the Bankruptcy Court. This information was not
5 audited or reviewed by an independent accountant and the Debtor is unable to warrant or
6 represent that such financial information is without any inaccuracies, although Debtor believes
7 it has made reasonable efforts under the circumstances to present such financial information
8 fairly and accurately. The Debtor represents that everything stated in the Disclosure Statement
9 is true to the best of Debtor's knowledge. The Court has not yet determined whether or not the
10 Plan is confirmable and makes no recommendation as to whether or not you should support or
11 oppose the Plan.

12 **THIS IS A SOLICITATION BY THE DEBTOR. THE REPRESENTATIONS**
13 **HEREIN ARE THOSE OF THE DEBTOR AND NOT OF ITS ATTORNEYS OR**
14 **CONSULTANTS. NO REPRESENTATIONS CONCERNING THE DEBTOR OR**
15 **POST-CONFIRMATION DEBTOR, INCLUDING, BUT NOT LIMITED TO,**
16 **REPRESENTATIONS AS TO THE POST-CONFIRMATION DEBTOR'S FUTURE**
17 **ACTIVITIES, THE VALUE OF ITS PROPERTY, THE AMOUNT OF CLAIMS**
18 **AGAINST THE DEBTOR'S ESTATE, OR ANY TAX EFFECT OF THE**
19 **TRANSACTIONS PROPOSED UNDER THE PLAN, ARE AUTHORIZED BY THE**
20 **DEBTOR, OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.**
21 **ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE**
22 **ACCEPTANCE OF THE PLAN THAT ARE IN ADDITION TO OR DIFFERENT**
23 **FROM THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT**
24

1 SHOULD NOT BE RELIED UPON BY ANY PARTY IN INTEREST. ANY SUCH
2 ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED
3 TO THE DEBTOR'S ATTORNEYS WHO, IN TURN, WILL DELIVER THE
4 INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS THE
5 BANKRUPTCY COURT MAY DEEM TO BE APPROPRIATE.

6 UNLESS SPECIFICALLY SET FORTH HEREIN TO THE CONTRARY, THE
7 INFORMATION CONTAINED OR REFERRED TO IN THIS DISCLOSURE
8 STATEMENT REGARDING THE DEBTOR HAS NOT BEEN SUBJECT TO
9 CERTIFIED AUDIT. RECORDS KEPT BY THE DEBTOR RELY FOR THEIR
10 ACCURACY ON BOOKKEEPING PERFORMED INTERNALLY BY THE DEBTOR.
11 THE DEBTOR BELIEVES THAT EVERY REASONABLE EFFORT HAS BEEN
12 MADE TO PRESENT FINANCIAL INFORMATION AS ACCURATELY AS IS
13 REASONABLY PRACTICABLE GIVEN THE NATURE AND HISTORY OF THE
14 DEBTOR'S BUSINESS AND THE CONDITION OF THE DEBTOR'S BOOKS AND
15 RECORDS. HOWEVER, THE FINANCIAL INFORMATION CONTAINED HEREIN
16 REGARDING THE DEBTOR IS NEITHER WARRANTED NOR REPRESENTED TO
17 BE FREE OF INACCURACY. COUNSEL FOR THE DEBTOR HAS NOT
18 INDEPENDENTLY VERIFIED THE INFORMATION CONTAINED HEREIN AND
19 MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE
20 ACCURACY THEREOF.

21 ALL PARTIES ENTITLED TO VOTE ON THE PLAN ARE URGED TO
22 REVIEW CAREFULLY THE PLAN AND THIS DISCLOSURE STATEMENT PRIOR
23 TO VOTING ON THE PLAN. THE CONTENTS OF THIS DISCLOSURE
24

1 STATEMENT SHOULD NOT BE CONSTRUED IN ANY MANNER TO BE LEGAL,
2 BUSINESS, OR TAX ADVICE. EACH CREDITOR AND OTHER PARTY IN
3 INTEREST SHOULD CONSULT WITH HIS OWN LEGAL COUNSEL, BUSINESS
4 ADVISOR, CONSULTANT, AND/OR ACCOUNTANT PRIOR TO VOTING TO
5 ENSURE A COMPLETE UNDERSTANDING OF THE TERMS OF THE PLAN. THIS
6 DISCLOSURE STATEMENT IS INTENDED FOR THE SOLE USE OF THE
7 CREDITORS AND INTEREST HOLDERS OF THE DEBTOR TO ENABLE THEM
8 TO MAKE AN INFORMED DECISION REGARDING THE PLAN.

9 THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT
10 INDICATES ONLY THAT THE DISCLOSURE STATEMENT CONTAINS
11 ADEQUATE INFORMATION FOR THE PURPOSE OF SOLICITATION OF
12 ACCEPTANCES TO THE PLAN BY THE DEBTOR, ASSUMING IT IS ACCURATE.
13 HOWEVER, THE BANKRUPTCY COURT HAS NOT YET DETERMINED THE
14 ACCURACY OF SUCH INFORMATION. IT MAY DO SO AT THE
15 CONFIRMATION HEARING.

16 **1.04 Definitions, Interpretations and Rules of Construction**

17 **1.04.1 Definitions**

18 **1. "Administrative Claim"** means a Claim for costs and expenses of the
19 administration of the Case under Sections 503(b) or 507(b) of the Bankruptcy Code, including,
20 without limitation: (a) the actual and necessary costs and expenses incurred after the Petition
21 Date of preserving the Estate and operating the business of the Debtor (such as wages, salaries,
22 or commissions for services); (b) all Claims of professionals employed at the expense of the
23 Estate; and (c) any fees or charges assessed against the Estate under 28 U.S.C. § 1930.
24

1 2. “Allowed Administrative Claim” means an Administrative Claim allowed
2 pursuant to Sections 503(b) or 507(b) of the Bankruptcy Code.

3 3. “Allowed Amount” means the amount of any Claim against the Debtor
4 determined in accordance with Sections 502 and 506(a) of the Bankruptcy Code and any other
5 applicable Section of the Bankruptcy Code, and recognized by the Debtor as value or allowed
6 by Final Order of the Court, except to the extent described or defined otherwise herein.

7 4. “Allowed Claim” means a Claim: (a) with respect to which a Proof of Claim
8 has not been filed but the Claim has been listed in the Schedules filed with the Bankruptcy
9 Court by the Debtor and not listed as disputed, contingent, or unliquidated as to amount and as
10 to which no objection is filed within the time period fixed by the Bankruptcy Court, or as to
11 which any such objection has been determined by a Final Order; or (b) with respect to which a
12 Proof of Claim has been filed within the time period fixed by the Bankruptcy Court, and as to
13 which no objection is filed within the time period fixed by the Bankruptcy Court, or as to
14 which any such objection has been determined by a Final Order. **Class ___ Claim** means an
15 Allowed Claim in the particular Class described.

16 5. “Allowed Class Interest” means an Allowed Interest in the particular Class
17 described

18 6. “Allowed Class Interest” means an Allowed Interest in the particular Class
19 described

20 7. “Allowed General Unsecured Claim” means an unsecured Allowed Claim
21 against the Debtor, however arising, not entitled to priority under Section 507(a) of the
22 Bankruptcy Code, including, without limitation, an Allowed Claim based on the rejection of an
23 executory contract or unexpired lease.

24

1 8. “Allowed Priority Claim” means an Allowed Administrative Claim, Allowed
2 Priority Tax Claim, or Allowed Priority Unsecured Claim.

3 9. “Allowed Priority Tax Claim” means an Allowed Claim entitled to priority
4 pursuant to Section 507(a)(8) of the Bankruptcy Code.

5 10. “Allowed Priority Unsecured Claim” means an Allowed Claim entitled to
6 priority pursuant to Sections 507(a)(3), 507(a)(4), or 507(a)(6) of the Bankruptcy Code.

7 11. “Allowed Secured Claim” means an Allowed Claim secured by a lien, security
8 interest or other charge against property in which the Estate has an interest, or which is subject
9 to setoff under Section 553 of the Bankruptcy Code, to the extent of the value, determined in
10 accordance with Section 506(a) of the Bankruptcy Code, of the interest of the holder of such
11 Allowed Secured Claim in the Estate’s interest in such property, or to the extent of the amount
12 subject to any setoff, as the case may be.

13 12. “Amended First Citizens Bank Note 1 Security Documents” means the First
14 Citizens Bank Note 1 Security Documents as they relate to the collateral securing the First
15 Citizens Bank Note 1, as amended pursuant to the Plan. .

16 13. “Approved Date” means the date on which an Order approving the Disclosure
17 Statement, or an amended version thereof, is entered by the clerk on the Court's docket.

18 14. “Avoidance Action” means any action which is filed or which may be filed
19 pursuant to the provisions of Sections 510, 542, 543, 544, 545, 547, 548, 549, or 550 of the
20 Bankruptcy Code, any actions based on applicable non Bankruptcy law that may be
21 incorporated or brought under the foregoing sections of the Bankruptcy Code, or any other
22 similar action or proceeding filed to recover property for or on behalf of the Estate or to avoid
23 a lien or transfer.

24

1 **15. “Ballot”** means the form distributed to holders of claims and interests on which
2 is to be stated an acceptance or rejection of the Plan.

3 **16. “Bankruptcy Code”** means Title 11 of the United States Code, as now in effect
4 or hereafter amended. All citations in the Plan to section numbers are to the Bankruptcy Code
5 unless otherwise expressly indicated.

6 **17. “Bankruptcy Court”** means the United States Bankruptcy Court for the
7 Eastern District of Hawaii, which has jurisdiction over the Case and the Estate of the Debtor,
8 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
10 Code and all applicable statutes, rules, and regulations pertaining thereto.

11 **18. “Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure and the
12 Local Bankruptcy Rules for use in the Bankruptcy Court, as now in effect or hereafter
13 amended.

14 **19. “Bar Date”** means the last date for filing Proofs of Claim other than
15 Administrative Claims or Claims based upon the rejection of any executory contracts or
16 unexpired leases. The Bar Date for filing Proofs of Claim was set by the Bankruptcy Court as
17 _____.

18 **20. “Business Day”** means any day other than a Saturday, Sunday, or “legal
19 holiday” (as defined in Bankruptcy Rule 9006(a)).

20 **21. “Case”** means the Debtor’s Chapter 11 case which was filed in the Bankruptcy
21 Court, as 12-02279 (RJF)

22 **22. “Cash”** means cash and cash equivalents, including, but not limited to, checks
23 or similar forms of payment or exchange.

24

1 23. “Claim” means: (a) a right to payment from the Debtor, whether or not such
2 right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured,
3 disputed, undisputed, legal, equitable, secured, or unsecured, or (b) a right to an equitable
4 remedy for breach of performance if such breach gives rise to a right to payment from the
5 Debtor, whether or not such right to an equitable remedy is reduced to judgment, liquidated,
6 unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or
7 unsecured.

8 24. “Claimant” means the holder of a Claim.

9 25. “Class” means a grouping into which Claims or Interests which are
10 substantially similar to other Claims or Interests have been classified pursuant to Article IV of
11 the Plan.

12 26. “Confirmation” means the entry of the Confirmation Order by the Bankruptcy
13 Court.

14 27. “Confirmation Date” means the date on which the Confirmation Order is
15 entered by the Bankruptcy Court.

16 28. “Confirmation Hearing” means the hearing, including any continued or
17 postponed session thereof, at which time the Bankruptcy Court will consider and determine
18 whether to confirm the Plan.

19 29. “Confirmation Order” means the order, as entered, of the Bankruptcy Court
20 confirming the Plan pursuant to Section 1129 of the Bankruptcy Code.

21 30. “Creditor” means the holder of an Allowed Claim.

22 31. “Debtor or HOT” means HAWAII OUTDOOR TOURS INC., the debtor and
23 debtor-in-possession in the Case.

24

1 32. “Disallowed Claim” means a Claim against the Debtor, which Claim is
2 disallowed pursuant to an order of the Bankruptcy Court as to which eleven (11) calendar days
3 have passed following entry of such order and no stay pending an appeal of such order is
4 obtained during such period

5 33. “Disbursing Agent” means the person or entity charged with making
6 Distributions pursuant to the terms of the Plan. Pursuant to the Plan, the Reorganized Debtor
7 will serve as the Disbursing Agent under the Plan.

8 34. “Disclosure Statement” means the Disclosure Statement (and all exhibits or
9 schedules annexed thereto or referenced therein) which accompanies the Plan, as the
10 Disclosure Statement may be amended, modified, or supplemented from time to time in
11 accordance with the Bankruptcy Code and Bankruptcy Rules.

12 35. “Disputed Claim” means any Claim: (a) listed on the Debtor’s Schedules as
13 unliquidated, disputed, or contingent; or (b) as to which the Debtor, or any other party in
14 interest, has interposed a timely objection or request for estimation or subordination in
15 accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection or request
16 for estimation or subordination has not been withdrawn or determined by a Final Order. A
17 Claim will be considered a Disputed Claim in its entirety if an objection is timely filed to any
18 portion of such Claim.

19 36. “Disputed Claims Reserve Account” means the segregated account to be
20 created for holding the pro-rata share of any Disputed Claims pending final resolution of the
21 Disputed Claim.

22 37. “Distribution” means the Cash which is required to be distributed under the
23 Plan to the holders of Allowed Claims.
24

1 **38. “DLNR Fiscal Office”** means The Hawaii Department of Land and Natural
2 Resources, the beneficiary of a \$500,000 performance bond dated February 1, 2012 by and
3 between DLNR as beneficiary and Hawaii Outdoor Tours, Inc., as Obligor and which bond had
4 a balance owing of approximately \$259,971.03 on the petition date.³

5 **39. “Effective Date”** means the date not later than ninety (90) days following the
6 date upon which the Confirmation Order becomes a Final Order; provided, however, that, if an
7 appeal of the Confirmation Order is timely filed, the Debtor may elect to cause the Plan to
8 become effective, notwithstanding the pendency of such appeal, so long as no stay of the
9 Confirmation Order is in effect, by filing with the Bankruptcy Court a notice of such election,
10 in which event the Plan will become effective as provided herein.

11 **40. “Equity Security Holder”** means the holder of an Interest in the Debtor.

12 **41. “Estate”** means the estate created under Section 541 of the Bankruptcy Code in
13 the Case.

14 **42. “Exhibits”** means those exhibits annexed to the Plan or Disclosure Statement or
15 incorporated by reference in the Plan or Disclosure Statement.

16 **43. “File,” “Filed,” or “Filing”** means filed with the Bankruptcy Court having
17 jurisdiction over the Case.

18
19
20 ³ On October 5, 2012, the Lender made a payment of \$260,015.95 to cure the default on the performance
21 bond. On November 20, 2012, the Debtor filed for bankruptcy. In December 2012, the Lender made a lease
22 payment for August 2012 rent in the amount of \$262,000 which is a superpriority administrative claim under the
23 terms of the Second Cash Collateral Stipulation.

1 **44. “Final Distribution”** means, for each Class, the last Distribution to be made to
2 holders of Allowed Claims in that Class.

3 **45. “Final Order”** means an order or judgment of the Bankruptcy Court, or of any
4 court of competent jurisdiction where there is pending an action in which the Debtor is a party,
5 which has not been reversed, stayed, modified, or amended, and as to which: (a) the time to
6 appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which
7 no appeal, petition for certiorari, or other proceeding for reargument or rehearing shall then be
8 pending; or (b) any right to appeal, petition for certiorari, reargument, or rehearing shall have
9 been waived in writing in form and substance satisfactory to the Debtor; or (c) any appeal,
10 petition for certiorari, reargument or rehearing has been resolved by the highest court to which
11 the order or judgment was appealed timely or from which certiorari, reargument, or rehearing
12 was sought.

13 **46. “Financial Projections”** means the financial statements prepared by the Debtor
14 which sets forth, among other things, the Debtor's cash flow projections, and which is attached
15 as Exhibit "C" hereto.

16 **47. “First Citizens Bank”** means First Citizens Bank, the holder of the beneficial
17 interest in: (1) 1st deed of trust encumbering the Naniloa Hotel Property. First Citizens Bank is
18 the successor in interest to First Regional Bank. On January 29, 2010 First Citizens Bank
19 entered into an agreement with the Federal Deposit Insurance Corp. (FDIC) to purchase
20 substantially all the assets and assume the majority of the liabilities of First Regional Bank of
21 Los Angeles, California.

22 **48. “First Citizens Bank Note 1”** means that certain Promissory Note secured by a
23 first trust deed encumbering the Naniloa Hotel Property, of First Citizens Bank, as successor in
24

1 interest to First Regional Bank, as of the petition date including all amendments and
2 modifications thereto.

3 **49. “First Citizens Bank Note 1 Collateral”** means the first deed of trust
4 encumbering the leasehold interest of the Naniloa Hotel Property.

5 **50. “First Citizens Bank First Note 1”** means that certain Promissory Note to be
6 executed by the Reorganized Debtor as maker in favor of the current holder of the First
7 Citizens Bank Note 1 pursuant to the Plan in an amount equal to the amount of the First
8 Citizens Bank Note 1 on the Effective Date secured by an first deed of trust encumbering the
9 First Citizens Bank Note 1 Collateral as of the Effective Date.

10 **51. “General Lease No. S-5844”** means the state of Hawaii or its assignee as Lessor
11 to Hawaii Outdoor Tours, as Lessee under General Lease No. S-5844 effective February 1,
12 2006.

13 **52. “General Unsecured Claim”** means an unsecured Claim against the Debtor
14 that is not entitled to priority under Section 507(a) of the Bankruptcy Code, including, without
15 limitation, a Claim based on the rejection of an executory contract or unexpired lease.

16 **53. “KDC”** means Ken Direction Corporation, the parent company of the Debtor.

17 **54. “Kenneth Fujiyama”** means Kenneth Fujiyama, the CEO of the Debtor

18 **55. “Naniloa Hotel Property or Debtors Property”** means the Hotel and golf
19 course located at 93 Banyon Drive, Hilo, Hawaii, 96721 95356, consisting of an area of 6.35
20 acres, more or less (“Naniloa Hotel”), and a nine-hole Golf Course and Allied Facilities Site,
21 containing a gross area of 63.775 acres, and a net area of 62.576 acres after exclusions (“Golf
22 Course”).

1 **56. “Net Sales Proceeds”** means all of the Cash proceeds from the sale of the assets
2 of the Estate minus all costs of sale and administrative expenses of the Estate including, but not
3 limited to, the fees and expenses of the Disbursing Agent and Professionals employed by the
4 Estate, income taxes and payments pursuant to the Plan to creditors holding Allowed

5 **57. “New Value contribution”** means the equity contribution by KDC for the
6 benefit of the Debtor consisting of proceeds from the future sale of the approximately 1,952
7 acres of oceanfront land in the Kau district of Hawaii as well as from sale of other KDC and
8 its’ subsidiary assets and any third party cash contributions to fund the plan on the Effective
9 date.

10 **58. “Order”** means an order or judgment of the Bankruptcy Court as entered on
11 the Court's docket.

12 **59. “Person”** means any individual, corporation, general partnership, limited
13 partnership, association, joint stock company, joint venture, estate, trust, government or any
14 political subdivision, governmental unit (as defined in the Bankruptcy Code) or official
15 committee appointed by the United States Trustee.

16 **60. “Petition Date”** means November 20, 2012, the date on which the Debtor filed
17 its voluntary petition under Chapter 11 of the Bankruptcy Code, commencing the Case.

18 **61. “Plan”** means the Debtor’s Chapter 11 Plan of Reorganization, as the Plan may
19 be amended, modified, or supplemented from time to time in accordance with the Bankruptcy
20 Code and Bankruptcy Rules.

21 **62. “Post-Confirmation Estate Claims”** means any and all claims and causes of
22 action which constitute property of the Estate including, but not limited to, any Avoidance
23
24

1 Actions, whether or not such claims or causes of action are the subject of litigation pending as
2 of the Effective Date.

3 63. **“Post-Petition Earnings”** means any funds received by Debtor since the
4 Petition Date.

5 64. **“Priority Claim”** means an Administrative Claim, Priority Tax Claim, or
6 Priority Unsecured Claim.

7 65. **“Priority Tax Claim”** means a Claim asserted to have priority under Section
8 507(a)(8) of the Bankruptcy Code.

9 66. **“Priority Unsecured Claim”** means a Claim asserted to have priority under
10 Sections 507(a)(3), 507(a)(4), or 507(a)(6) of the Bankruptcy Code.

11 67. **“Professionals”** mean professionals, such as attorneys, consultants or
12 accountants employed by the Disbursing Agent in this case after the confirmation of the Plan,
13 including but not limited to, James A Wagner.

14 68. **“Pro Rata”** means the proportional amount of any one Claim or Equity Interest
15 in a Class or a group of Claims to the aggregate amount of all Claims or Equity Interests in the
16 same Class or group, including Disputed Claims until disallowed.

17 69. **“Proof of Claim”** means a statement under oath filed in the Case by a Claimant
18 in which the Claimant sets forth the amount claimed to be owed to it and sufficient detail to
19 identify the basis for the Claim, in accordance with Federal Rule of Bankruptcy Procedure
20 3001.

21 70. **“Reorganized Debtor”** means the Debtor, Hawaii Outdoor Tours Inc., on and
22 after the Effective Date, who shall assume all of the rights and obligations of the Debtor
23
24

1 together with title to and control of the Debtor's assets and liabilities upon Confirmation of the
2 Plan, as such rights, obligations, assets and liabilities are modified in the Plan

3 71. "Schedules" means the Schedules of Assets and Liabilities and Statement of
4 Financial Affairs filed by the Debtor in the Case, as amended, modified, or supplemented from
5 time to time.

6 72. "Secured Claim" means a Claim secured by a lien, security interest or other
7 charge against property in which the Estate has an interest, or which is subject to setoff under
8 Section 553 of the Bankruptcy Code, to the extent of the value, determined in accordance with
9 Section 506(a) of the Bankruptcy Code, of the interest of the holder of such Secured Claim in
10 the Estate's interest in such property, or to the extent of the amount subject to any setoff, as the
11 case may be.

12 73. "Secured Creditor" shall mean the holder of an Allowed Secured Claim.

13 74. "Shareholder Interest" means a shareholder interest in the Debtor.

14 75. "Tax Collector" means the County Treasurer/Tax Collector or its successors-
15 in-interest

16 76. "Unclaimed Distribution" means any Distribution which is unclaimed as a
17 result of any of the following: (a) checks which have been returned as undeliverable without a
18 proper forwarding address; (b) checks which were not mailed or delivered because of the
19 absence of a proper address to which to mail or deliver the same; (c) checks which remain un-
20 negotiated for a period of ninety (90) days after the date of issuance.

21 77. "Unclassified Claims" means the Allowed Amount of all Administrative
22 Claims of the Debtor's Case, allowed pursuant to Section 503(b) of the Bankruptcy Code; and
23
24

1 (ii) all Priority Tax Claims entitled to priority pursuant to SECTION 507(a)(8) of the
2 Bankruptcy Code.

3 78. **“Unsecured Creditors”** means Creditors holding Allowed Unsecured Claims
4 against the Debtor for which there are no assets of the Debtor serving as a security, but not
5 including Priority Claims.

6 79. **“Wage Claimant”** means a Claimant asserting a Claim pursuant to Section
7 507(a)(3) or (a)(4) of the Bankruptcy Code.

8 **1.04.2 Undefined Terms**

9 Any term used in the Disclosure Statement that is not defined in the Disclosure
10 Statement, either in Section II.A (Definitions) or elsewhere, but that is used in the Bankruptcy
11 Code or the Bankruptcy Rules has the meaning assigned to that term in the Bankruptcy Code
12 or the Bankruptcy Rules.

13 **1.05 Interpretations, Computation of Time and Governing Law**

14 **1.05.1 Rules of Interpretation**

15 For the purposes of the Disclosure Statement:

16 1. Whenever, from the context, it is appropriate, each term, whether stated in the
17 singular or the plural, shall include both the singular and the plural.

18 2. Any reference in the Plan to a contract, instrument, release or other agreement
19 or document being in a particular form or on particular terms and conditions means that such
20 document shall be substantially in such form or substantially on such terms and conditions.

21 3. Any reference in the Plan to an existing document or Exhibit Filed or to be
22 Filed means such document or Exhibit, as it may have been or may be amended, modified, or
23 supplemented as of the Confirmation Date.
24

1 4. Unless otherwise specified in a particular reference in the Plan, all references in
2 the Plan to Sections, Articles or Exhibits are references to Sections, Articles and Exhibits of or
3 to the Plan.

4 5. Unless otherwise specified in a particular reference in the Plan, the words
5 "herein," "hereof," "hereto," "hereunder," and others of similar import refer to the Plan in its
6 entirety rather than only to a particular paragraph, subparagraph, or clause contained in the
7 Plan.

8 6. Captions and headings to Articles and Sections are inserted for convenience of
9 reference only and are not intended to be a part of or to affect the interpretation of the Plan.

10 7. The rules of construction set forth in Bankruptcy Code Section 102 shall apply.

11 8. The provisions of the Plan will control over any description thereof contained in
12 the Disclosure Statement.

13 9. Any term used in the Plan that is not defined in the Plan, but that is used in the
14 Bankruptcy Code or in the Bankruptcy Rules shall have the meaning assigned to that term in
15 (and shall be construed in accordance with the rules of construction under) the Bankruptcy
16 Code or the Bankruptcy Rules. Without limiting the foregoing, the rules of construction set
17 forth in Section 102 of the Bankruptcy Code shall apply hereto. The definitions and rules of
18 construction contained herein do not apply to the Disclosure Statement or to the exhibits to the
19 Plan except to the extent expressly so stated in the Disclosure Statement or in each exhibit to
20 the Plan.

21 10. Except to the extent that federal law, including the Bankruptcy Code or the
22 Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be
23
24

1 governed by, and construed and enforced for all purposes in accordance with, the laws of the
2 state of Hawaii, without giving effect to any principles of conflict of laws thereof.

3 All exhibits to the Plan are incorporated into the Plan and will be deemed to be included in the
4 Plan, regardless of when they are filed.

5 **1.05.2 Computing Time Periods**

6 In computing any period of time prescribed or allowed by the Plan, the provisions of
7 Bankruptcy Rule 9006(a) shall apply.

8 **1.05.3 Section Numbers**

9 References in the Plan and Disclosure Statement to a Code section are references to the
10 United States Bankruptcy Code (Title 11 of the United States Code) except as otherwise
11 indicated.

12 **1.05.4 Notices and Delivery of Documents**

13 All notices, correspondence, and other deliveries under this Disclosure Statement must
14 be directed as follows:

15 To the Debtor or 16 Reorganized Debtor:	HAWAII OUTDOOR TOURS INC., Attn: Kenneth Fujiyama P.O. Box 1417, Hilo, HI 96721
19 With a Copy to:	James A Wagner Esq. 745 Fort Street, Suite 1900, Honolulu, Hawaii, 96813 Telephone: 20 (808) 533-1877 21 22

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

ARTICLE II.

BACKGROUND

2.01 Description and History of the Debtor’s Business

The Debtor Hawaii Outdoor Tours Inc. is a Corporation formed under the laws of the State of Hawaii.

Hawaii Outdoors Tours Inc., the owner of the Nanihoa Hotel Property was formed by KDC on December 6, 1991 to create a tour company to provide activities on some 5,000 acres of land HOT leased from the State of Hawaii intended to complement the services provided at the Volcano House Hotel. HOT had requested a special use permit to allow horseback riding and camping on the property, however, the State of Hawaii took over 5 years to respond to HOT’s request, and HOT finally decided to drop its tour activities plan.

The Debtor acquired the Nanihoa Hotel Property on September 30, 2005, by placing the high bid of \$500,000 per annum and other consideration to acquire the ground leasehold rights under General Lease No. S-5844 (“General Lease”), which auction included a provision that the successful bidder pay the former lessee \$6,000,000, for its leasehold improvements, FF&E, and related assets. In addition, the Debtor agreed to pay the former lessee \$130,000 for personal property.

In conjunction with acquiring the leasehold rights, on or about January 20, 2006, the State of Hawaii and the Debtor entered into the General Lease which covers a resort site, containing an area of 6.35 acres, more or less (“Nanihoa Hotel”), and a nine-hole Golf Course and Allied Facilities Site, containing a gross area of 63.775 acres, and a net area of 62.576 acres after exclusions (“Golf Course”). The General Lease is for a term of 65 years, commencing February 1, 2006, and provides for total ground rent for the first ten years of

1 \$500,000 annually (or 2% of gross revenues, whichever is greater), payable by two semi-
2 annual payments of \$250,000.

3 The Debtor acquired the Naniloa Hotel Property with the understanding that the
4 property was in disrepair and required significant renovations in order for it to achieve its
5 highest and best use. To that end, a condition of the state in auctioning the General Lease
6 rights was the requirement for the successful bidder to complete \$5 million in Hotel
7 improvements within approximately 3 years of the successful bid, which outside date was
8 agreed to be no later than January 31, 2009. As part of its investment analysis, the Debtor
9 understood that the along with the significant renovations to the Naniloa Hotel Property, there
10 was major deferred maintenance that also required capital infusion and that the physical plant
11 would be in a state of flux requiring its operations to be limited while the rehabilitation took
12 place; hence, the Debtor anticipated incurring operating losses for 5 years while managing the
13 Naniloa Hotel Property until the scheduled renovations and deferred maintenance work were
14 completed.

15 On or about January 23, 2006, the Debtor executed a Note in favor of First Regional
16 Bank in the principal amount of \$10,000,000 (the "Note"), and executed a Construction
17 Mortgage and security agreements in favor of First Regional Bank under which the Naniloa
18 Hotel Property was collateral securing the indebtedness. The Debtor used its own cash plus
19 some of the loan proceeds to acquire the leasehold improvements. The Debtor also paid to the
20 prior Lessee \$300,000 to assume a lease for 2 acres of land and the former Banyan Broiler
21 restaurant from the Eleanor Benda Trust. The Debtor applied the remaining balance of funds
22 from the loan from First Regional towards paying for costs for improvement, acquisition of
23 upgraded furniture, fixtures, and equipment ("FFE"), and operating costs for the Naniloa Hotel
24

1 Property. Besides the \$10,000,000 loan from First Regional Bank, the Debtor estimates that it
2 has invested and additional approximately \$10,000,000 of its own cash by way of invested
3 capital and loan proceeds from its parent company KDC and a sister corporation.

4 The property is comprised of 3 towers connected by an interior lobby and
5 consists of 375 rooms totaling 138,521 square feet of living space out of a total of 229,018
6 square feet of hotel space which includes ancillary uses dedicated to food service areas, a spa,
7 administrative offices and a gift shop. In addition to the hotel space and ancillary uses, the
8 property contains special use, convention and restaurant space totaling 30,716 square feet as
9 well as 195 parking spaces a pool and the nine hole golf course.

10 The property has an average daily rate and average occupancy generating revenues
11 sufficient to meet the debt service requirements and plan payments to all of the creditors of the
12 estate.

13 **2.02 Principals/Affiliates of Debtor's Business**

14 The Debtor, Hawaii Outdoor Tours Inc., is made up of 1 shareholder, KDC, as listed in
15 Section 21 of the schedules.

16 **2.03 Management of the Debtor Before and After the Bankruptcy**

17 Management of the Debtor and the Debtor's Naniloa Hotel Property both before and
18 after the filing of the Bankruptcy is by the Debtor.

19 **2.04 Events Leading to Chapter 11 Filing**

20 Here is a brief summary of the circumstances that led to the filing of this Chapter 11
21 case:

22 The Debtor acquired the leasehold interest in the Property for the purpose of
23
24

1 re-posturing the property and remodeling the Naniloa Hotel Property into a destination resort.
2 After the closing of the leasehold purchase and execution of the 65 year lease with the State of
3 Hawaii, in February, 2006, construction commenced on the remodeling of the property and in
4 mid, 2006, the Debtor started demolition work and commenced its renovation plan. The
5 Debtor's planned renovation project included significant work on all 3 towers located on the
6 Naniloa Hotel Property: Mauna Kea Tower, Mauna Loa Tower, and the Kilauea Tower. The
7 Debtor successfully made \$5 million in improvements to the Naniloa Hotel Property by the
8 State's January 31, 2009 deadline. From 2007 to 2009, the State of Hawaii conducted
9 inspections of the Naniloa Hotel Property confirming the Debtor's expenditure of more than
10 \$5,000,000 in improvements by the January 31, 2009 deadline. As of 2009, the Debtor's
11 expenditure of \$5 million had funded a significant portion of the Debtor's renovation plan.
12 However, the Debtor's satisfaction of the State's \$5 million renovation value requirement was
13 not the completion of the Debtor's planned renovation project which had an estimated budget
14 of approximately \$10,000,000 or more. Instead, the Debtor was only about half way through
15 its renovation plan.

16 As the Debtor was diligently performing its renovation plan, which envisioned a
17 "complete remodel" of all the rooms in the Naniloa Hotel Property, the Debtor anticipated
18 obtaining additional funding from KDC to fund the remaining renovation costs. In 2009 and
19 2010, the Debtor expected to receive additional funding from KDC in the approximate amount
20 of \$5 million to finish the renovation plan for the Naniloa Hotel Property. In 2009-2010, KDC
21 expected to close a sale of land in Kau to the National Park Service for approximately \$4
22 million, and expected to have another subsidiary refinance and sell another real property asset
23 to generate an additional \$1 million. However, the sale of the Kau land to National Park
24

1 Service did not close due to National Park Service's budget problems, and the deal was not
2 consummated. Additionally, by 2009 and 2010, as a result of the historic "credit crunch" and
3 the subsequent Great Recession, the real estate market had crashed which prevented KDC's
4 other subsidiary from refinancing and selling its other real property asset.

5 Although the Debtor was expecting to incur operating losses during the renovation of
6 the Naniloa Hotel, due to the lack of financing from KDC, the delay in completing the
7 renovation plan has been much longer than anticipated and the Debtor has incurred net
8 operating losses for a longer period than expected.

9 Although the first \$5M in renovations were finished on schedule, the completion of the
10 first phase of the remodel coincided with the onset of the great recession and the general
11 economic decline that has been a drag on the overall economy since the recession began in
12 December, 2007; therefore, the Debtor's projected revenues from room sales plummeted and
13 the Debtor experienced difficulties in meeting its debt service obligations to First Citizens
14 Bank and in meeting its land lease payment obligations to the state of Hawaii.

15 Throughout 2010, 2011 and 2012, the Debtor attempted to negotiate a loan restructure
16 with First Citizens Bank. To that end, First Citizens Bank had made assurances to the Debtor
17 that it would extend the loan including written e-mails in September of 2011 and December of
18 2011 wherein First Citizens acknowledged by that it was preparing final documents to extend
19 the loan,

20 In direct contradiction to the e-mail assurances that the loan would be extended, on
21 February 7, 2012, the Debtor was notified in writing by First Citizens Bank that unless the
22 Debtor paid the loan in full within 7 days, that First Citizens Bank would pursue all of its legal
23 options which included foreclosure. Just 5 days later, on February 12, 2012 the Debtor
24

1 negotiated an amendment to its Performance Bond with the DLNR whereby the DLNR
2 withdrew and credited \$500,000 of the \$1,000,000 Performance Bond that was secured by
3 \$1,000,000 in cash the Debtor had placed on deposit at First Citizens Bank in Torrance,
4 California. The \$500,000 withdrawal by the State of Hawaii was credited to the payment of
5 \$500,000 in past due bi-annual land lease payments (\$250,000 apiece) and reduced the
6 Performance Bond obligation to \$500,000.

7 After successfully negotiating the interim resolution with the DLNR, the Debtor
8 continued in its attempts to negotiate a loan restructure with First Citizens Bank who continued
9 to demand that the Debtor pay off the approximately \$9.7M balance owing on the construction
10 loan. On June 18, 2012, First Citizens Bank sent the Debtor a Notice of Default letter notifying
11 Debtor that it was in default and that all sums due under the promissory note were due and
12 payable and that First Citizens Bank had the right to institute foreclosure proceedings.

13 After June 18, 2012, the Debtor continued in its attempts to negotiate a loan restructure, with
14 First Citizens Bank, but was unsuccessful.

15 On about May 25, 2012, the DLNR withdrew an approximate additional \$259,971.03
16 from the performance bond on deposit with First Citizens Bank in Torrance, California for the
17 payment of the bi-annual \$250,000 land lease payment and late fees, resulting in the \$500,000
18 performance bond being in default and requiring a \$259,971.03 cash replenishment. .

19 Unable to finalize negotiations with First Citizens Bank and needing to modify the
20 terms of its performance bond with the State of Hawaii, on November 20, 2012, in order to
21 protect its business and to reorganize its debt, the Debtor filed for protection under Chapter 11
22 of the Federal Bankruptcy Code.

23 **Significant Events During the Bankruptcy**

24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

2.04.1 Bankruptcy Proceedings

The following is a chronological list of significant events which have occurred during this case:

On or about November 20, 2012, the Debtor' filed its chapter 11 case.

12/20/12: The debtor & the secured lender have reached a stipulation regarding the continued use of cash collateral

12/20/12: Order Granting Application to Employ Wagner Chooi & Verbrugge as Debtor's Bankruptcy Counsel

12/20/12: Order Authorizing Debtor To Pay Pre-Petition Wages and Other Employment-Related Costs and Expenses and to Honor Pre-Petition Employee Benefits

12/20/12: Notice of Appointment of Committee of Creditors

2/19/13: Motion to Appoint Trustee ; Memorandum in Support of Motion; Filed by Dana R.C. Lyons on behalf of First-Citizens Bank & Trust Company.

3/4/13: Motion for Order Extending Time for Debtor to Assume or Reject Non-Residential Leases

This Disclosure Statement and the accompanying Plan are part of substantial opposition to the Motion to Appoint Trustee.

2.04.2 Other Legal Proceedings⁴

In addition to the proceedings discussed above, the Debtor is currently involved in the following non-Bankruptcy legal proceedings:

Foreclosure Action: Case # 12-1-2105-08: First Citizens Bank vs. Hawaii Outdoor Tours Inc.

Rosenbaum Litigation: Deborah Rosenbaum vs. Hawaii Outdoor Tours Inc.

⁴ See Exhibit B – List of Litigation.

1 Appointment of Receiver: First Citizens Bank vs. Hawaii Outdoor Tours Inc.

2 **2.04.3 Actual and Projected Recovery of Preferential or Fraudulent**
3 **Transfers**

4 Nothing is estimated to be realized from the recovery of fraudulent and preferential
5 transfers. The following is a summary of the fraudulent conveyance and preference actions
6 filed or to be filed in this case: Because the Debtor's Plan of Reorganization proposes payment
7 in full of all claims, the Debtor does not expect, at this time, to file any fraudulent conveyance
8 or preference actions in this case.

9 **2.04.4 Procedures Implemented to Resolve Financial Problems**

10 To attempt to fix the problems that led to the Bankruptcy filing, Debtor has
11 implemented the following procedures:

12 The Debtor has jointly put in place a new marketing plan with a major Travel
13 wholesaler who has travel offices in California, New York, Nevada, Canada and China to bring
14 visitors to Hilo for 3 to 4 nights which up until instituting new marketing plan had not been
15 done on Hilo. Additionally, the Debtor changed its sales personnel to better fit the new
16 marketing plan. The effects of this new marketing plan and sales personnel changes have
17 greatly improved the hotel occupancy since the petition date. The Debtor also expanded its'
18 restaurant and bar operations by operating both of them in-house since it had not been able to
19 find viable tenants to run its' restaurants or bars. In order to bring profitability to the restaurant
20 and bar, the Debtor scaled down its' banquet operations so it could rent the banquet facilities
21 without long term commitments to customers, with the intention of building up the food and
22 beverage business as Ken Fujiyama had done in his prior experience in Hotel operation and
23 management for almost 30 years.

24

1 In addition to the new marketing and staffing, the Debtor has cut expenses and
2 increased efficiencies such that any increase in revenues will greatly enhance net income and
3 will not require a major increase in staffing. To that end, the Debtors Monthly Operating
4 Reports reflect payroll remaining fairly constant while major increases in room revenue have
5 taken place. What increase there is in overall hourly time is mainly in housekeeping where the
6 Debtor has added one housekeeper for every 15 to 20 rooms increase in occupancy. In order to
7 maintain efficiencies as revenues grow the Debtor has cross trained most of its' employees so
8 they can be moved within the organization to meet fluctuating demands which maximizes their
9 abilities, streamlines daily operations, and reduces overhead.

10 The Debtor has re-estimated the monies required to complete the renovations to
11 address the current and projected market conditions and determined that a \$1.5m to \$3.5M
12 budget is sufficient to complete the renovation and meet market demand. To that end, the
13 Debtor is negotiating with International Hotel Group who issued a Letters of Intent on March
14 14, 2013 for a ten (10) year licensing agreement to brand the Naniloa Hotel Property as part of
15 the Holiday Inn Resorts International Hotel Group operates the Holiday Inn Beachcomber
16 Resort in Waikiki whose success has peaked their interest in the Naniloa Hotel Property. Ken
17 Fujiyama is negotiating additional terms and conditions to be incorporated into the Letter of
18 Intent as well as the budget to renovate the rooms which will fluctuate between \$1.5M and
19 \$3M depending on the target average daily rate the Debtor and International Hotel Group settle
20 on. Attached hereto as Exhibit "H" and incorporated herein by reference is a true and correct
21 copy of the March 14, 2013 International Hotel Group Letter of Intent.

22 The Debtor either intends to operate the Naniloa Hotel Property post confirmation by
23 gradually completing the renovation of the Property through utilization of excess net revenues
24

1 and infusion of investor capital. A second alternative the Debtor is exploring is the funding of
2 a \$1.5M to \$3M renovation on the Effective Date through a convertible super priority loan.
3 The convertible super priority loan would subordinate the Class 1, 2 and 3 Claimants until
4 construction of the renovation is completed and the Naniloa Hotel Property reaches a
5 stabilized occupancy at which time the super priority loan converts to shares of stock in the
6 reorganized debtor. Debtor's financial projections (Exhibit "C") demonstrate the post petition
7 payments under the plan can be met without the renovation. At the point the Debtor finalized
8 its' Letter of Intent with International Hotel Group amended projections will be filed by the
9 Debtor showing the \$1.5M to \$3M renovation, its impact on revenues.

10 Ken Fujiyama intends to cause to be deeded from KDC the approximately 1,952 acres of
11 oceanfront land in the Kau district of Hawaii that is free and clear of all liens to the Debtor on
12 the Effective Date as a New Value Contribution and as additional collateral for First Citizens
13 Bank should the court approve a super priority loan. The Debtor estimates the value of the
14 Kau property to be very conservatively \$8,000,000. The Debtors estimate of value is based
15 upon the sale of a500 acre property located approximately 8 miles from the Kau site being
16 contributed to the estate that sold for \$4M or \$7,800 per acre and zoned "conservation: which
17 allows for no economic use. The Debtors property is zoned agriculture which allows for
18 economic uses and based upon a \$7,800 per acre value, would have a value of \$15M. The
19 Debtor is submitting the 1,952 acre property to the count of Hawaii this summer to meet their
20 timeframe for consideration of acquisitions by the county on its December docket. The county
21 has set aside 2% of its real property tax revenue to fund the acquisition of oceanfront properties
22 in the vicinity of the 1.952 acres site. The 1,952 acres has two and one half miles of oceanfront
23 and is a prime candidate for acquisition.

24

1 The Debtor is negotiating a letter of intent to fund the \$1.3M to \$3M convertible super
2 priority loan. The Debtor intends to attach as Exhibit "G" to the Disclosure Statement, a letter
3 of intent to fund the \$3,000,000 Convertible Super Priority Loan upon its receipt.

4 **Current and Historical Financial Conditions**

5 The Debtor currently meets its' debt service obligations for the Nanihoa Hotel Property
6 and the Hotel's financial performance has improved since the filing of the bankruptcy petition.

7 To that end, the Debtor's November 28, 2012, December 14, 2012, December 30,
8 2012, January 15, 2013, January 30, 2012, and February 28, 2013 Manager's Daily Report
9 show increased room sales, and occupancy.

10 The Debtor's November 28, 2012 Manager's Daily Report shows that November 2012
11 taxable room sales was \$179,199.33.

12 The Debtor's December 30, 2012 Manager's Daily Report shows: (i) December 2012
13 monthly taxable room sales of \$238,174.03 (a significant increase over last year's December
14 2011 monthly taxable room sales of \$168,120.12); (ii) December 2012 occupancy of 50.43%
15 (an increase over December 2011 occupancy of 36.46%).

16 The Debtor's January 29, 2013 Manager's Daily Report shows: (i) January 2013
17 monthly taxable room sales of \$239,885.62 (a significant increase over last year's January
18 2012 monthly taxable room sales of \$186,967.71); (ii) January 2013 occupancy of 48.80%
19 (an increase over January 2012 occupancy of 42.47%). January 2013 year to date taxable
20 room sales are 28.30% higher than year to date January 2012 taxable room sales.

21 The Debtor's February 28, 2013 Manager's Daily Report shows: (i) February 2013
22 monthly taxable room sales of \$370,511.26 (a significant increase over last year's February
23 2012 monthly taxable room sales of \$278,070.70); (ii) February 2013 occupancy of 71.84%

24

1 (an increase over February 2012 occupancy of 60.54%). February 2013 year to date taxable
2 room sales are 31.08% higher than year to date February 2012 taxable room sales.

3 In sum, each month post-petition, the Debtor has increased its monthly taxable room
4 sales: November 2012: \$179,199.33; December 2012: \$239,174.03; January 2013:
5 \$239,885.62; February 2013: \$370,511.26.

6 The Debtor's December 2012 income statement shows actual revenue of \$367,389.37
7 and actual expenses \$350,492.82. The actual expenses are inclusive of \$55,000 monthly
8 payment to First Citizens.

9 The Debtor's January 2013 income statement shows actual revenue of \$355,648.42
10 and actual expenses \$288,676. The actual expenses are inclusive of \$55,000 monthly
11 payment to First Citizens.

12 The Debtor estimates as of the writing of this disclosure Statement that it will meet its
13 debt service obligations on the Naniloa Hotel Property on the Effective Date and through the
14 term of the plan through cash flow generated by room sales, bar and restaurant revenue, golf
15 course revenue, convention and banquet revenue, and the eventual sale or refinance of the
16 Naniloa Hotel Property.

17 The identity and fair market value of the estate's assets are listed in Exhibit A.

18 ARTICLE III.

19 SUMMARY OF THE PLAN OF REORGANIZATION

20 3.01 What Creditors and Interest Holders Will Receive Under The Proposed

21 Plan

1 As required by the Bankruptcy Code, the Plan classifies claims and interests in various
2 classes according to their right to priority. The Plan states whether each class of claims or
3 interests is impaired or unimpaired. The Plan provides the treatment each class will receive.

4 **3.02 Unclassified Claims**

5 Certain types of claims are not placed into voting classes; instead they are unclassified.
6 They are not considered impaired and they do not vote on the Plan because they are
7 automatically entitled to specific treatment provided for them in the Bankruptcy Code. As
8 such, the Proponent has not placed the following claims in a class.

9 **3.02.1 Administrative Expenses**

10 Administrative expenses are claims for costs or expenses of administering the Debtor's
11 Chapter 11 case which are allowed under Code section 507(a)(1). The Code requires that all
12 administrative claims be paid on the Effective Date of the Plan, unless a particular claimant
13 agrees to a different treatment.

14 The following chart lists all of the Debtor's § 507(a)(1) administrative claims and their
15 treatment under the Plan.

<u>Name</u>	<u>Amount Owed</u>	<u>Treatment</u>
James A Wagner	\$40,000	Paid in full on Effective Date

16
17
18
19
20
21
22
23
24

1	Priority Unsecured Claims ⁵		
2	First Citizens Claim for Land Lease Payment Super Priority Administrative Claim	262,000 ⁶	Paid in full on Effective Date
3			
4			
5	Clerk's Office Fees	500	Paid in full on Effective Date
6	Office of the U.S. Trustee Fees	\$6,500 (3 rd qtr '13)	Paid in full on Effective Date
7		TOTAL \$309,000	

8

9 **3.02.1.1 Court Approval of Fees Required**

10 The Court must rule on all fees listed in this chart before the fees will be owed. For all
 11 fees except Clerk's Office fees and U.S. Trustee's fees, the professional in question must file
 12

13

14 ⁵ The "various guest deposits" of \$109,328.29 referenced as Creditor 5 under Debtors Schedule E "Priority Unsecured Creditors" are deposits associated with room sales and each guest is credited the deposit amount upon final billing, meaning the guest deposits owed by the Debtor in any given week are credited to the guest upon checking out and paid at that time; therefore the \$109,328.29 listed in Schedule E is a fluid amount that is collected by the Debtor and then paid back to the guest by way of room charge credit and is not an amount owing on the Effective Date. The security deposits referenced as Creditors 2, 3 and 4 in Schedule E are payable upon each lease maturing as referenced in Section 3.06.1 and the tenant vacating the premises and are not an amount owing on the Effective Date. Creditor 7 in Schedule E was reclassified in Class 3. Creditors 6 and 8 in Schedule E were listed in error and are not owed monies. Creditors 9 and 10 in Schedule E were listed in error and have been reclassified as Schedule F Unsecured Non-Priority Claims.

17

18 ⁶ On October 5, 2012, the Lender made a payment of \$260,015.95 to cure the default on the performance bond. On November 20, 2012, the Debtor filed for bankruptcy. In December 2012, the Lender made a lease payment in the amount of \$262,000 which is a superpriority administrative

1 and serve a properly noticed fee application and the Court must rule on the application. Only
2 the amount of fees allowed by the Court will be owed and required to be paid under this Plan.

3 As indicated above, the Debtor will need to pay approximately \$309,000 worth of
4 administrative claims on the Effective Date of the Plan unless the claimant has agreed to be
5 paid later or the Court has not yet ruled on the claim. As indicated elsewhere in this Disclosure
6 Statement, Debtor estimates that it will have \$375,000 in cash on hand on the Effective Date of
7 the Plan. The source of this cash will be cash from lease revenue and or if needed, from a new
8 value contribution from Kenneth Fujiyama. The cash will be utilized to pay administrative
9 claims.

10 **3.02.2 Priority Tax Claims**

11 Priority tax claims are certain unsecured income, employment and other taxes described
12 by Code Section 507(a)(8). Except to the extent that the holder of a particular Allowed
13 Priority Tax Claim agrees to a different treatment thereof, the Code requires that each holder of
14 an Allowed Priority Tax Claim receive the present value of such Allowed Priority Tax Claim
15 in deferred Cash payments over a period not exceeding five years from the date of assessment
16 of such tax.

17 **3.02.2.1 Treatment of Allowed Priority Tax Claims**

18 Priority tax claims are certain unsecured income, employment and other taxes described
19 by Code Section 507(a)(8). Except to the extent that the holder of a particular Allowed Priority
20 Tax Claim agrees to a different treatment thereof, the Code requires that each holder of an
21 Allowed Priority Tax Claim receive on account of such Claim regular installment payments -

- 22 i. of a total value, as of the Effective Date of the Plan, equal to the allowed amount of
23 such Claim;

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

ii. over a period ending not later than five years after the Petition Date under Section 301, 302 or 303; and
iii. in a manner not less favorable than the most favored nonpriority Unsecured Claim provided for by the Plan (other than Cash payments made to a class of creditors under Section 1122(b)).

The Debtor has Section No 507(a)(8) Priority Tax Claims.⁷

The following chart lists all of the Debtor's Section 507(a)(8) priority tax claims and their treatment under the Plan: **There are no Section 507(a)(8) priority tax claims**

<u>Description</u>	<u>Amount Owed</u>	<u>Treatment</u>

3.03 Classified Claims and Interests

3.03.1 Classes of Secured Claims

Secured claims are claims secured by liens on property of the estate. The following chart lists all classes containing Debtor's secured pre-petition claims and their treatment under the Plan

3.03.1.1 Class 1

⁷ In the event any other taxing agencies file Priority Tax Claims, the Debtor reserves the right to file an objection to such Claims on any appropriate grounds.

<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>INSIDERS</u> <u>(Y/N)</u>	<u>IMPAIRED</u> <u>(Y/N)</u>	<u>TREATMENT</u>
1	Secured claim of: · Name = First Citizens Bank · Collateral description = (see Definitions: First Citizens Bank Note 1 Collateral) · Collateral value = Fully secured Priority of security int. = 1 st , subject to General Lease No. S-5844 Principal owed = \$9,859,655* Pre-pet. Arrearage amount = \$ (included above) · Post-pet. arrearage amount = \$0 (est) · Total claim amount = \$9,859,655	N	Impaired, Claims in this class are entitled to vote on the Plan.	· Pymt interval = Monthly · Est. pymt amt/interval = \$41,082 months 1-30 and \$53,044 months 31-60 · Balloon pymt = \$9,488,650 Begin date = 10/15/2013- End date = 10/14/2018 Interest rate % = 5.0% fixed interest only months 1-30 and amortized over 30 years in months 31-60. · Total payout % = 100% \$12,324,569 will be paid over on 100% of a principal balance of \$9,859,655. · Treatment of lien = Lien is retained and in full force and effect.

Comments:

Class 1 consists of the Allowed Claims of First Citizens Bank or the holder of the First Citizens Bank Note 1. Class 1 is impaired under the Plan. As of the confirmation date, the First Citizens Bank Note 1 shall be deemed satisfied and paid in full. Within five (5) business days after the Confirmation Date (but coterminous with the execution and delivery of the First Citizens Bank First Note 1 as described below), First Citizens Bank or the holder of the First

* On October 5, 2012, the Lender made a payment of \$260,015.95 to cure the default on the performance bond. On October 5, 2012, the Lender made a payment of \$260,015.95 to cure the default on the performance bond. On November 20, 2012, the Debtor filed for bankruptcy. In December 2012, the Lender made a lease payment for the August 2012 rent in the amount of \$262,000 which is a superpriority administrative claim under the terms of the Second Cash Collateral Stipulation.

1 Citizens Bank Note 1 shall return to the Reorganized Debtor the First Citizens Bank Note 1
2 marked "Paid in Full." First Citizens Bank or the holder of the First Citizens Bank Note 1
3 Security Documents shall also return to the Reorganized Debtor the First Citizens Bank Note 1
4 Security Documents marked "Canceled" and "Superseded." In full and complete satisfaction
5 of the Allowed Class 1 Claim, First Citizens Bank or the holder of the Allowed Class 1 Claim
6 shall receive the following:

7 (1) Within five (5) business days after the Confirmation Date (but coterminous
8 with the cancellation and return of the First Citizens Bank Note 1 as described above), the
9 Reorganized Debtor shall execute the First Citizens Bank First Note 1 and the Amended First
10 Citizens Bank Note 1 Security Documents.

11 (a) The First Citizens Bank First Note 1. The First Citizens Bank First Note 1
12 and Amended First Citizens Bank Note 1 Security Documents shall be in the same form as the
13 First Citizens Bank First Note 1 and First Citizens Bank Note 1 Security Documents,
14 respectively.

15 In the event there is any provision of the First Citizens Bank First Note 1 which is
16 inconsistent with the terms of the Plan, the terms of the Plan shall control.

17 The Amended First Citizens Bank Note 1 Security Documents shall secure a lien on the
18 First Citizens Bank Note 1 Collateral with the same priority and validity that existed prior to
19 the Debtor's alleged pre-petition default(s). The Amended First Citizens Bank Note 1 Security
20 Documents shall secure repayment of the First Citizens Bank First Note 1. Since the First
21 Citizens Bank Note 1 has been paid in full pursuant to the Plan, any event of default that may
22 have existed pre-petition with respect to the First Citizens Bank Note 1 and/or the First
23 Citizens Bank Note 1 Security Documents shall be deemed cured and any notice of default
24

1 which may have been recorded pre or post-petition with respect to the First Citizens Bank Note
2 1 and the First Citizens Bank Note 1 Security Documents shall be deemed null and void and of
3 no further force or effect, and First Citizens Bank or the holder of the First Citizens Bank Note
4 1 shall execute any documents or instruments necessary to reflect the same, including the
5 execution and recordation of a release of notice of default.

6 Payments on the First Citizens Bank First Note 1 shall be shall be made in monthly
7 installments of interest only calculated at a fixed interest rate of five percent (5.0%) for the first
8 30 months, and then amortized over 360 months for the final 30 months, calculated at a fixed
9 interest rate of five percent (5.0%). Interest shall begin to accrue on the First Citizens Bank
10 First Note 1 as of the Effective Date. The first (1st) payment shall be due on the fifteenth
11 (15th) day of the first (1st) full month following the Effective Date, and shall be in an amount
12 equal to a percentage of a full monthly installment payment derived from the number of days
13 remaining in the month in which the Effective Date occurs (the numerator) divided by the
14 number of days in the month in which the Effective Date occurs (the denominator).
15 Thereafter, payments shall be due on the fifteenth (15th) day of each and every month until the
16 sixtieth (60th) month after the Effective Date at which time the entire outstanding balance of
17 the First Citizens Bank First Note 1 shall be all due and payable excepting that should any
18 collateral securing the First Citizens Bank First Note 1 be sold prior to the sixtieth (60th)
19 month after the Effective Date, the Class 1 Claimant shall be paid in full or in part in
20 accordance with its lien position upon the sale of said collateral.

21 Upon payment in full of the First Citizens Bank First Note 1, the lien evidenced by the
22 Amended First Citizens Bank Note 1 Security Documents shall be deemed satisfied and shall
23 be deemed canceled.

1 In the event that the Reorganized Debtor defaults in its obligation to pay each payment
2 due and payable under the First Citizens Bank First Note 1 and the Amended First Citizens
3 Bank Note 1 Security Documents , the holder of the First Citizens Bank First Note 1 shall be
4 entitled to record a notice of default and accelerate the entire unpaid indebtedness and/or
5 exercise such other remedies as provided under the guarantee, the First Citizens Bank First
6 Note 1 and the Amended First Citizens Bank Note 1 Security Documents or under applicable
7 Hawaii law. The Reorganized Debtor shall be entitled to cure and reinstate any such default
8 under applicable Hawaii law.

9 Nothing in the Plan shall enhance or otherwise increase the rights of the holder of the
10 Class 1 claim to seek recovery on its claim as against any party other than the Reorganized
11 Debtor.

12 //
13 //
14 //
15 //
16 //
17 //
18 //
19 //
20 //
21 //
22 //
23 //

24

3.03.1.2 Class 2

<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>INSIDERS</u> <u>(Y/N)</u>	<u>IMPAIRED</u> <u>(Y/N)</u>	<u>TREATMENT</u>
2	Secured claim of: · Name = Hawaii State Tax Collector, Department of Taxation · Collateral description = General Excise Taxes, Transient Taxes secured by a Property Tax Lien · Priority of security int. = 1st Principal owed = \$471,861.15 · Post-pet. Arrearage amount = \$50,000 (est) Total claim amount = \$521,861.15	N	Unimpaired, Claims in this class are not entitled to vote on the Plan.	Scenario 1: Pymt interval = Monthly · Est. pymt amt/interval = \$10,892 · Balloon pymt = 0 Begin date = 10/15/2013 End date = 10/14/2018 · Interest rate % = 8.0% · Total payout % = 100 \$653,517 will be paid over 60 months at \$10,892 per month on 100% of a principal balance of \$521,861.15 unless the Naniloa Hotel Property securing the lien is sold at which time the Class 2 Claimant will be paid in full at close of escrow. Treatment of lien = Lien is retained and in full force and effect. Scenario 2: Pymt interval = \$521,861.15 all Due on Effective Date if the state of Hawaii or its assignee as Lessor under General Lease No. S-5844 determines that Class 2 shall be paid in full on the Effective Date as a cure of monies due to maintain the terms and conditions under General Lease No. S-5844

Comments: Class 2 consists of any and all secured claims for General Excise Taxes and Transient Taxes and or assessments of Hawaii State Tax Collector, Department of Taxation pertaining to the Naniloa Hotel Property. Class 2 is unimpaired under the Debtor's Plan.

Payment under Scenario 1

In the event that the state of Hawaii or its assignee as Lessor under General Lease No. S-5844 determines the Class 2 Claimants Claim may be paid under scenario 1, then the Debtor proposes to satisfy the Allowed Secured Claim of the Class 2 Claimant by paying the Class 2 Claimant deferred cash payments equal to the value of its Allowed Secured Claim as of the Effective Date as follows: Commencing on the tenth (10th) day of the first full month after the Effective Date, such deferred cash payments will be made in equal monthly installments of

1 principal and interest in an amount sufficient to amortize the Allowed Secured Claim over a
2 period of five (5) years, all due in five (5) years from the Effective Date. The outstanding and
3 unpaid amount of the Allowed Secured Claim will bear interest, commencing on the Effective
4 Date and continuing until such Allowed Secured Claim is paid in full. Interest on the tax claim
5 will be paid in accordance with applicable non-bankruptcy law at the rate of 8.0% per annum.

6 **Payment under Scenario 2**

7 **The Debtor proposes to satisfy the Allowed Secured Claim of the Class 2 Claimant**
8 **by paying the Class 2 Claimant one hundred percent (100%) of its allowed Claim on the**
9 **Effective Date if the state of Hawaii or its assignee as Lessor under General Lease No. S-**
10 **5844 determines that Class 2 Claimant shall be paid in full on the Effective Date as a cure**
11 **of monies due the Class 2 Claimant in order to maintain the terms and conditions under**
12 **General Lease No. S-5844. Debtor will attach as Exhibit "I" the Letter of Intent for the**
13 **new value contribution to be utilized to pay the Class 2 Claimant in full on the Effective**
14 **date if the state of Hawaii or its assignee as Lessor under General Lease No. S-5844**
15 **determines that Class 2 Claimant shall be paid in full on the Effective Date as a cure of**
16 **monies due the Class 2 Claimant in order to maintain the terms and conditions under**
17 **General Lease No. S-5844.**

18 **3.03.1.3 Class 3**

19 <u>CLASS#</u>	20 <u>DESCRIPTION</u>	21 <u>INSIDERS</u> (Y/N)	22 <u>IMPAIRED</u> (Y/N)	23 <u>TREATMENT</u>
------------------	-----------------------	-----------------------------	-----------------------------	---------------------

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

3	Secured claim of: - Name = Director of Finance, RPT County of Hawaii - Collateral description = Real Property Taxes secured by a Property Tax Lien - Priority of security int. = 1st Principal owed = \$411,430.27 - Post-pet. Arrearage amount = \$40,000 (est) Total claim amount = \$451,420.27	N	Unimpaired, Claims in this class are not entitled to vote on the Plan.	Scenario 1: Pymt interval = Monthly · Est. pymt amt/interval = \$9,422 · Balloon pymt = 0 Begin date = 10/15/2013 End date = 10/14/2018 · Interest rate % = 8.0% · Total payout % = 100 \$565,306 will be paid over 60 months at \$9,422 per month on 100% of a principal balance of \$451,420.27 unless the Naniloa Hotel Property securing the lien is sold at which time the Class 3 Claimant will be paid in full at close of escrow. Treatment of lien = Lien is retained and in full force and effect. Scenario 2: Pymt interval = \$451,420.27 all Due on Effective Date if the state of Hawaii or its assignee as Lessor under General Lease No. S-5844 determines that Class 3 shall be paid in full on the Effective Date as a cure of monies due to maintain the terms and conditions under General Lease No. S-5844

Comments: Class 3 consists of any and all secured claims for Real Property Taxes pertaining to the Naniloa Hotel Property. Class 3 is unimpaired under the Debtor's Plan.

Payment under Scenario 1

In the event that the state of Hawaii or its assignee as Lessor under General Lease No. S-5844 determines the Class 3 Claimants Claim may be paid under Scenario 1, then the Debtor proposes to satisfy the Allowed Secured Claim of the Class 3 Claimant by paying the Class 3 Claimant deferred cash payments equal to the value of its Allowed Secured Claim as of the Effective Date as follows: Commencing on the tenth (10th) day of the first full month after the Effective Date, such deferred cash payments will be made in equal monthly installments of principal and interest in an amount sufficient to amortize the Allowed Secured Claim over a period of five (5) years, all due in five (5) years from the Effective Date. The outstanding and unpaid amount of the Allowed Secured Claim will bear interest, commencing on the Effective Date and continuing until such Allowed Secured Claim is paid in full. Interest on the tax claim will be paid in accordance with applicable non-bankruptcy law at the rate of 8.0% per annum.

1
2
3
4
5
6
7
8
9
10
11
12

Payment under Scenario 2

The Debtor proposes to satisfy the Allowed Secured Claim of the Class 3 Claimant by paying the Class 3 Claimant one hundred percent (100%) of its allowed Claim on the Effective Date if the state of Hawaii or its assignee as Lessor under General Lease No. S-5844 determines that Class 3 Claimant shall be paid in full on the Effective Date as a cure of monies due the Class 3 Claimant in order to maintain the terms and conditions under General Lease No. S-5844. Debtor will attach as Exhibit "I" the Letter of Intent for the new value contribution to be utilized to pay the Class 3 Claimant in full on the Effective date if the state of Hawaii or its assignee as Lessor under General Lease No. S-5844 determines that Class 3 Claimant shall be paid in full on the Effective Date as a cure of monies due the Class 3 Claimant in order to maintain the terms and conditions under General Lease No. S-5844.

3.03.2 Classes of Priority Unsecured Claims

13
14
15
16
17
18
19
20

Certain priority claims that are referred to in Code Sections 507(a)(3), (4), (5), (6), and (7) are required to be placed in classes. These types of claims are entitled to priority treatment as follows: the Code requires that each holder of such a Claim receive cash on the Effective Date equal to the allowed amount of such Claim. However, a Class of unsecured priority claim holders may vote to accept deferred cash payments of a value, as of the Effective Date, equal to the allowed amount of such Claim. The Debtor has no Claims of the type identified in Code Sections 507(a)(3), (4), (5), (6), and (7)⁹

21
22
23
24

⁹ The "various guest deposits" of \$109,328.29 referenced as Creditor 5 under Debtors Schedule E" Priority Unsecured Creditors" are deposits associated with room sales and each guest is credited the deposit amount upon final billing, meaning the guest deposits owed by the Debtor in any given week are credited to the guest upon checking out and paid at that time; therefore the \$109,328.29 listed in Schedule E is a fluid amount

<u>Priority Unsecured Claims Description</u>	<u>Amount Owed</u>	<u>Treatment</u>
None	None	N/A

3.03.3 Classes of General Unsecured Claims

General unsecured claims are unsecured claims not entitled to priority under Code Section 507(a). The following chart identifies the Plan's treatment of the classes containing all of Debtor's General Unsecured Claims:¹⁰

3.03.3.1 Class 4

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u> <u>(Y/N)</u>	<u>TREATMENT</u>
----------------	--------------------	---------------------------------	------------------

that is collected by the Debtor and then paid back to the guest by way of room charge credit and is not an amount owing on the Effective Date. The security deposits referenced as Creditors 2, 3 and 4 in Schedule E are payable upon each lease maturing as referenced in Section 3.06.1 and the tenant vacating the premises and are not an amount owing on the Effective Date. Creditor 7 in Schedule E was reclassified in Class 3. Creditors 6 and 8 in Schedule E were listed in error and are not owed monies. Creditors 9 and 10 in Schedule E were listed in error and have been reclassified as Schedule F Unsecured Non-Priority Claims.

¹⁰ The Debtor reserves its right to object to any of the Claims filed by the following Creditors on any reasonable grounds.

1	4	General unsecured claims · Total amt of claims = \$405,723.33 ¹¹	y Impaired claims in this class are entitled to vote on the plan	Pymt interval = Monthly · Est. pymt amt/interval = \$1,104.31 · Balloon pymt = \$405,723.33 · Begin date = 10/15/2013 · End date = 10/14/2018 · Interest rate % = 3% · Total payout = \$466,581,830 Claim will be paid over sixty months on 100% of a principal balance of \$405,723.33 · Treatment of lien = Amounts owed are converted to promissory notes.
---	---	--	---	---

Comments:

Class 4 consists of the Allowed Claims of the General Unsecured Creditors. Class 4 is impaired under the Plan. In full and complete satisfaction of the Class 4 Claim, the Class 4 Claimant shall be treated as follows: On or before the Effective Date, the Debtor shall execute a promissory note with each holder of a Class 4 Claim. Interest shall accrue on the promissory Note at an interest rate equal three percent (3%) interest-only beginning on the Effective Date. The first (1st) payment shall be due on the fifteenth (15th) day of the first (1st) full month following the Effective Date, and shall be in an amount equal to a percentage of a full monthly installment payment derived from the number of days remaining in the month in which the Effective Date occurs (the numerator) divided by the number of days in the month in which the Effective Date occurs (the denominator). Commencing on the fifteenth (15th) day of each month thereafter through the sixtieth (60th) month following the Effective Date, the

¹¹ See Exhibit "E". The Debtors Insiders are waiving 100% of their Insider General Unsecured Claims totaling \$487,533.02

1 Reorganized Debtor shall make equal monthly payments of interest to the Class 11 Claimant.
2 The Promissory Note shall be due and payable sixty (60) months following the Effective Date.

3 In the event funds are not sufficient to pay the Class 4 Claimants upon any sale of the
4 Naniloa Hotel Property, the Class 4 Claimants shall receive a pro-rata share of the funds
5 available by dividing the total amount of money each Class 4 and is owed by the sum of the
6 Class 4 Claimants claims and multiplying that percentage by the amount of money available to
7 pay the Class 4 Claimants after sale of the Naniloa Hotel Property.

8 On the 12th month following the Effective Date, individual Class 4 Claimants may elect
9 to receive a one-time lump sum payment equal to twenty five percent (25%) of their claim(s)
10 as payment in full of their Class 4 claim(s)

11 Nothing in the Plan shall enhance or otherwise increase the rights of the holder of the
12 Class 11 claim to seek recovery on its claim as against any party other than the Reorganized
13 Debtor..

14 **3.03.4 Classes of Interest Holders**

15 Interest holders are the parties who hold ownership interest (i.e., equity interest) in the
16 debtor. If the debtor is a corporation, entities holding preferred or common stock in the debtor
17 are the interest holders. If the debtor is a partnership, the interest holders include both general
18 and limited partners. If the debtor is an individual, the debtor is the interest holder. The
19 following chart identifies the Plan's treatment of the class of interest holders.

20 **3.03.4.1 Class 5**

21 //

22 //

23 //

24

<u>CLASS #</u>	<u>DESCRIPTION</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
5	Interest holders Ken Direction Corporation 100%	Insider; claims in this class are not entitled to vote on the Plan	Class 5 is unimpaired under the Plan and will receive the pro-rata share of monies available after payment to classes 1 through 3.

Notwithstanding any other provision of the Plan, no payments or Distributions shall be made on account of any Disputed Claim or Disputed Interest until such Claim or Interest becomes an Allowed Claim or Allowed Interest, and then only to the extent it becomes an Allowed Claim or Allowed Interest. Any Proof of Claim or Proof of Interest filed which differs from the Scheduled amount is deemed to be a Disputed Claim or Disputed Interest.

3.03.5 Other of State Court Actions

The Debtor believed the following state court action either will be resolved prior to or shortly after the Effective Date or will not interfere with the plan confirmation:

Foreclosure Action: Case # 12-1-2105-08: First Citizens Bank vs. Hawaii Outdoor
Tours Inc.

Rosenbaum Litigation: Deborah Rosenbaum vs. Hawaii Outdoor Tours Inc. A stipulation to modify the automatic stay was entered allowing this personal injury action to proceed against the Debtor's insurance.

Appointment of Receiver: First Citizens Bank vs. Hawaii Outdoor Tours Inc.

3.04 Means of Effectuating Plan

1 **3.04.1 Funding for the Plan**

2 The Plan will be funded by the following: The Reorganized Debtor shall make all
3 payments due under the Plan out of the funds on hand in the Debtor's Estate as of the Effective
4 Date, and through the Income generated by the Naniloa Hotel Property through room sales,
5 operation of the Hotel Restaurant, club, bar, and or the eventual sale or refinance of the
6 Naniloa Hotel Property.

7 **Post-Confirmation Management**

8 Kenneth Fujiyama, will be retained as post-confirmation management. His duties will
9 include supervision of the on-site management, contracting with contractors for construction,
10 and maintaining books and records for the Naniloa Hotel Property.

11 **3.04.2 Disbursing Agent**

12 Kenneth Fujiyama shall act as the Disbursing Agent for the purpose of making all
13 distributions provided for under the Plan. The Disbursing Agent shall serve without bond and
14 shall receive no fee for distribution services rendered and expenses incurred pursuant to the
15 Plan. In his capacity as Disbursing Agent, Kenneth Fujiyama shall be responsible for all
16 actions necessary to maintain and maximize the Debtor's business affairs. The Disbursing
17 Agent shall be responsible for the operation of the Debtor's business, preservation of assets,
18 and pursuit of any claims held by the Debtor's bankruptcy estate, including any Avoidance
19 Actions and Post-Confirmation Estate Claims, and for the Distribution of the Debtor's Cash or
20 any recoveries to Creditors pursuant to the provisions of the Bankruptcy Code and the Plan.
21 The duties of the Disbursing Agent shall also include preparing and filing the Post-
22 Confirmation Status Reports with the Office of the United States Trustee and paying all post-
23
24

1 confirmation quarterly fees of the Office of the United States Trustee until the bankruptcy case
2 is dismissed or a final decree has been entered, whichever occurs first.

3 **3.05 Risk Factors**

4 The proposed Plan has the following risks which could adversely impact the Debtor's
5 ability to make Plan payments: (1) there is a possibility of default, i.e., possibility of inability
6 to pay Plan payments, (2) the financial projections provided by the Debtor may not be realized,
7 (3) the business environment and real estate sale market may decline from its present level, (4)
8 competition with the Debtor in the real estate market and car wash market may increase, (5)
9 the legal environment in terms of laws and regulations could change and have a negative
10 impact upon the Debtor, (6) the reorganized Debtor could be sued and the costs and expenses
11 of litigation could impact the Debtor's financial circumstances.

12 **3.06 Other Provisions of the Plan**

13 **3.06.1 Executory Contracts and Unexpired Leases**

14 **3.06.1.1 Assumptions**

15 //

16 //

17 //

18 //

19 //

20 //

21 //

22 //

23

24

1 The State of Hawaii has informed the Debtor that it requires the Debtor to file its
2 reorganization plan and disclosure statement in order for the State of Hawaii to consider any
3 proposal to pay any and all arrearages and deficiencies that caused State Lease No S-5844 to
4 be in default. To that end, any payment schedule different than that called for in State Lease
5 No S-5844 is a proposal only and must be approved by the State of Hawaii and or DLNR. As
6 of the writing of this Disclosure Statement, the Debtor is in default under State Lease No S-
7 5844 because of the sums due to the Class 2 and Class 3 Claimants were supposed to have
8 been paid in full and are events of default under Lease No S-5844. In addition, the \$500,000
9 Performance Bond balance to be maintained by the Debtor on deposit at First Citizens Bank in
10 Torrance, California has been reduced to approximately \$240,028.97 by way of the State of
11 Hawaii withdrawing approximately \$259,971.03 as payment of a scheduled lease payment plus
12 late fees due under Lease No S-5844 that the Debtor failed to make. This also is an event of
13 default under Lease No S-5844. In addition to proposing the payment schedules to the Class 2
14 and 3 Claimants as detailed in the Classes of Secured Claims" section (Section 3.03) of this
15 Disclosure Statement, the Debtor proposes in this Disclosure Statement and the accompanying
16 plan to replenish the Performance Bond such that its balance is brought back to \$500,000, by
17 making \$10,000 per month deposits into the Performance Bond account at the First Citizens
18 Bank in Torrance to be credited toward the \$259,971.03 performance bond deficiency as it
19 relates to Lease No S-5844. The proposed monthly payments to pay the performance bond
20 deficiency are hereinafter referred to as "bond deficiency payments." Although the debtor
21 proposes the bond deficiency payments commence on the Effective Date of the Plan, the
22 DLNR and or the state of Hawaii will determine whether the proposed bond deficiency
23 payment schedule is acceptable, if another as yet undetermined payment schedule is
24

1 acceptable, or if the Debtor must fully reimburse the \$259,971.03 on or before the Effective
 2 Date.

3 The following are the unexpired leases to be assumed as obligations of the reorganized
 4 Debtor under this Plan:

LEASES	ARREARS/DMGS	METHODS OF CURE
Lessor: State of Hawaii Lease # No. S-5844 ·Description = Land Lease	·Default amt = up to \$973,383 in taxes owed Class 2 and Class 3. Claimants plus \$259,971.03 To replenish performance bond (See Executory Contracts to be assumed)	·Method of curing default & loss = See treatment of Class 2 and Class 3 Claimants for schedule of payments on the 973,383 in taxes owed Class 2 and Class 3 Claimants. See Executory Contracts to be assumed for treatment of \$259,971.03 due under performance bond which is part of the lease.
Lessor: State of Hawaii Lease # No. S-5372 ·Description = Land Lease/	Default amt ·None	N/A
Lessee: Dawn Patterson Lessor: Benda Trust Lessee: Traditional Chinese Medicine Lessee: Sprint PCS Lessee: T-Mobile Lessee: Total Health of Hawaii	Default amt ·None Default amt ·None Default amt ·None Default amt ·None Default amt ·None Default amt ·None Default amt ·None	N/A. deposit to be returned per lease N/A N/A deposit to be returned per lease N/A deposit to be returned per lease N/A deposit to be returned per lease N/A deposit to be returned per lease

17 On the Effective Date, the unexpired leases listed above if any shall be assumed as
 18 obligations of the reorganized Debtor. The Order of the Court confirming the Plan shall
 19 constitute an Order approving the assumption of the lease listed above. If you are a party to a
 20 lease or contract to be assumed and you object to the assumption of your lease or contract, you
 21 must file and serve your objection to the Plan within the deadline for objecting to the
 22 confirmation of the Plan. See Section {I.B.3.} of this document for the specific date.

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

<u>Executory Contract</u>	<u>ARREARS/DMGS</u>	<u>METHODS OF CURE</u>
Beneficiary: DLNR Description = Performance Bond posted as part of DLNR Lease Contract: Hawaiian Telcom dated 4/11/07 Contract: Hawaiian Telcom dated 5/15/07 Contract: KONE Contract: Ohana Control System Control	Default amt = \$259,971.03	At the discretion of the DLNR and the state of Hawaii, either \$259,971.03 to be paid on the Effective Date or Monthly Payments of \$10,000 per month commencing on The Effective Date to pay \$259,971.03 arrearage due under performance bond.

12
 13 **3.06.1.2 Rejections**

14 On the Effective Date, the following executory contracts and unexpired leases will be
 15 rejected: None

16 The Order Confirming the Plan shall constitute an Order approving the rejection of the
 17 lease or contract. If you are a party to a contract or lease to be rejected and you object to the
 18 rejection of your contract or lease, you must file and serve your objection to the Plan within the
 19 deadline for objecting to the confirmation of the Plan. See Section {I.B.3.} of this document
 20 for the specific date.

21 THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM
 22 ARISING FROM THE REJECTION OF A LEASE OR CONTRACT IS not applicable. Any
 23 claim based on the rejection of a contract or lease will be barred if the proof of claim is not
 24 timely filed, unless the Court later orders otherwise.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

3.06.2 Changes in Rates Subject to Regulatory Commission

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

3.06.3 Retention of Jurisdiction

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

3.07 Tax Consequences of Plan

The following are the anticipated tax consequences of the Plan:

The following disclosure of possible tax consequences is intended solely for the purpose of alerting readers about possible tax issues the Plan may present to the Debtor. The Debtor CANNOT and DO NOT represent that the tax consequences contained below are the only tax consequences of the Plan because the Tax Code embodies many complicated rules which make it difficult to state completely and accurately all the tax implications of any action on Debtors' tax liability.

The following are the tax consequences which the Plan will have on the Debtors' tax liability:

DUE TO THE UNSETTLED AND COMPLEX NATURE OF SOME OF THE TAX ISSUES, AS WELL AS THE POSSIBILITY THAT DEVELOPMENTS SUBSEQUENT TO THE DATE HEREOF COULD AFFECT THE TAX CONSEQUENCES OF THE PLAN, THE FOLLOWING DISCUSSION SHOULD NOT BE REGARDED AS DEFINITIVE OR AS COVERING ALL POSSIBLE TAX CONSEQUENCES. ADDITIONALLY, THIS SUMMARY DOES NOT DISCUSS ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR CREDITOR OR HOLDER OF AN EQUITY INTEREST IN LIGHT OF ITS INDIVIDUAL CIRCUMSTANCES OR TO CERTAIN CREDITORS AND HOLDERS OF EQUITY INTERESTS SUBJECT TO

1 SPECIAL TREATMENT UNDER THE FEDERAL INCOME TAX LAWS (FOR
2 EXAMPLE, LIFE INSURANCE COMPANIES, TAX-EXEMPT ORGANIZATIONS,
3 FOREIGN CORPORATIONS AND INDIVIDUALS WHO ARE NOT CITIZENS OR
4 RESIDENTS OF THE UNITED STATES). THIS SUMMARY DOES NOT DISCUSS ANY
5 ASPECT OF STATE, LOCAL OR FOREIGN TAXATION. HOLDERS OF CLAIMS ARE
6 STRONGLY URGED TO CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE
7 SPECIFIC TAX CONSEQUENCES (FEDERAL, STATE, LOCAL, AND FOREIGN) TO
8 THEM OF THE PLAN.

9 This summary is based upon the laws, regulations, rulings, and decisions in effect on
10 the date hereof and upon certain proposed and temporary regulations, all of which are subject
11 to change (possibly with retroactive effect) by legislation, administrative action or judicial
12 decision. Moreover, due to a lack of definitive judicial or administrative authority and
13 interpretation, substantial uncertainties exist with respect to various tax consequences of the
14 Plan as discussed herein. No rulings have been or are expected to be requested from the IRS or
15 any state tax agency concerning any of the tax matters described herein. There can be no
16 assurance that the IRS or any state tax agency will not challenge the positions taken by the
17 Debtor with respect to any of the issues addressed herein or that a court of competent
18 jurisdiction would not sustain such a challenge. The amount of tax liabilities, if any, will be
19 affected by any deductions the Debtor will be entitled to during the year. Thus, at this time, the
20 Debtor cannot estimate the amount of tax liabilities that will be incurred.

21 General tax consequences on creditors of any discharge, and the general tax consequences of
22 receipt of plan consideration after confirmation cannot be quantified by the Debtor and
23
24

1 creditors and interest holders are advised to consult with their own tax advisors respecting the
2 tax consequences, if any, of the Plan, including state and local tax consequences.

3 **ARTICLE IV.**

4 **CONFIRMATION REQUIREMENTS AND PROCEDURES**

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

12 Many requirements must be met before the Court can confirm a Plan. Some of the
13 requirements include that the Plan must be proposed in good faith, acceptance of the Plan,
14 whether the Plan pays creditors at least as much as creditors would receive in a Chapter 7
15 liquidation, and whether the Plan is feasible. These requirements are not the only requirements
16 for confirmation.

17 **4.01 Who May Vote or Object**

18 **4.01.1 Who May Object to Confirmation of the Plan**

19 Any party in interest may object to the confirmation of the Plan, but as explained below
20 not everyone is entitled to vote to accept or reject the Plan.

21 **4.01.2 Who May Vote to Accept/Reject the Plan**

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

4 4.01.2.1 What Is an Allowed Claim/Interest

5 As noted above, a creditor or interest holder must first have an allowed claim or interest
6 to have the right to vote. Generally, any proof of claim or interest will be allowed, unless a
7 party in interest brings a motion objecting to the claim. When an objection to a claim or
8 interest is filed, the creditor or interest holder holding the claim or interest cannot vote unless
9 the Court, after notice and hearing, either overrules the objection or allows the claim or interest
10 for voting purposes.

11 THE BAR DATE FOR FILING A PROOF OF CLAIM IN THIS CASE HAS NOT
12 BEEN DETERMINED AS OF THE WRITING OF THIS DISCLOSURE STATEEMNT.

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

18 What Is an Impaired Claim/Interest

19 As noted above, an allowed claim or interest only has the right to vote if it is in a class
20 that is impaired under the Plan. A class is impaired if the Plan alters the legal, equitable, or
21 contractual rights of the members of that class. For example, a class comprised of general
22 unsecured claims is impaired if the Plan fails to pay the members of that Class 90% of what
23 they are owed.

1 In this case, the Proponent believes that classes 1 and 4, are impaired and that holders
2 of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The
3 Proponent believes that classes 2 and 3 are unimpaired. Holders of claims in unimpaired
4 classes do not have the right to vote to accept or reject the Plan. Parties who dispute the
5 Proponent's characterization of their claim or interest as being impaired or unimpaired may file
6 an objection to the Plan contending that the Proponent has incorrectly characterized the class.

7 **4.01.3 Who Is Not Entitled to Vote**

8 The following four types of claims are not entitled to vote: (1) claims that have been
9 disallowed; (2) claims in unimpaired classes; (3) claims entitled to priority pursuant to Code
10 sections 507(a)(1), (a)(2), and (a)(8); and (4) claims in classes that do not receive or retain any
11 value under the Plan. Claims in unimpaired classes are not entitled to vote because such
12 classes are deemed to have accepted the Plan. Claims entitled to priority pursuant to Code
13 sections 507(a)(1), (a)(2), and (a)(7) are not entitled to vote because such claims are not placed
14 in classes and they are required to receive certain treatment specified by the Code. Claims in
15 classes that do not receive or retain any value under the Plan do not vote because such classes
16 are deemed to have rejected the Plan. **EVEN IF YOUR CLAIM IS OF THE TYPE**
17 **DESCRIBED ABOVE, YOU MAY STILL HAVE A RIGHT TO OBJECT TO THE**
18 **CONFIRMATION OF THE PLAN.**

19 **4.01.4 Who Can Vote in More Than One Class**

20 A creditor whose claim has been allowed in part as a secured claim and in part as an
21 unsecured claim is entitled to accept or reject a Plan in both capacities by casting one ballot for
22 the secured part of the claim and another ballot for the unsecured claim.

23 **4.01.5 Votes Necessary to Confirm the Plan**

24

1 If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one
2 impaired class has accepted the Plan without counting the votes of any insiders within that
3 class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be
4 confirmed by "cramdown" on non-accepting classes, as discussed later in Section {IV.A.8.}.

5 **4.01.6 Votes Necessary for a Class to Accept the Plan**

6 A class of claims is considered to have accepted the Plan when more than one-half
7 (1/2) in number and at least two-thirds (2/3) in dollar amount of the claims which actually
8 voted, voted in favor of the Plan. A class of interests is considered to have "accepted" the Plan
9 when at least two-thirds (2/3) in amount of the interest-holders of such class which actually
10 voted, voted to accept the Plan.

11 **4.01.7 Treatment of Nonaccepting Classes**

12 As noted above, even if all impaired classes do not accept the proposed Plan, the Court
13 may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner
14 required by the Code. The process by which nonaccepting classes are forced to be bound by
15 the terms of a Plan is commonly referred to as "cramdown." The Code allows the Plan to be
16 "crammed down" on nonaccepting classes of claims or interests if it meets all consensual
17 requirements except the voting requirements of 1129(a)(8) and if the Plan does not
18 "discriminate unfairly" and is "fair and equitable" toward each impaired class that has not
19 voted to accept the Plan as referred to in 11 U.S.C. § 1129(b) and applicable case law.

20 **4.01.8 Request for Confirmation Despite Nonacceptance by Impaired** 21 **Class(es)**

1 The party proposing this Plan will ask the Court to confirm this Plan by cramdown on
2 impaired classes 1 through 9 and 3 through 11B if any of these classes do not vote to accept the
3 Plan.

4 **4.02 Liquidation Analysis**

5 Another confirmation requirement is the "Best Interest Test", which requires a
6 liquidation analysis. Under the Best Interest Test, if a claimant or interest holder is in an
7 impaired class and that claimant or interest holder does not vote to accept the Plan, then that
8 claimant or interest holder must receive or retain under the Plan property of a value not less
9 than the amount that such holder would receive or retain if the Debtor were liquidated under
10 Chapter 7 of the Bankruptcy Code.

11 In a Chapter 7 case, the Debtor's assets are usually sold by a Chapter 7 trustee. Secured
12 creditors are paid first from the sales proceeds of properties on which the secured creditor has a
13 lien. Administrative claims are paid next. Next, unsecured creditors are paid from any
14 remaining sales proceeds, according to their rights to priority. Unsecured creditors with the
15 same priority share in proportion to the amount of their allowed claim in relationship to the
16 amount of total allowed unsecured claims. Finally, interest holders receive the balance that
17 remains after all creditors are paid, if any. For the Court to be able to confirm this Plan, the
18 Court must find that all creditors and interest holders who do not accept the Plan will receive at
19 least as much under the Plan as such holders would receive under a Chapter 7 liquidation. The
20 Debtor maintains that this requirement is met here for the following reasons: The Debtor's
21 primary asset is the Naniloa Hotel Property and the equipment located at the Naniloa Hotel
22 Property. The Naniloa Hotel Property is encumbered by a deed of trust in favor of First
23
24

1 Citizens Bank. The balance of the notes securing the Naniloa Hotel Property as of the Petition
2 Date was approximately \$9,860,000.

3 Based upon the Debtor's estimate, the liquidated value of the Naniloa Hotel Property is
4 \$7,500,000. Assuming that in a Chapter 7 proceeding, the liquidation value could be obtained,
5 and further assuming that there would be normal costs of sale and other costs of administration
6 attendant to the Chapter 7 proceeding, there would not be sufficient proceeds generated by a
7 sale of the Naniloa Hotel Property to pay all of the secured creditors. The conclusion that
8 necessarily follows is that Unsecured Creditors of the Debtor's Estate would not receive any
9 distribution were this Chapter 11 proceeding converted to one under Chapter 7 of the Code.
10 The plan, which provides for a distribution to Unsecured Creditors, clearly provides a greater
11 return to Unsecured Creditors than that which would be achieved in a Chapter 7.
12 Consequently, the Debtor believe that the Plan, as proposed, provides to Unsecured Creditors
13 more than they would receive were the Debtor's Case converted to one under chapter 7 of the
14 Code. The Plan proposes to pay general unsecured creditors approximately 100% of their total
15 claims while a liquidation of the Debtor's estate would result in a 0% dividend. In a Chapter 7
16 case, a trustee is appointed and entitled to compensation from the Bankruptcy estate in an
17 amount not to exceed 25% on the first \$5,000 of moneys disbursed, 10% on any amount over
18 \$5,000 but less than \$50,000, 5% on any amount over \$50,000 but not in excess of \$1 million
19 and 3% on all amounts over \$1 million. In this case, the trustee's compensation is estimated to
20 equal \$259,500 based upon a liquidated value of the Naniloa Hotel Property of \$7,500,000
21 which is equal to 50% of the fair market value of Naniloa Hotel Property. Through the Plan
22 however, no trustee's compensation will be incurred.

Below is a demonstration, in balance sheet format, that all creditors and interest holders will receive at least as much under the Plan as such creditor or interest holder would receive under a Chapter 7 liquidation. (See Exhibit A for a detailed explanation of how the following assets are valued. This information is provided by the Debtor.)

ASSETS VALUED AT LIQUIDATION VALUES

ASSETS AT LIQUIDATION VALUE	LIQUIDATION VALUE	DEBTOR'S BASIS FOR LIQUIDATION VALUE
Cash on hand	275,000	Not applicable
Nanihoa Hotel Property	<u>\$7,500,000</u>	The liquidation value is based on a 50% reduction of the approximated fair market value of the Nanihoa Hotel Property.
Recovery From Avoidance Actions	\$0.00	The Debtor does not anticipate that there will be any Avoidance Actions filed.
Total Assets At Liquidation Value	\$7,500,000	
LESS LIABILITIES IN CHAPTER 7 CASE		
Less: Secured Creditor Recovery ¹ ₁₂	\$10,349,684	

1

Classes 1 through 3	10,349,694

ASSETS AT LIQUIDATION VALUE	LIQUIDATION VALUE	DEBTOR'S BASIS FOR LIQUIDATION VALUE
Less: Chapter 7 trustee's fees and expenses	\$259,500	
Less: Chapter 11 administrative expenses		
WAGNER, CHOI & VERBRUGGE,	\$40,000	
PC Clerk of Court Fees \$250.00	\$6,750	
UST Fees \$6,500.00	\$262,000	
Administrative Claim due First Citizens Bank		
Less: Priority Claims	\$0	
Balance for unsecured Claims	\$0.00	
Total amount of Unsecured Claims	\$405,723.33 Class 4	
% OF THEIR CLAIMS WHICH UNSECURED CREDITORS ¹³ WOULD RECEIVE OR RETAIN IN A CHAPTER 7 LIQUIDATION:¹⁴	0.00%	

5

Proceeds From Liquidation of the Naniloa Hotel Property	\$7,500,000

Debtor's Disclosure Statement - 71

ASSETS AT LIQUIDATION VALUE	LIQUIDATION VALUE	DEBTOR'S BASIS FOR LIQUIDATION VALUE
% OF THEIR CLAIMS WHICH UNSECURED CREDITORS WILL RECEIVE OR RETAIN UNDER THIS PLAN: 100% ³	1	

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

<u>CLAIMS AND CLASSES</u>	<u>PAYOUT PERCENTAGE UNDER THE PLAN</u>	<u>PAYOUT PERCENTAGE IN CHAPTER 7 LIQUIDATION</u>
---------------------------	---	---

Balance Available for Chapter 7 Administrative Fees and Costs (\$259,500), Chapter 11 Administrative Fees and Costs (\$10,750.00)	\$0
Balance for Unsecured Claims	\$.00

¹⁴ Note: If this percentage is greater than the amount to be paid to the unsecured Creditors on a "present value basis" under the Plan, the Plan is not confirmable unless Proponent obtains acceptance by every Creditors in an impaired class.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

<u>CLAIMS AND CLASSES</u>	<u>PAYOUT PERCENTAGE</u> <u>UNDER THE PLAN</u>	<u>PAYOUT</u> <u>PERCENTAGE IN</u> <u>CHAPTER 7</u> <u>LIQUIDATION</u>
Administrative Claims	100.00%	Estimated funds available for Administrative Claims would be \$0 (Chapter 7 Administrative Fees and Costs are estimated at \$259,500 and Chapter 11 Administrative Fees and Costs are estimated at \$10,750.00)
Classes 1 – 3	100.00%	100.00%
Class 4 General Unsecured Creditors	100.00%	0%

<u>CLAIMS AND CLASSES</u>	<u>PAYOUT PERCENTAGE UNDER THE PLAN</u>	<u>PAYOUT PERCENTAGE IN CHAPTER 7 LIQUIDATION</u>
Class 5- Interest Holders	To receive pro-rata distribution of remaining Net Sale Proceeds after payment of all Allowed Administrative Claims, all Allowed Secured Claims, all Allowed Priority Claims and all Allowed Unsecured Claims	00%

4.03 Feasibility

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

There are at least two important aspects of a feasibility analysis. The first aspect considers whether the Debtor will have enough cash on hand on the Effective Date of the Plan to pay all the claims and expenses which are entitled to be paid on such date. The Debtor maintains that this aspect of feasibility is satisfied as illustrated here:

Estimated Cash Debtor will have on hand	
by Effective Date	<u>\$375,000</u>
To Pay: Administrative claims	<u>\$309,000*</u>
To Pay: Statutory costs & charges	<u>00.00</u>

1 Balance after paying these amounts..... \$66,000

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

4 \$375,000 Cash in DIP Account (estimated) and if needed from a new
5 value contribution by Kenneth Fujiyama and KDC.

6 \$375,000 **Total**¹⁵

7 The second aspect considers whether the Proponent will have enough cash over the life
8 of the Plan to make the required Plan payments.

9 The Proponent has provided financial projections. Please refer to Exhibit C for the
10 relevant financial projections. YOU ARE ADVISED TO CONSULT WITH YOUR
11 ACCOUNTANT OR FINANCIAL ADVISOR IF YOU HAVE ANY QUESTIONS
12 PERTAINING TO THESE FINANCIAL PROJECTIONS.

13 In summary, the Plan proposes to pay the Class 1 through 3 creditors through revenue
14 generated by the lease income and or sale or refinance of the Naniloa Hotel Property if needed
15 through payments from Kenneth Fujiyama.

16
17 _____
18 ¹⁵ As detailed in Sections 3.03 and 3.06 of this Disclosure Statement, the Debtor intends to negotiate with
19 DLNR and the state of Hawaii for payments schedules to cure deficiencies and events of default under
20 Lease No S-5844 has been informed by the state of Hawaii that they will only consider proposals by the Debtor
21 after the Disclosure Statement and plan have been filed. The Debtor intends to commence negotiations timely
22 once the Disclosure Statement and plan have been filed. In the event the state of Hawaii and or the DLNR require
23 full payment to the Class 2 and Class 3 creditors on the Effective Date and full replenishment of the Performance
24 Bond, the Debtor will raise the approximately \$522,000 due the Class 2 Creditor, \$451,420 due the Class 3
Creditor, and \$259,971.03 to replenish the Performance Bond prior to the Effective Date.

1 As Debtor's financial projections demonstrate, Debtor projects the Naniloa Hotel
2 Property will generate sufficient income to service all of the creditor's debts under the plan.
3 The final payment under the Plan is expected to be paid on or before September 14, 2018. The
4 Debtor contends that Debtor's financial projections are feasible.

5 **ARTICLE V.**

6 **EFFECT OF CONFIRMATION OF PLAN**

7 **5.01 Discharge**

8 This Plan provides that upon confirmation of the plan, Debtor shall be discharged of
9 liability for payment of debts incurred before confirmation of the Plan to the extent specified in
10 11 U.S.C. § 1141. However, the discharge will not discharge any liability imposed by the
11 Plan.

12 **5.02 Revesting of Property in the Debtor**

13 Except as provided herein and except as provided elsewhere in the Plan, the
14 confirmation of the Plan reverts all of the property of the estate in the Debtor.
15

16 **5.03 Modification of Plan**

17 The Proponent of the Plan may modify the Plan at any time before confirmation.
18 However, the Court may require a new disclosure statement and/or re-voting on the Plan.
19

20 The Proponent of the Plan may also seek to modify the Plan at any time after
21 confirmation only if (1) the Plan has not been substantially consummated and (2) the Court
22 authorizes the proposed modifications after notice and a hearing.
23

24 **5.04 Post-Confirmation Status Report**

1 Within 120 days of the entry of the order confirming the Plan, Debtor shall file a status
2 report with the Court explaining what progress has been made toward consummation of the
3 confirmed Plan. The status report shall be served on the United States Trustee, the twenty
4 largest unsecured creditors, and those parties who have requested special notice. Further status
5 reports shall be filed every 120 days and served on the same entities.

6 **5.05 Post-Confirmation Conversion/Dismissal**

7 A creditor or party in interest may bring a motion to convert or dismiss the case under §
8 1112(b), after the Plan is confirmed, if there is a default in performing the Plan. If the Court
9 orders the case converted to Chapter 7 after the Plan is confirmed, then all property that had
10 been property of the Chapter 11 estate, and that has not been disbursed pursuant to the Plan,
11 will revert in the Chapter 7, estate. The automatic stay will be reimposed upon the reverted
12 property, but only to the extent that relief from stay was not previously authorized by the Court
13 during this case.

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

18 **5.06 Final Decree**

19 Once the estate has been fully administered as referred to in Bankruptcy Rule 3022, the
20 Debtor, or such other party as the Court shall designate in the Plan Confirmation Order, shall
21 file a motion with the Court to obtain a final decree to close the case.
22
23
24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

Respectfully submitted,

DATED: March 20, 2013

HAWAII OUTDOOR TOURS INC.,


Kenneth Fujiyama, C.E.O.

WAGNER, CHOI & VERBRUGGE

BY: /s/ James A Wagner
James A Wagner

Attorneys for Debtor and
Debtor in Possession

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

EXHIBIT A – LIST OF ASSETS AND VALUES

Naniloa Hotel Property Value: Debtor Estimate \$15,000,000

The Hawaii County Real Property Tax Division's market value and assessed values for the entire hotel property, including the Benda Trust property, totals \$12,341,400.00, plus the FF&E OF \$1,929,395.00 for a total of \$14,270,795.00

<u>TMK</u>	<u>Land</u>	<u>Building</u>	<u>Total</u>
2-1-001-012	688,300.00	146,900.00	835,200.00
2-1-005 -0 13	479,900.00		479,900.00
2-1-005-016	1,966,100.00	6,800,500.00	8,766,600.00
2-1-005-017	555,400.00	295,000.00	850,000.00
2-1-005-027	26,900.00		26,900.00
2-1-005-032	554,600.00	554,600.00	
2-1-005 -046	234,200.00	<u>234,200.00</u>	
Naniloa Volcanoes Resort Total Value			\$11,747,800.00
2-1-005-018	466,300.00	127,300.00	593,600.00
	FF&E		<u>1,929,395.00</u>
Naniloa Volcanoes Resort, Benda Trust & FF&E Total Value			\$14,270,795.00

Tax Assessor Valuations are notoriously low and the Debtor estimates the value to be in excess of \$15,000,000.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

EXHIBIT B – List of Litigation

Foreclosure Action: Case # 12-1-2105-08: First Citizens Bank vs. Hawaii Outdoor
Tours Inc.

Rosenbaum Litigation: Deborah Rosenbaum vs. Hawaii Outdoor Tours Inc.

Appointment of Receiver: First Citizens Bank vs. Hawaii Outdoor Tours Inc.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

EXHIBIT C - FINANCIAL PROJECTIONS

This information is supplied by the Debtor and is based on Debtors development experience.

NANILOA VOLCANOES RESORT
INCOME AND EXPENSE PROJECTIONS 2013

	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
REVENUES														
Room	288676	419371.3	430000	440000	370000	370000	412000	340000	285000	304000	330000	380000	380000	4369047
Food	29408.8	36632.35	39000	56000	42000	62000	65000	62000	41000	42000	45000	63000	63000	583041.2
Liquor	12610	5129.5	12000	14500	15500	27500	28500	17500	12600	12800	13500	25500	25500	197639.5
Supplies	1386.07	1794.34	1500	1760	1480	1480	1648	1500	1300	1380	1450	1520	1520	18198.41
Gift Shop	12675	9290.25	11500	12000	13000	14000	14000	14000	12000	12000	12000	12000	12000	148465.3
Rental	10902.54	9462.53	9352	9352	9352	11000	11000	14000	14000	15000	15000	15000	15000	143421.1
Gift Shop				20000	15000	20000	20000	20000	15000	15000	15000	20000	20000	160000
IT														0
TOTAL REVENUES	355658.4	481680.2	503352	553612	466332	505980	552148	469000	380900	402180	431950	517020	517020	5619813
COST OF SALES														
Food	12327.6	16420.82	12870	18480	13860	20460	21450	20460	13530	13860	14850	20790	20790	199358.4
Liquor	4444.99	1615.08	3000	3625	3875	6875	7125	4375	3150	3200	3375	6375	6375	51035.07
Supplies	543.24	1090.06	750	880	740	740	824	750	650	690	725	760	760	9142.3
Gift Shop	243.17	164.12	200	200	200	200	200	200	200	200	200	200	200	2407.29
TOTAL COST OF SALES	17559	19290.08	16820	33185	26175	38275	39599	35785	25030	25450	26650	38125	38125	341943.1
EXPENSES														
Advertising	31.77	997.79	750	1750	1750	2200	2200	2200	1750	1750	2200	1750	1750	19329.56
Amortization	16.32	22.64	439	439	439	439	439	439	439	439	439	439	439	4428.96
Supplies	4295.14	10181.5	5536.872	6089.732	5129.652	5565.78	6073.628	5159	4189.9	4423.98	4751.45	5687.22	5687.22	67083.85
Credit Card	9863.62	7588.84	7550.28	8304.18	6994.98	7589.7	8282.22	7035	5713.5	6032.7	6479.25	7755.3	7755.3	89189.57
Payroll Processing	300.44	247.28	300	300	300	300	300	300	300	300	300	300	300	3547.72
Emp. Benefit Dental	744.62	721.64	718	718	718	718	718	718	718	718	718	718	718	8646.26
Emp. Benefit Medical	14668.32	13625.7	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	174954
Emp. FICA, FUTA, SUC	10833.43	11812.49	11288	11288	10608	11288	11288	10608	10608	10608	10608	11288	11288	132125.9
TOTAL	0	0		993.7717			976			956				2925.772

	2013	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
Worker Comp		3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	47004	
Software Fee		1413.45	1265.57	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	16979.02	
Gas Diesel		907.81	730.92	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	13638.73	
Insurance Flood		3820.92	3820.92	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	45841.84	
Insurance Fire Liability		14205.33	14205.33	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	172310.7	
Interst Bank		55155.79	55055.34	55000	55000	55000	55000	55000	55000	55000	55000	55000	55000	618457.1	
Lease State		41666.67	41666.67	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	499993.3	
Lease Benda		2666.67	2666.67	2666.67	2666.67	2666.67	2666.67	2666.67	2666.67	2666.67	2666.67	2666.67	2666.67	32000.04	
Lease Kau		410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	4929.96	
Misc		1641.93	416.49	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	17058.42	
Music Entertainment		750	1575	2800	2800	3500	3500	2800	3500	2800	2800	3500	2800	33125	
Repair Maintenance		2880	5265.54	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	58145.54	
Room Commission	o	5933.06	5098.31	5590	5720	4810	4810	4810	5356	4420	3705	4290	4940	58624.37	
Salaries Wages		79442.17	86000.76	83000	83000	83000	83000	83000	83000	83000	83000	83000	83000	970442.9	
GE Tax	o	12845.78	17912.63	20969.64	23063.48	19427.39	21079.13	23002.49	19538.54	15868.29	16754.82	17995.04	21539.05	229996.3	
TAT Tax	o	23357.87	33630.2	36990.75	37851	31829.25	31829.25	35442.3	29248.5	24517.13	26151.6	28388.25	32689.5	371925.6	
Real Property Tax		10179.02	10179.02	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	121528	
Telephone		580.87	4990.98	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30571.85	
Utility Electric		47993.66	46183.1	52000	52000	49000	50000	50000	50000	48000	48000	49000	51000	593176.8	
Utility Propane		10104.18	9253.09	10500	10500	9252	9252	10000	9252	8000	8000	9252	10500	113865.3	
Utility Waste Removal		2471.22	6231.24	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	68702.46	
Utility Water		6392.83	8490	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	79882.83	
Utility - Cable TV		1994.15	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	23928.15	
Professervices (budget)		40000	40000	40000	40000	40000	40000	40000	2000	2000	2000	2000	2000	290000	
US Trustee Fee		1400			6500						6500			20900	
Class 4 Unsecured										0	1104	1104	1104		
TOTAL EXPENSES	o	412853.1	445159.7	450460	462344.7	432785.8	442148.4	456955.1	392995.5	377636.3	375599.6	375684.5	394619.6	5019242	5019242
NET INCOME	o	-74753.7	17230.46	36071.95	58082.34	7371.227	25556.64	55593.87	40219.46	-21766.3	1130.401	29615.51	84275.43	258627.3	258627.3
Beginning Balance		408455.6	333701.9	350932.3	387004.3	445086.6	452457.9	478014.5	533608.4	573827.8	769780.5	770910.9	800526.4		
Ending Cash Balance		333701.9	350932.3	387004.3	445086.6	452457.9	478014.5	533608.4	573827.8	552061.5	770910.9	800526.4	884801.8		
New Value									1500000						
Administrative Claims									309000						
Class 1											41082	41082	41082	123246	123246
Class 2															
Class 3															
Class 4											1104	1104	1104	3312	3312

NANILOA VOLCANOES RESORT
INCOME AND EXPENSE PROJECTIONS 2014

	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
REVENUES														
Room	337000	420000	510000	520000	380000	396000	450000	420000	290000	320000	380000	450000	4873000	
Food	65000	65000	75000	75000	60000	70000	80000	75000	50000	50000	55000	73000	793000	
Liquor	15000	15000	15000	13000	12000	14000	15000	15000	13000	13000	14000	18000	172000	
Sundry	1348	1680	2040	2080	1520	1584	1800	1680	1160	1280	1520	1800	19492	
Golf	13000	13000	13000	13000	13000	13000	13000	13000	13000	13000	13000	13000	156000	
Rental	13500	13500	13500	13500	13500	13500	13500	13500	13500	13500	13500	13500	162000	
Gift Shop	15000	15000	15000	25000	15000	18000	21000	20000	15000	15000	17000	20000	211000	
TOTAL REVENUES	459848	543180	643540	661580	495020	526084	594300	558180	395660	425780	494020	589300	6386492	12006305
COST OF SALES														
Food	21450	21450	24750	24750	19800	23100	26400	24750	16500	16500	18150	24090	261690	
Liquor	3750	3750	3750	3250	3000	3500	3750	3750	3250	3250	3500	4500	43000	
Sundry	674	840	1020	1040	760	792	900	840	580	640	760	900	9746	
Golf	200	200	200	200	200	200	200	200	200	200	200	200	2400	
Gift Shop	7500	7500	7500	12500	7500	9000	10500	10000	7500	7500	8500	10000	105500	
TOTAL COST OF SALES	26074	26240	29720	29240	23760	27592	31250	29540	20530	20590	22610	29690	316836	658779.1
EXPENSES														
Advertising	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	26400	
Amortization	439	439	439	439	439	439	439	439	439	439	439	439	5268	
Supplies	5058.328	5974.98	7078.94	7277.38	5445.22	5786.924	6537.3	6139.98	4352.26	4683.58	5434.22	6482.3	70251.41	
Credit Card	6897.72	8147.7	9653.1	9923.7	7425.3	7891.26	8914.5	8372.7	5934.9	6386.7	7410.3	8839.5	95797.38	
Payroll Processing	300	300	300	300	300	300	300	300	300	300	300	300	3600	
Emp. Benefit Dental	523	523	523	523	523	523	523	523	523	523	523	523	6276	
Emp. Benefit Medical	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	175992	
Emp. FICA, FUTA, SUC	10608	11288	11288	12648	10608	11288	11288	11288	10608	10608	11288	11288	134096	
PTDI	957			976			1016			976			3925	

2014	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
Worker Comp	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	47004	
Software Fee	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	17160	
Gas Diesel	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	14400	
Insurance Flood	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	45840	
Insurance Fire Liability	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	172680	
Interest Bank	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	492984	
Lease State	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	499992	
Lease Benda	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	31992	
Lease Kau	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	4929.96	
Misc.	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	36000	
Music Entertainment	2800	2800	3500	2800	3500	3500	2800	3500	2800	2800	3500	2800	37100	
Repair Maintenance	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	60000	
Room Commission	4381	5460	6630	6760	4940	5148	5850	5460	3770	4160	4940	5850	63349	
Salaries Wages	78000	83000	83000	93000	78000	83000	83000	83000	78000	78000	83000	83000	986000	
GE Tax	19157.27	22628.88	26809.88	27561.42	20622.53	21916.66	24758.54	23253.78	16483.2	17737.99	20580.87	24550.24	266061.3	
STATE Tax	28990.43	36130.5	43872.75	44733	32689.5	34065.9	38711.25	36130.5	24947.25	27528	32689.5	38711.25	419199.8	
Real Property Tax	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	121404	
Telephone	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30000	
Utility Electric	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	600000	
Utility Propane	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	99600	
Utility Waste Removal	6000	6000	6000	6500	6000	6000	6000	6000	6000	6000	6000	6000	72500	
Utility Water	5400	5400	5400	6200	5400	5400	5400	5400	5400	5400	5400	5400	65600	
Utility - Cable TV	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	23928	
Professional Service	40000	40000	40000	40000	40000	40000	40000	2000	2000	2000	2000	2000	290000	
US Trustee Fee	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	6500	26000	
Class 4 Unsecured	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	
TOTAL EXPENSES	423274.6	435354.9	451757.5	473404.3	423155.4	432521.6	449300.4	399069.8	368820.4	381305.1	390767.7	403446.1	5032178	10051420
NET INCOME	10499.43	81585.11	162062.5	158935.7	48104.62	65970.43	113749.6	129570.2	6309.564	23884.9	80642.28	156163.9	1037478	1296106
Beginning Balance	884801.8	895301.2	976886.3	1138949	1297885	1345989	1411960	1525709	1655279	1661589	1685474	1766116		
Ending Cash Balance	895301.2	976886.3	1138949	1297885	1345989	1411960	1525709	1655279	1661589	1685474	1766116	1922280		
New Value														
Plan Payments														
Administrative Claims														
Class 1	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	492984	616230
Class 2														
Class 3														
Class 4	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	16560

NANILOA VOLCANOES RESORT
INCOME AND EXPENSE PROJECTIONS 2015

	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
REVENUES														
Room	350000	430000	520000	463035	315000	396000	430000	420000	290000	325000	390000	460000	4789035	
Food	65000	65000	75000	75000	60000	70000	80000	75000	50000	50000	55000	73000	793000	
Liquor	16000	16000	16000	14000	13000	15000	16000	16000	14000	13000	14000	18000	181000	
Supplies	1400	1720	2080	1852.14	1260	1584	1720	1680	1160	1300	1560	1840	19156.14	
Golf	13000	13000	13000	13000	13000	13000	13000	13000	13000	13000	13000	13000	156000	
Rental	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	180000	
Gift Shop	15000	15000	15000	25000	15000	18000	21000	20000	15000	15000	17000	20000	211000	
TOTAL REVENUES	0 475400	555720	656080	606887.1	432260	528584	576720	560680	398160	432300	505560	600840	6329191	1833549.0
COST OF SALES														
Food	21450	21450	24750	24750	19800	23100	26400	24750	16500	16500	18150	24090	261690	
Liquor	4000	4000	4000	3500	3250	3750	4000	4000	3500	3250	3500	4500	45250	
Supplies	700	860	1040	926.07	630	792	860	840	580	650	780	920	9578.07	
Golf	200	200	200	200	200	200	200	200	200	200	200	200	2400	
Gift Shop	7500	7500	7500	12500	7500	9000	10500	10000	7500	7500	8500	10000	105500	
TOTAL COST OF SALES	0 26350	26510	29990	29376.07	23880	27842	31460	29790	20780	20600	22630	29710	318918.1	977697.2
EXPENSES														
Advertising	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	26400	
Amortization	439	439	439	439	439	439	439	439	439	439	439	439	5268	
Supplies	5229.4	6112.92	7216.88	6675.759	4754.86	5814.424	6343.92	6167.48	4379.76	4755.3	5561.16	6609.24	69621.1	
Credit Card	7131	8335.8	9841.2	9103.307	6483.9	7928.76	8650.8	8410.2	5972.4	6484.5	7583.4	9012.6	94937.87	
Payroll Processing	300	300	300	300	300	300	300	300	300	300	300	300	3600	
Emp. Benefit Dental	523	523	523	523	523	523	523	523	523	523	523	523	6276	
Emp. Benefit Medical	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	175992	
Emp. FICA, FUTA, SUC	10608	11288	11288	12648	11288	12648	11288	11288	10608	10608	11288	12648	137496	
TOTAL	0	976	976	1076	1076	1076	1076	1076	976	976	976	3028	3028	0

	2015	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
Worker Comp		3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	47004	
Software Fee		1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	17160	
Gas Diesel		1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200	14400	
Insurance Flood		3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	45840	
Insurance Fire Liability		14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	172680	
Interest Bank		41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	492984	
Lease State		41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	499992	
Lease Benda		2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	31992	
Lease Ka'u		410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	4929.96	
Misc.		3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	36000	
Music Entertainment		2800	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800	37100	
Repair Maintenance		5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	60000	
Roth Commission	o	4550	5590	6760	6019.455	4095	5148	5590	5460	3770	4225	5070	5980	62257.46	
Salaries Wages		78000	83000	83000	93000	83000	93000	83000	83000	78000	78000	83000	83000	1011000	
GEI Tax	o	19805.16	23151.3	27332.29	25282.92	18007.95	22020.81	24026.16	23357.93	16587.35	18009.62	21061.63	25030.99	263674.1	
TAL Tax	o	30108.75	36990.75	44733	39832.59	27097.88	34065.9	36990.75	36130.5	24947.25	27958.13	33549.75	39571.5	411976.7	
Real Property Tax		10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	121404	
Telephone		2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30000	
Utility Electric		50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	600000	
Utility Propane		8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	99600	
Utility Waste Removal		6000	6000	6000	6500	6000	6000	6000	6000	6000	6000	6000	6000	72500	
Utility Water		5400	5400	5400	6200	5400	5400	5400	5400	5400	5400	5400	5420	65620	
Utility - Cable TV		1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	23928	
Professional Service		2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	24000	
US Trustee Fee		6500			6500									26000	
Class 4 Unsecured		1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	
TOTAL EXPENSES	o	386657.1	399193.6	415596.2	426062.9	380152.4	406050.7	408190.5	399238.9	368989.6	382241.4	392538.8	416597.2	4781509	14832929
NET INCOME	o	62392.86	130016.4	210493.8	151448.2	28227.58	94691.28	137069.5	131651.1	8390.414	29458.63	90391.23	154532.8	1228764	2524870
Beginning Balance		1922280	1984673	2114689	2325183	2476631	2504859	2599550	2736620	2868271	2876661	2906120	2996511		
Ending Cash Balance		1984673	2114689	2325183	2476631	2504859	2599550	2736620	2868271	2876661	2906120	2996511	3151044		
Net Value															
Plan Payments															
Administrative Claims															
Class 1		41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	41082	492984	1109214
Class 2															
Class 3															
Class 4		1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	29808

NANILOA VOLCANOES RESORT
INCOME AND EXPENSE PROJECTIONS 2016

	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
REVENUES														
Room	360000	440000	530000	470000	320000	396000	460000	430000	300000	330000	390000	470000	4896000	
Food	65000	65000	75000	75000	60000	70000	80000	75000	50000	50000	55000	73000	793000	
Liquor	18000	18000	18000	15000	14000	16000	17000	16000	14000	13000	14000	20000	193000	
Supplies	1440	1760	2120	1880	1280	1584	1840	1720	1200	1320	1560	1880	19584	
Golf	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	168000	
Rental	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	180000	
Gift Shop	18000	18000	18000	26000	15000	18000	18000	16000	15000	15000	16000	20000	213000	
														0
TOTAL REVENUES	491440	571760	672120	616880	439280	530584	605840	567720	409200	438320	505560	613880	6462584	2479808
COST OF SALES														
Food	21450	21450	24750	24750	19800	23100	26400	24750	16500	16500	18150	24090	261690	
Liquor	4500	4500	4500	3750	3500	4000	4250	4000	3500	3250	3500	5000	48250	
Supplies	720	880	1060	940	640	792	920	860	600	660	780	940	9792	
Golf	200	200	200	200	200	200	200	200	200	200	200	200	2400	
Gift Shop	9000	9000	9000	13000	7500	9000	9000	8000	7500	7500	8000	10000	106500	
TOTAL COST OF SALES	26870	27030	30510	29640	24140	28092	31770	29810	20800	20610	22630	30230	322132	1299829
EXPENSES														
Advertising	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	19200	
Amortization	439	439	439	439	439	439	439	439	439	439	439	439	5268	
														0
Supplies	5405.84	6289.36	7393.32	6785.68	4832.08	5836.424	6664.24	6244.92	4501.2	4821.52	5561.16	6752.68	71088.42	
Credit Card	7371.6	8576.4	10081.8	9253.2	6589.2	7958.76	9087.6	8515.8	6138	6574.8	7583.4	9208.2	96938.76	
Payroll Processing	650	650	650	650	650	650	650	650	650	650	650	650	7800	
Emp. Benefit Dental	523	523	523	523	523	523	523	523	523	523	523	523	6276	
Emp. Benefit Medical	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	175992	
Emp. FICA, FUTA, SUC	10608	11288	12648	11288	10608	11288	11288	11288	10608	10608	10608	11288	133416	
TDI				1016			976			976			2968	

2016	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
Worker Comp	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	47004	
Software Fee	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	17160	
Gas Diesel	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000	
Insurance Flood	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	45840	
Insurance Fire Liability	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	172680	
Interest Bank	41082	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	624566	
Lease State	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	499992	
Lease Benda	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	31992	
Lease Ka'u	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	4929.96	
Misc	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	36000	
Misc Entertainment	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800	37100	
Repair Maintenance	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	60000	
Room Commission	4680	5720	6890	6110	4160	5148	5980	3900	3900	4290	5070	6110	63648	
Salaries Wages	78000	83000	93000	83000	78000	83000	83000	83000	78000	78000	78000	83000	981000	
GE Tax	20473.39	23819.52	28000.52	25699.22	18300.4	22104.13	25239.29	23651.22	17047.27	18260.41	21061.63	25574.24	269231.2	
TAT Tax	30969	37851	45593.25	40431.75	27528	34065.9	39571.5	36990.75	25807.5	28388.25	33549.75	40431.75	421178.4	
Real Property Tax	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	121404	
Telephone	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30000	
Utility Electric	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	600000	
Utility Propane	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	99600	
Utility Waste Removal	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	72500	
Utility Water	5400	5400	5400	6200	5400	5400	5400	5400	5400	5400	5400	5400	65600	
Utility - Cable TV	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	23928	
Professional Service														
US Trustee Fee	6500			6500						6500			26000	
Class 4 Unsecured	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	
TOTAL EXPENSES	387382.7	411881.1	439643.7	426720.7	386054.5	405438	423643.5	411317.5	381338.8	393755.8	397470.8	417701.7	4882349	19715278
NET INCOME	77187.34	132848.9	201966.3	160519.3	29085.49	97053.96	150426.5	126592.5	7061.198	23954.19	85459.23	165948.3	1258103	3782973
Beginning Balance	3151044	3228231	3361080	3563047	3723566	3752651	3849705	4000132	4126724	4133785	4157740	4243199		
Ending Cash Balance	3228231	3361080	3563047	3723566	3752651	3849705	4000132	4126724	4133785	4157740	4243199	4409147		
New Value														
Plan Payments														
Administrative Claims														
Class 1	41082	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	624566	1733780
Class 2														
Class 3														
Class 4	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	43056

NANILOA VOLCANOES RESORT
INCOME AND EXPENSE PROJECTIONS 2017

U.S. Dollars

	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
REVENUES														
Room	370000	450000	540000	475000	325000	396000	470000	435000	320000	330000	390000	480000	4981000	
Food	70000	70000	85000	80000	65000	80000	85000	80000	60000	60000	60000	75000	870000	
Liquor	180000	180000	180000	150000	150000	180000	210000	160000	160000	160000	160000	200000	2070000	
Surfery	1480	1800	2160	1900	1300	1584	1880	1740	1280	1320	1560	1920	19924	
Golf	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	168000	
Rental	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	216000	
Gift Shop	20000	20000	20000	28000	15000	20000	20000	20000	15000	15000	18000	25000	236000	
Hawaii													0	
TOTAL REVENUES	511480	591800	697160	631900	453300	547584	629880	584740	444280	454320	517560	633920	6697924	31496004
COST OF SALES														
Food	23100	23100	28050	26400	21450	26400	28050	26400	19800	19800	19800	24750	287100	
Liquor	4500	4500	4500	3750	3750	4500	5250	4000	4000	4000	4000	5000	51750	
Surfery	740	900	1080	950	650	792	940	870	640	660	780	960	9962	
Golf	200	200	200	200	200	200	200	200	200	200	200	200	2400	
Gift Shop	10000	10000	10000	14000	7500	10000	10000	10000	7500	7500	9000	12500	118000	
TOTAL COST OF SALES	28540	28700	33830	31300	26050	31892	34440	31470	24640	24660	24780	30910	351212	1651041
EXPENSES														
Advertising	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	19200	
Amortization	439	439	439	439	439	439	439	439	439	439	439	439	5268	
Supplies	5626.28	6509.8	7668.76	6950.9	4986.3	6023.424	6928.68	6432.14	4887.08	4997.52	5693.16	6973.12	73677.16	
Credit Card	7672.2	8877	10457.4	9478.5	6799.5	8213.76	9448.2	8771.1	6664.2	6814.8	7763.4	9508.8	100468.9	
Payroll Processing	300	300	300	300	300	300	300	300	300	300	300	300	3600	
Emp. Benefit Dental	523	523	523	523	523	523	523	523	523	523	523	523	6276	
Emp. Benefit Medical	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	175992	
Emp. FICA, FUTA, SUC	11288	11288	12648	12648	10608	11288	12648	11288	10608	10608	11288	12648	138856	
TDI				1036			1016			1016			3068	

2017	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
Worker Comp	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	47004	
Software Fee	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	17160	
Gas Diesel	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000	
Insurance Flood	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	45840	
Insurance Fire Liability	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	172680	
Interest Bank	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	636528	
Lease State	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	499992	
Lease Benda	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	31992	
Lease Ka'u	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	4929.96	
Misc	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	36000	
Music Entertainment	2800	2800	3500	2800	3500	3500	2800	3500	2800	2800	3500	2800	37100	
Repair Maintenance	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	60000	
Rent Commission	0	4810	5850	7020	6175	4225	5148	6110	5655	4160	5070	6240	64753	
Salaries Wages	83000	83000	83000	93000	78000	83000	93000	83000	78000	78000	83000	83000	1021000	
GE Tax	0	21308.26	24654.39	29043.69	26324.95	18884.48	22812.35	26240.8	24360.27	18508.7	21561.55	26409.11	279035.5	
TAI Tax	0	31829.25	38711.25	46453.5	40861.88	27958.13	34065.9	40431.75	37420.88	27528	33549.75	41292	428490.5	
Real Property Tax	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	121404	
Telephone	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30000	
Utility Electric	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	600000	
Utility Propane	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	99600	
Utility Waste Removal	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	72500	
Utility Water	5400	5400	5400	6200	5400	5400	5400	5400	5400	5400	5400	5400	65600	
Utility - Cable TV	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	23928	
Professional Service	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	24000	
US Trustee Fee	6500			6500			6500			6500			26000	
Class 4 Unsecured	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	
TOTAL EXPENSES	0	409020.8	415877.3	443978.2	441262.1	389148.2	408238.3	439310.3	414614.2	387342.8	405612.7	433057.9	4983991	24699269
TI														
NET INCOME	0	73919.18	147222.7	219351.8	159337.9	38101.77	107453.7	156129.7	138655.8	32297.19	33131.63	87167.31	1362721	5145694
Beginning Balance	4409147	4483066	4630289	4849641	5008979	5047080	5154534	5310664	5449320	5481617	5514749	5601916		
Ending Cash Balance	4483066	4630289	4849641	5008979	5047080	5154534	5310664	5449320	5481617	5514749	5601916	5771868		
New Value														
Plan Payments														
Administrative Claims														
Class 1	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	53044	636528	2370308
Class 2														
Class 3														
Class 4	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	13248	56304

NANILOA VOLCANOES RESORT
INCOME AND EXPENSE PROJECTIONS 2018

U.S.

	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
REVENUES														
Room	370000	460000	540000	480000	315000	396000	480000	440000	340000	340000	395000	485000	5041000	
Food	70000	70000	85000	80000	65000	80000	85000	80000	60000	60000	60000	75000	870000	
Liquor	18000	18000	18000	15000	15000	18000	21000	16000	16000	16000	16000	20000	207000	
Sundry	1480	1840	2160	1920	1260	1584	1920	1760	1360	1360	1580	1940	20164	
Golf Co	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	14000	168000	
Rental	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	18000	216000	
Gift Shop	20000	20000	20000	28000	15000	20000	20000	20000	15000	15000	18000	25000	236000	
Hotel													0	
TOTAL REVENUES	511480	601840	697160	636920	443260	547584	639920	589760	464360	464360	522580	638940	6758164	38254168
COST OF SALES														
Food	23100	23100	28050	26400	21450	26400	28050	26400	19800	19800	19800	24750	287100	
Liquor	4500	4500	4500	3750	3750	4500	5250	4000	4000	4000	4000	5000	51750	
Sundry	740	920	1080	960	630	792	960	880	680	680	790	970	10082	
Golf	200	200	200	200	200	200	200	200	200	200	200	200	2400	
Gift Shop	10000	10000	10000	14000	7500	10000	10000	10000	7500	7500	9000	12500	118000	
TOTAL COST OF SALES	28540	28720	33830	31310	26030	31892	34460	31480	24680	24680	24790	30920	351332	2002373.2
EXPENSES														
Advertising	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	1600	19200	
Amortization	439	439	439	439	439	439	439	439	439	439	439	439	5268	
Supplies	5626.28	6620.24	7668.76	7006.12	4875.86	6023.424	7039.12	6487.36	5107.96	5107.96	5748.38	7028.34	74339.804	
Credit Card	7672.2	9027.6	10457.4	9553.8	6648.9	8213.76	9598.8	8846.4	6965.4	6965.4	7838.7	9584.1	101372.46	
Payroll Processing	300	300	300	300	300	300	300	300	300	300	300	300	3950	
Emp. Benefit Dental	523	523	523	523	523	523	523	523	523	523	523	523	6276	
Emp. Benefit Medical	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	14666	175992	
EMP. FICA, FUTA, SUC	11288	12648	12648	12648	10608	11288	12648	11288	10608	10608	11288	12648	140216	
TOTAL				1076			1016			1016			3108	

2018	January	February	March	April	May	June	July	August	September	October	November	December	Total	Cum Total
Worker Comp	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	3917	47004	
Software Fee	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	1430	17160	
Gas Diesel	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000	
Insurance Flood	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	3820	45840	
Insurance Fire Liability	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	14390	172680	
Interest Bank	53044	53044	53044	53044	53044	53044	53044	53044					424352	
Lease State	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	41666	499992	
Lease Benda	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	2666	31992	
Lease Ka'u	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	410.83	4929.96	
Misc	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	36000	
Music Entertainment	2800	2800	3500	2800	3500	3500	2800	3500	2800	2800	3500	2800	37100	
Repair Maintenance	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	60000	
Room Commission	4810	5980	7020	6240	4095	5148	6240	5720	4420	4420	5135	6305	65533	
Salaries Wages	83000	93000	93000	93000	78000	83000	93000	83000	78000	78000	83000	93000	1031000	
GE Tax	21308.257	25072.654	29043.686	26534.087	18466.212	22812.349	26659.067	24569.402	19345.2376	19345.238	21770.683	26618.24	281545.112	
TAT Tax	31829.25	39571.5	46453.5	41292	27097.875	34065.9	41292	37851	29248.5	29248.5	33979.875	41722.125	433652.025	
Real Property Tax	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	10117	121404	
Telephone	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30000	
Utility Electric	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000	600000	
Utility Propane	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	8300	99600	
Utility Waste Removal	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	72500	
Utility Water	5400	5400	5400	6200	5400	5400	5400	5400	5400	5400	5400	5400	65600	
Utility Cable TV	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	1994	23928	
Professional Service													0	
US Trustee Fee	1400			6500			6500			4875			19275	
Class A Unsecured	1104	1104	1104	1104	1104	1104	1104	1104					8832	
TOTAL EXPENSES	0	401920.8	426906.8	441978.2	440136.8	385478.7	438979.8	413449	334533.93	340424.9	350299.5	377744.6	4758441.4	29457710
NET INCOME	0	81019.18	146213.2	221351.8	165473.2	31751.32	166480.2	144831	105146.07	99255.07	147490.5	230275.4	1648390.6	6794084.4
Beginning Balance	5771868	5852887	5999100	6220452	6385925	6417677	6526780	6693261	6838091.6	7048864	7148119	7295610		
Ending Cash Balance	5852887	5999100	6220452	6385925	6417677	6526780	6693261	6838092	6943237.7	7148119	7295610	7525885		
New Value									10000000					
Plan Payments														
Administrative Claims														
Class 1	53044	53044	53044	53044	53044	53044	53044	53044	9488650				9913002	12283310
Class 2														
Class B														
Class 4	1104	1104	1104	1104	1104	1104	1104	1104	405723.33				414555.33	470859.33

EXHIBIT D – RESERVED

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

EXHIBIT E- LIST OF GENERAL UNSECURED CREDITORS

See Schedule F on file with the Bankruptcy Court Clerk.

TOTAL: \$405,723.33

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

EXHIBIT "F"
DOCKET THROUGH MARCH 18, 2013

PlnDuc

**United States Bankruptcy Court
District of Hawaii (Honolulu)
Bankruptcy Petition #: 12-02279**

Date filed: 11/20/2012

Assigned to: Bankruptcy Judge Robert J. Faris
Chapter 11
Voluntary
Asset

Debtor

Hawaii Outdoor Tours, Incorporated
P.O. Box 1417
Hilo, HI 96721
HAWAII-HI
Tax ID / EIN: 99-0292353

represented by **James A. Wagner**
Wagner Choi & Verbrugge
745 Fort Street, Suite 1900
Honolulu, HI 96813
808.533.1877
Fax : 808.566.6900
Email: jwagner@hibklaw.com

Neil J. Verbrugge
Wagner Choi & Verbrugge
745 Fort Street, Suite 1900
Honolulu, HI 96813
808.533.1877
Fax : 808.566.6900
Email: nverbrugge@hibklaw.com

U.S. Trustee

Office of the U.S. Trustee
1132 Bishop Street, Suite 602
Honolulu, HI 96813-2830
808-522-8150

represented by **Curtis B. Ching**
Office of The United States Trustee
1132 Bishop Street, Suite 602
Honolulu, HI 96813
808.522.8150
Email: USTPRegion15.HI.ECF@usdoj.gov

Creditor Committee

The Official Committee of Unsecured Creditors (Hawaii Outdoor Tours, Inc.)

represented by **Christopher J. Muzzi**
Tsugawa Biehl Lau & Muzzi, L.L.L.C.
1132 Bishop Street, Ste. 2400
Honolulu, HI 96813
808.531.0490
Fax : 808.534.0202
Email: cmuzzi@hilaw.us

Filing Date	#	Docket Text
11/20/2012	<u>1</u> 2 docs (14 pgs)	Chapter 11 Voluntary Petition, Without All Required Schedules/Statements. Deadlines: Government Proofs of Claim generally due by 5/20/2013. Schedule A-J due 12/4/2012. Statement of Financial Affairs due 12/4/2012. Summary of Schedules due 12/4/2012. Incomplete Filings due by 12/4/2012. Fee Amount \$1046 (Verbrugge, Neil) **Modified on 11/20/2012 to remove deficiencies (Ch.11 Income Stmt, Corporate Resolution, Statistical Summary)**(JN). (Entered: 11/20/2012)
11/20/2012		Receipt of filing fee for Voluntary Petition (Chapter 11)(12-02279) [misc.volp11a] (1046.00). Receipt No. 1416199. Fee amount \$1046.00. (U.S. Treasury) (Entered: 11/20/2012)
11/20/2012	<u>2</u> (5 pgs)	Corporate Resolution of <i>Hawaii Outdoor Tours, Inc.: Exhibit A</i> . Filed by James A. Wagner on behalf of Hawaii Outdoor Tours, Incorporated. (Wagner, James) (Entered: 11/20/2012)
11/20/2012	<u>3</u> (2 pgs)	Corporate Ownership Statement. Corporate parents added to case: Ken Direction Corporaion. Filed by James A. Wagner on behalf of Hawaii Outdoor Tours, Incorporated. (Wagner, James) (Entered: 11/20/2012)
11/20/2012	<u>4</u> (2 pgs)	Designation of Responsible Individual: Kenneth Fujiyama . Filed by James A. Wagner on behalf of Hawaii Outdoor Tours, Incorporated. (Wagner, James) (Entered: 11/20/2012)
	<u>5</u>	Motion to Authorize Payment of Pre-Petition Utility Claim(s) [Motion for Order Under 11 USC

11/20/2012	(19 pgs)	<i>Sections 105(a) and 366(c) (1) Prohibiting Utilities from altering or Discontinuing Services on Account of Prepetition Invoices, and (1) Establishing Procedures to Determine Requests for Additional Assurance of Payment; Memorandum in Support; Proposed Order; Declaration of Kenneth Fujiyama; Exhibit A</i> . Filed by James A. Wagner on behalf of Hawaii Outdoor Tours, Incorporated. (Wagner, James) (Entered: 11/20/2012)
11/20/2012	(12 pgs)	<u>6</u> Motion to Limit Notice [<i>Motion for Order Establishing Limited Notice Procedures; Memorandum in Support; Proposed Order; Declaration of Kenneth Fujiyama</i>]. Filed by James A. Wagner on behalf of Hawaii Outdoor Tours, Incorporated. (Wagner, James) (Entered: 11/20/2012)
11/20/2012	(33 pgs)	<u>7</u> First Day Motion in Chapter 11 Case: <i>Motion for Order Authorizing Debtor to Honor Pre-Petition Customer Deposits and Refunds and to Honor Prepetition Appreciation Certificates, Gift Certificates, Promotions and Complimentary Coupons to Customers; Memorandum in Support; Proposed Order; Declaration of Kenneth Fujiyama; Exhibit A</i> . Filed by James A. Wagner on behalf of Hawaii Outdoor Tours, Incorporated. (Wagner, James) (Entered: 11/20/2012)
11/20/2012	(33 pgs)	<u>8</u> Motion to Approve Use of Cash Collateral Pursuant to 11 USC Section 363(c)(2) on an Interim and Final Basis; <i>Memorandum in Support; Exhibit 1 (Proposed Interim Order); Declaration of Kenneth Fujiyama; Exhibit A</i> . Filed by James A. Wagner on behalf of Hawaii Outdoor Tours, Incorporated. (Wagner, James) (Entered: 11/20/2012)
11/20/2012	(16 pgs)	<u>9</u> First Day Motion in Chapter 11 Case: <i>Motion for Order Authorizing Debtor to Honor Travel Agency Agreements; Memorandum in Support; Proposed Order; Declaration of Kenneth Fujiyama</i> . Filed by James A. Wagner on behalf of Hawaii Outdoor Tours, Incorporated. (Wagner, James) (Entered: 11/20/2012)
11/20/2012	(23 pgs)	<u>10</u> First Day Motion in Chapter 11 Case: <i>Motion for Order Establishing Interim Fee Applicatin and Expense Reimbursement Procedures; Memorandum in Support; Proposed Order (Exhibit A); Declaration of Kenneth Fujiyama; Declaration of James A. Wagner</i> . Filed by James A. Wagner on behalf of Hawaii Outdoor Tours, Incorporated. (Wagner, James) (Entered: 11/20/2012)
11/20/2012	(13 pgs)	<u>11</u> Application to Employ Wagner Choi & Verbrugge as Counsel to Debtor on an Interim and Final Basis; <i>Memorandum in Support; Proposed Order; Declaration of James A. Wagner</i> . Filed by Debtor Hawaii Outdoor Tours, Incorporated. (Wagner, James) (Entered: 11/20/2012)
11/20/2012	(22 pgs)	<u>12</u> First Day Motion in Chapter 11 Case: [<i>Motion for Order Authorizing the Debtor to Honor the Existing Merchant Service Agreement and Authorizing the Continued Use of Existing Cash Management System and Bank Accounts</i>]; <i>Memorandum in Support of Motion ; Proposed Order; Declaration of Kenneth Fujiyama; Exhibit "A"</i> . Filed by Neil J. Verbrugge on behalf of Hawaii Outdoor Tours, Incorporated. (Verbrugge, Neil) (Entered: 11/20/2012)
11/20/2012	(44 pgs)	<u>13</u> Motion to Authorize Payment of Pre-Petition Wages or Benefits [<i>Motion for Order Authorizing Debtor to Pay Pre-Petition Wages and Other Employment-Related Costs and Expenses and to Honor Pre-Petition Employee Benefits</i>]; <i>Memorandum in Support of Motion ; Proposed Order; Declaration of Kenneth Fujiyama; Exhibits "A" - "F"; Declaration of Lee Harlow</i> . Filed by Neil J. Verbrugge on behalf of Hawaii Outdoor Tours, Incorporated. (Verbrugge, Neil) (Entered: 11/20/2012)
11/20/2012	(20 pgs)	<u>14</u> Omnibus Declaration of Kenneth Fujiyama in Support of First Day Motions; <i>Exhibit "A"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>5</u> , <u>6</u> , <u>7</u> , <u>8</u> , <u>9</u> , <u>10</u> , <u>11</u> , <u>12</u> , <u>13</u>). (Verbrugge, Neil) (Entered: 11/20/2012)
11/20/2012	(3 pgs)	<u>15</u> Notice of Appearance by Theodore D.C. Young and Request for Notice, . Filed by Theodore D.C. Young on behalf of First Hawaiian Bank. (Young, Theodore) (Entered: 11/20/2012)
11/20/2012	(18 pgs)	<u>16</u> Ex Parte Motion to Shorten Time for <u>5</u> Motion to Pay Utility Claim(s) Under Sec. 366, <u>6</u> Motion to Limit Notice, <u>7</u> First Day Motion, <u>8</u> Motion to Approve Use of Cash Collateral, <u>9</u> First Day Motion, <u>10</u> First Day Motion, <u>11</u> Application to Employ, <u>12</u> First Day Motion, <u>13</u> Motion to Authorize Payment of Pre-Petition Wages or Benefits <i>Memorandum in Support; Proposed Order; Declaration of James A. Wagner; Declaration of Neil J. Verbrugge; Exhibit A</i> . Filed by James A. Wagner on behalf of Hawaii Outdoor Tours, Incorporated. (Wagner, James) **Modified on 11/20/2012 to remove relation to document no. 14**(JN). (Entered: 11/20/2012)
		<u>17</u> [<i>The entire order in this matter is set forth in this docket entry. No document is attached</i>] Order Granting Motion to Shorten Time (related document(s): <u>16</u>). The court will hear the Chapter 11 First Day Motions on an expedited basis at the United States Bankruptcy Court, 1132 Bishop

11/20/2012		Street, Suite 250L, Honolulu, Hawaii on 11/21/2012 at 9:30 a.m.. Responsive memoranda due: up to hearing. Reply memoranda due: No response. <u>Movant shall immediately give notice of the hearing and the briefing deadlines to all parties in interest entitled to notice and not receiving electronic notice</u> SO ORDERED. /s/Robert J. Faris, United States Bankruptcy Judge. (Entered: 11/20/2012)
11/20/2012	18 (6 pgs)	Notice of Hearing . Filed by James A. Wagner. Hearing for: <u>5</u> Motion to Pay Utility Claim(s) Under Sec. 366, <u>6</u> Motion to Limit Notice, <u>7</u> First Day Motion, <u>8</u> Motion to Approve Use of Cash Collateral, <u>9</u> First Day Motion, <u>10</u> First Day Motion, <u>11</u> Application to Employ, <u>12</u> First Day Motion, <u>13</u> Motion to Authorize Payment of Pre-Petition Wages or Benefits. Hearing scheduled for 11/21/2012 at 09:30 AM at Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (Wagner, James) (Entered: 11/20/2012)
11/20/2012	19 (4 pgs)	Amended Declaration of James A. Wagner <i>in Support of Application for Order Authorizing Debtor to Employ Wagner Choi & Verbrugge as Bankruptcy Counsel on an Interim and Final Basis</i> . Filed by James A. Wagner. (Related document(s): <u>11</u>). (Wagner, James) (Entered: 11/20/2012)
11/20/2012	20 (1 pg)	Declaration re: Electronic Filing of Initial Case Opening Documents. (DM) (Entered: 11/20/2012)
11/21/2012	21 (3 pgs)	Notice of Appearance by Ryan M. Hamaguchi and Request for Notice. . Filed by Ryan M. Hamaguchi on behalf of First-Citizens Bank & Trust Company(Hamaguchi, Ryan) **Modified on 11/21/2012 to edit text**(JN). (Entered: 11/21/2012)
11/21/2012	22	Minutes of Hearing held on: 11/21/2012. (RF). Disposition: Chapter 11 First Day Motions: 1)M/Honor Travel Agency Agreements and 2)M/Authorize Payment of Pre-Petition Wages and Other Employment, Related Cost and Expenses and Benefits are granted. 3)M/Authorize Payment of Pre-Petition Utility Claims, 4)M/Honor Pre-Petition Customer Deposits and Refunds, 5)Application to Employ Wagner Choi Verbrugge as Debtor Counsel, and 6)M/Honor the Existing Merchant Service Agreement and Continued Use of Existing Cash Management System and Bank Accounts are all approved on an interim bases and final approval will be held on 12/17/12. 7)Cash Collateral is approved on an interim bases. The debtor is allowed to pay ordinary and necessary post-petition expenses. No payments to insiders, no carve-out for professional fees, and must provide information requested. A final hearing on continued use of cash collateral will be held on 12/17/12. 8)M/Establish Limited Notice Procedures and 9)M/Establish Interim Fee Application and Expense Reimbursement Procedures are continued for further discussion to 12/17/12. Mr. Wagner will submit the appropriate orders and notice of the final hearing. Appearances: James Wagner/Neil Verbrugge (debtor); Kenneth Fujiyama (debtor rep); Ted Pettit/Ryan Hamaguchi (Citizens Bank); Nicholas Dreher (FHB); Terri Didion (USTR); Cynthia Johiro (State Tax, Dept. of Labor, Dept. Land and Natural Resources). Final Hearing scheduled for 12/17/2012 at 10:30 AM at USBC Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813.(related document(s): <u>5</u> Motion to Pay Utility Claim(s) Under Sec. 366, <u>6</u> Motion to Limit Notice, <u>7</u> First Day Motion, <u>8</u> Motion to Approve Use of Cash Collateral, <u>9</u> First Day Motion, <u>10</u> First Day Motion, <u>11</u> Application to Employ, <u>12</u> First Day Motion, <u>13</u> Motion to Authorize Payment of Pre-Petition Wages or Benefits) (courtrm,ov) (Entered: 11/21/2012)
11/21/2012	23	Notice of Appearance of Nicholas C. Dreher as Counsel representing Creditor First Hawaiian Bank. Counsel consents to service of notices, pleadings, and papers by court transmission facilities. This entry for record purposes only. (Dreher, Nicholas) (Entered: 11/21/2012)
11/21/2012	24 (1 pg)	 PDF with attached Audio File. Court Date & Time [11/21/2012 9:41:43 AM]. File Size [13412 KB]. Run Time [00:55:53]. (admin). (Entered: 11/21/2012)
11/22/2012	25 (6 pgs)	BNC Certificate of Service - Order in a Chapter 11 Case (related document(s):1) Notice Date 11/22/2012. (Admin.) (Entered: 11/22/2012)
11/28/2012	26 2 docs (14 pgs)	Interim Order Authorizing Debtor to Use Cash Collateral on an Interim Basis and Scheduling a Final Hearing on Debtor's Motion to Use Cash Collateral on a Permanent Basis (final hearing date: 12/17/2012 at 10:30am); Exhibits "A" and "B" (related document(s) <u>8</u> Motion to Approve Use of Cash Collateral). Date of Entry: 11/28/2012. (LL.) **Modified on 11/28/2012 to add final hearing date** (LL). (Entered: 11/28/2012)
11/28/2012	27 (5 pgs)	Notice of Hearing [<i>Notice of Final Hearing on Certain of Debtor's First Day Motions</i>]. Filed by Neil J. Verbrugge. Hearing for: <u>5</u> Motion to Pay Utility Claim(s) Under Sec. 366, <u>6</u> Motion to Limit Notice, <u>7</u> First Day Motion, <u>8</u> Motion to Approve Use of Cash Collateral, <u>9</u> First Day Motion, <u>10</u> First Day Motion, <u>11</u> Application to Employ, <u>12</u> First Day Motion, <u>13</u> Motion to Authorize Payment of Pre-Petition Wages or Benefits. Hearing scheduled for 12/17/2012 at 10:30 AM at Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (Verbrugge, Neil) (Entered: 11/28/2012)

11/28/2012	(5 pgs)	<u>28</u>	Certificate of Service ; Exhibits "A" - "C". Filed by Neil J. Verbrugge. (Related document(s): <u>27</u>). (Verbrugge, Neil) (Entered: 11/28/2012)
11/28/2012	(16 pgs)	<u>29</u>	Errata [Errata to Omnibus Declaration of Kenneth Fujiyama in Support of First Day Motions]; Exhibits "A" and "B". Filed by Neil J. Verbrugge. (Related document(s): <u>14</u>). (Verbrugge, Neil) **Modified on 11/28/2012 to add relation to document nos. <u>5,6,7,8,9,10,11,12,13</u> ** (JN). (Entered: 11/28/2012)
11/29/2012	2 docs (4 pgs)	<u>30</u>	Interim Order Granting Motion for Order Authorizing Debtor to Honor Pre-Petition Customer Deposits and Refunds and to Honor Prepetition Appreciation Certificates, Gift Certificates, Promotions and Complimentary Coupons to Customers on an Interim Basis and Scheduling Final Hearing (h/d: 12/17/12 at 10:30 a.m.) (related document(s) <u>7</u> First Day Motion). Date of Entry: 11/29/2012. (DM) (Entered: 11/29/2012)
11/29/2012	2 docs (4 pgs)	<u>31</u>	Order Granting Application for Order Authorizing Debtor to Employ Wagner Choi & Verbrugge as Bankruptcy Counsel on an Interim Basis and Scheduling Final Hearing (h/d: 12/17/12 at 10:30 a.m.) (related document(s) <u>11</u> Application to Employ). Date of Entry: 11/29/2012. (DM) (Entered: 11/29/2012)
11/29/2012	2 docs (5 pgs)	<u>32</u>	Order Authorizing the Debtor to Honor the Existing Merchant Service Agreement and Authorizing the Continued Use of Existing Cash Management System and Bank Accounts on an Interim Basis and Scheduling Final Hearing (h/d: 12/17/12 at 10:30 a.m.) (related document(s) <u>12</u> First Day Motion). Date of Entry: 11/29/2012. (DM) (Entered: 11/29/2012)
11/29/2012	2 docs (4 pgs)	<u>33</u>	Order Granting Motion for Order Authorizing Debtor to Honor Travel Agency Agreements (Related Doc # <u>9</u>) . Date of Entry: 11/29/2012. (DM) (Entered: 11/29/2012)
11/29/2012	2 docs (6 pgs)	<u>34</u>	Order Granting Debtor's Motion for Order Under 11 USC Sections 105(a) and 366(c) (I) Prohibiting Utilities from Altering or Discontinuing Services on Account of Prepetition Invoices, and (II) Establishing Procedures to Determine Requests for Additional Assurance of Payment (h/d: 12/17/12 at 10:30 a.m.) (related document(s) <u>5</u> Motion to Pay Utility Claim(s) Under Sec. 366). Date of Entry: 11/29/2012. (DM) (Entered: 11/29/2012)
11/29/2012	2 docs (4 pgs)	<u>35</u>	Order Authorizing Debtor to Pay Pre-Petition Wages and Other Employment-Related Costs and Expenses and to Honor Pre-Petition Employee Benefits on an Interim Basis and Scheduling Hearing (h/d: 12/17/12 at 10:30 a.m.) (related document(s) <u>13</u> Motion to Authorize Payment of Pre-Petition Wages or Benefits). Date of Entry: 11/29/2012. (DM) (Entered: 11/29/2012)
11/30/2012	(2 pgs)	<u>36</u>	United States Trustee's Opposition To Debtor's Motion For Order Establishing Limited Notice Procedures . Filed by U.S. Trustee Office of the U.S. Trustee. (Related document(s): <u>5</u> Motion to Limit Notice filed by Hawaii Outdoor Tours, Incorporated). (Ching, Curtis) (Entered: 11/30/2012)
11/30/2012	(3 pgs)	<u>37</u>	BNC Certificate of Service - Notice of Entry of Order or Judgment (related document(s): <u>26</u>) Notice Date 11/30/2012. (Admin.) (Entered: 11/30/2012)
12/01/2012	(3 pgs)	<u>38</u>	BNC Certificate of Service - Notice of Entry of Order or Judgment (related document(s): <u>30</u>) Notice Date 12/01/2012. (Admin.) (Entered: 12/01/2012)
12/01/2012	(3 pgs)	<u>39</u>	BNC Certificate of Service - Notice of Entry of Order or Judgment (related document(s): <u>31</u>) Notice Date 12/01/2012. (Admin.) (Entered: 12/01/2012)
12/01/2012	(3 pgs)	<u>40</u>	BNC Certificate of Service - Notice of Entry of Order or Judgment (related document(s): <u>32</u>) Notice Date 12/01/2012. (Admin.) (Entered: 12/01/2012)
12/01/2012	(3 pgs)	<u>41</u>	BNC Certificate of Service - Notice of Entry of Order or Judgment (related document(s): <u>33</u>) Notice Date 12/01/2012. (Admin.) (Entered: 12/01/2012)
12/01/2012	(3 pgs)	<u>42</u>	BNC Certificate of Service - Notice of Entry of Order or Judgment (related document(s): <u>34</u>) Notice Date 12/01/2012. (Admin.) (Entered: 12/01/2012)
12/01/2012	(3 pgs)	<u>43</u>	BNC Certificate of Service - Notice of Entry of Order or Judgment (related document(s): <u>35</u>) Notice Date 12/01/2012. (Admin.) (Entered: 12/01/2012)
		<u>44</u>	BNC Certificate of Service (related document(s): <u>30</u>) Notice Date 12/01/2012. (Admin.) (Entered: 12/01/2012)

12/01/2012	(5 pgs)	12/01/2012)
12/01/2012	(5 pgs)	<u>45</u> BNC Certificate of Service (related document(s): <u>31</u>) Notice Date 12/01/2012. (Admin.) (Entered: 12/01/2012)
12/01/2012	(6 pgs)	<u>46</u> BNC Certificate of Service (related document(s): <u>32</u>) Notice Date 12/01/2012. (Admin.) (Entered: 12/01/2012)
12/01/2012	(5 pgs)	<u>47</u> BNC Certificate of Service (related document(s): <u>33</u>) Notice Date 12/01/2012. (Admin.) (Entered: 12/01/2012)
12/01/2012	(7 pgs)	<u>48</u> BNC Certificate of Service (related document(s): <u>34</u>) Notice Date 12/01/2012. (Admin.) (Entered: 12/01/2012)
12/01/2012	(5 pgs)	<u>49</u> BNC Certificate of Service (related document(s): <u>35</u>) Notice Date 12/01/2012. (Admin.) (Entered: 12/01/2012)
12/03/2012	(3 pgs)	<u>50</u> Certificate of Service ; <i>Exhibits "A" and "B"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>29</u>). (Verbrugge, Neil) (Entered: 12/03/2012)
12/03/2012	(1 pg)	<u>51</u> Certificate of Service . Filed by Neil J. Verbrugge. (Related document(s): <u>5</u> , <u>6</u> , <u>7</u> , <u>8</u> , <u>9</u> , <u>10</u> , <u>11</u> , <u>12</u> , <u>13</u> , <u>14</u> , <u>15</u> , <u>16</u> , <u>18</u> , <u>27</u> , <u>29</u>). (Verbrugge, Neil) (Entered: 12/03/2012)
12/04/2012	(3 pgs)	<u>52</u> Voluntary Petition - AMENDED <i>Petition</i> . Filed by Neil J. Verbrugge on behalf of Hawaii Outdoor Tours, Incorporated. (Verbrugge, Neil) (Entered: 12/04/2012)
12/04/2012	(5 pgs)	<u>53</u> Amended List of Creditors Holding 20 Largest Unsecured Claims . Filed by Neil J. Verbrugge. (Verbrugge, Neil) (Entered: 12/04/2012)
12/04/2012	(5 pgs)	<u>54</u> Creditor Matrix is being amended (w/o submission of amended schedules) . Filed by Neil J. Verbrugge. (Verbrugge, Neil) (Entered: 12/04/2012)
12/04/2012	(189 pgs)	<u>55</u> Schedule(s): A,B, D, E, F, G, H, Summary of Schedules, Statement of Financial Affairs. <i>List of Equity Security Holder, Starement Pursuant to Rule 2016(B)</i> .. (Verbrugge, Neil) (Entered: 12/04/2012)
12/05/2012	(2 pgs)	<u>56</u> Meeting of Creditors. 341(a) meeting to be held on 1/8/2013 at 10:00 AM at Hilo State Office Building, 75 Aupuni Street, 1st Floor. Hilo, Hawaii. Proofs of Claim due by 4/8/2013 (Ching, Curtis) (Entered: 12/05/2012)
12/06/2012	(2 pgs)	<u>57</u> Certificate of Service ; <i>Exhibit "A"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>52</u> , <u>53</u> , <u>54</u>). (Verbrugge, Neil) (Entered: 12/06/2012)
12/07/2012	(5 pgs)	<u>58</u> BNC Certificate of Service - Notice of Bankruptcy Case, Meeting of Creditors and Deadlines (related document(s): <u>56</u>) Notice Date 12/07/2012. (Admin.) (Entered: 12/07/2012)
12/07/2012	(1 pg)	<u>59</u> Declaration re: Electronic Filing of Creditor Matrix (related document(s): <u>54</u>) (LL) (Entered: 12/10/2012)
12/07/2012	(1 pg)	<u>60</u> Declaration re: Electronic Filing of Amended List of Creditors Holding 20 Largest Unsecured Claims (related document(s): <u>53</u>) (LL) (Entered: 12/10/2012)
12/07/2012	(1 pg)	<u>61</u> Declaration re: Electronic Filing of Amended Voluntary Petition (related document(s): <u>52</u>) (LL) (Entered: 12/10/2012)
12/07/2012	(1 pg)	<u>62</u> Declaration re: Electronic Filing of Schedules A,B, D, E, F, G, H, Summary of Schedules, Statement of Financial Affairs, List of Equity Security Holder, Starement Pursuant to Rule 2016(B). (related document(s): <u>55</u>) (LL) **Modified on 12/10/2012 to correct filing date to 12/7/2012** (LL). (Entered: 12/10/2012)
	2 docs	<u>63</u> Objection to (1) Motion for Order Authorizing Use of Cash Collateral; (2) Motion for Establishing Interim Fee Application; (3) Motion Authorizing Payment of Pre-Petition Wages; and (4) Joinder to the Opposition to Motion for Limited Notice . Filed by Creditor First-Citizens Bank & Trust Company. (Related document(s): <u>6</u> Motion to Limit Notice filed by Hawaii Outdoor Tours, Incorporated, <u>8</u> Motion to Approve Use of Cash Collateral filed by Hawaii Outdoor Tours, Incorporated, <u>10</u> First Day

12/10/2012	(51 pgs)		Motion filed by Hawaii Outdoor Tours, Incorporated, <u>13</u> Motion to Authorize Payment of Pre-Petition Wages or Benefits filed by Hawaii Outdoor Tours, Incorporated, <u>36</u> Response filed by Office of the U.S. Trustee). (Attachments: # <u>1</u> Declaration of Ryan M. Hamaguchi; Exhibits "A" - "F") (Hamaguchi, Ryan) **Modified on 12/11/2012 to add text (Joinder)** (DM). (Entered: 12/10/2012)
12/13/2012	(1 pg)	<u>64</u>	Notice of Change of Address for Yellow Book . Filed by Neil J. Verbrugge on behalf of Hawaii Outdoor Tours, Incorporated (Verbrugge, Neil) (Entered: 12/13/2012)
12/13/2012	(2 pgs)	<u>65</u>	Certificate of Service ; <i>Exhibit "A"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>64</u>). (Verbrugge, Neil) (Entered: 12/13/2012)
12/13/2012	(1 pg)	<u>66</u>	Certificate of Service . Filed by Neil J. Verbrugge. (Related document(s): <u>65</u>). (Verbrugge, Neil) (Entered: 12/13/2012)
12/14/2012	(61 pgs)	<u>67</u>	Debtor's Omnibus Reply to (A) Secured Creditor First-Citizens Bank and Trust Company's Objections to Debtor's (1) Motion for Order Authorizing Debtor to Use Cash Collateral Pursuant to 11U.S.C. §363 (c)(2) on an Interim Basis; (2) Motion for Order Establishing Interim Fee Application and Expense Reimbursement Procedures; (3) Motion for Order Authorizing Debtor to Pay Pre-Petition Wages and Other Employment Related Costs and Expenses and to Honor Pre-Petition Employee Benefits; and Joinder to the United States's Trustee's Opposition to Debtor's Motion for Order Establishing Limited Notice Procedures; and (B) United States Trustee's Opposition to Debtor's Motion for Order Establishing Limited Notice Procedures ; <i>Declaration of Kenneth Fujiyama: Declaration of Counsel: Exhibits "1" - "4"</i> . Filed by Debtor Hawaii Outdoor Tours, Incorporated. (Related document(s): <u>6</u> Motion to Limit Notice filed by Hawaii Outdoor Tours, Incorporated, <u>8</u> Motion to Approve Use of Cash Collateral filed by Hawaii Outdoor Tours, Incorporated, <u>10</u> First Day Motion filed by Hawaii Outdoor Tours, Incorporated, <u>13</u> Motion to Authorize Payment of Pre-Petition Wages or Benefits filed by Hawaii Outdoor Tours, Incorporated, <u>36</u> Response filed by Office of the U.S. Trustee, <u>63</u> Response filed by First-Citizens Bank & Trust Company). (Verbrugge, Neil) (Entered: 12/14/2012)
12/17/2012		68	Minutes of Hearing held on: 12/17/2012 Proceedings: (RF) 1)M/Establish Limited Notice Procedures is withdrawn. 2)Application/Retain Employment of Wagner Choi Verbrugge is approved. 3)FHI/Use of Cash Collateral. 4)M/Establish Interim Fee Application and Expense Reimbursement Procedures and 5)balance of M/Pay Pre-Petition Wages and other Employment Related Costs and Expenses and Benefits are continued for further hearing to 12/20/2012 @ 9:30 a.m. 6)M/Authorize Payment of Pre-Petition Utility Claims. 7)M/Honor Pre-Petition Customer Deposits and Refunds and 8) M/Honor Existing Merchant Service Agreement and Continued Use of Existing Cash Management System and Bank Accounts are all granted on a final bases. Mr. Wagner will submit the orders. (related dkts <u>5</u> , <u>6</u> , <u>7</u> , <u>8</u> , <u>10</u> , <u>11</u> , <u>12</u> , <u>13</u>). (OV). HEARING EXHIBITS ADMITTED into EVIDENCE. Creditor's 2,3, and 4. Exhibit 1 is for demonstrative only. Appearances: James Wagner/Neil Verbrugge (debtor). Ken Fujiyama (CEO). Ted Pettit/Gary Hamaguchi (First Citizen Bank). Cynthia Johiro (,State of Hawaii). Mr. Fuji State Tax representative. Curtis Ching (USTR). (vCal Hearing ID (91653)). (courtrm) (Entered: 12/17/2012)
12/17/2012	(1 pg)	<u>69</u>	 PDF with attached Audio File. Court Date & Time [12/17/2012 10:38:48 AM]. File Size [17252 KB]. Run Time [01:11:53]. (admin). (Entered: 12/17/2012)
12/17/2012	(3 pgs)	<u>70</u>	Docket Error: Incorrect hearing time on pdf. Notice of Hearing [<i>Notice of Continued Final Hearing on Certain of Debtor's First Day Motions</i>]. Filed by Neil J. Verbrugge. Hearing for: <u>8</u> Motion to Approve Use of Cash Collateral, <u>10</u> First Day Motion, <u>13</u> Motion to Authorize Payment of Pre-Petition Wages or Benefits. Hearing scheduled for 12/20/2012 at 09:30 AM at Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (Verbrugge, Neil) **Modified on 12/18/2012 - amended by docket entry no. <u>74</u> to correct time on pdf** (DM). (Entered: 12/17/2012)
12/17/2012	(5 pgs)	<u>71</u>	Certificate of Service ; <i>Exhibits "A" and "B"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>67</u>) (Verbrugge, Neil) (Entered: 12/17/2012)
12/17/2012	(7 pgs)	<u>72</u>	Certificate of Service ; <i>Exhibits "A" - "C"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>70</u>). (Verbrugge, Neil) (Entered: 12/17/2012)
12/18/2012		73	Notice of Appearance of Dana R.C. Lyons as Counsel representing First-Citizens Bank & Trust Company, Creditor. Counsel consents to service of notices, pleadings, and papers by court transmission facilities. This entry for record purposes only. (Lyons, Dana) (Entered: 12/18/2012)
		<u>74</u>	Amended Notice of Hearing [<i>Amended to correct the hearing time on the pdf for docket entry no. 70</i>]. Filed by Neil J. Verbrugge. Hearing for: <u>8</u> Motion to Approve Use of Cash Collateral, <u>10</u> First Day

12/18/2012	(3 pgs)		Motion, <u>13</u> Motion to Authorize Payment of Pre-Petition Wages or Benefits. Hearing scheduled for 12/20/2012 at 09:30 AM at Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (Verbrugge, Neil) Modified on 12/18/2012 (DM). (Entered: 12/18/2012)
12/18/2012	(3 pgs)	<u>75</u>	Notice of Appearance by Teri-Ann E.S. Nagata and Request for Notice, . Filed by Teri-Ann E.S. Nagata on behalf of Developers Surety and Indemnity Company. (Nagata, Teri-Ann) (Entered: 12/18/2012)
12/18/2012	(6 pgs)	<u>76</u>	Certificate of Service ; <i>Exhibits "A" - "C"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>74</u>). (Verbrugge, Neil) (Entered: 12/18/2012)
12/20/2012		<u>77</u>	Minutes of Hearing held on December 20, 2012 - Disposition: The debtor & the secured lender have reached a stipulation regarding the continued use of cash collateral. A final hearing will be held on January 22, 2013 at 9:30 a.m. The motion to establish interim fee procedures is continued to January 22, 2013 at 9:30 a.m. An order re: motion to pay pre-petition wages is being circulated. Appearances: James Wagner / Neil Verbrugge for debtor; Ted Pettit / Ryan Hamaguchi for First-Citizen Bank; Cynthia Johiro for the State Department of Taxation & DLNR; Curtis Ching for the Office of the U.S. Trustee. (related document(s): <u>8</u> Motion to Approve Use of Cash Collateral, <u>10</u> First Day Motion, <u>13</u> Motion to Authorize Payment of Pre-Petition Wages or Benefits) (courtrm, nm) (Entered: 12/20/2012)
12/20/2012	(3 pgs)	<u>78</u>	Notice of Hearing [<i>Notice of Continued Final Hearing on Certain First Day Motions</i>]. Filed by Neil J. Verbrugge. Hearing for: <u>8</u> Motion to Approve Use of Cash Collateral, <u>10</u> First Day Motion. Hearing scheduled for 1/22/2013 at 09:30 AM at Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (Verbrugge, Neil) (Entered: 12/20/2012)
12/20/2012	(1 pg)	<u>79</u>	 PDF with attached Audio File. Court Date & Time [12/20/2012 9:47:43 AM]. File Size [1824 KB]. Run Time [00:07:36]. (admin). (Entered: 12/20/2012)
12/20/2012	2 docs (5 pgs)	<u>80</u>	Order Authorizing the Debtor to Honor the Existing Merchant Service Agreement and Authorizing the Continued Use of Existing Cash Management System and Bank Accounts (Related Doc # <u>12</u>). Date of Entry: 12/20/2012. (JN) (Entered: 12/20/2012)
12/20/2012	2 docs (6 pgs)	<u>81</u>	Order Granting Motion for Order Under 11 U.S.C. Sections 105(a) and 366(c)(1) (I) Prohibiting Utilities from Altering or Discontinuing Services on Account of Pre-Petition Invoices and (II) Establishing Procedures to Determine Requests for Additional Assurance of Payment; Exhibit A (Related Doc # <u>5</u>). Date of Entry: 12/20/2012. (JN) (Entered: 12/20/2012)
12/20/2012	2 docs (4 pgs)	<u>82</u>	Order Granting Application to Employ Wagner Chooi & Verbrugge as Debtor's Bankruptcy Counsel (Related Doc # <u>11</u>). Date of Entry: 12/20/2012. (JN) (Entered: 12/20/2012)
12/20/2012	2 docs (5 pgs)	<u>83</u>	Order Authorizing Debtor To Pay Pre-Petition Wages and Other Employment-Related Costs and Expenses and to Honor Pre-Petition Employee Benefits (Related Doc # <u>13</u>). Date of Entry: 12/20/2012. (JN) (Entered: 12/20/2012)
12/20/2012	2 docs (4 pgs)	<u>84</u>	Order Granting Motion for Order Authorizing Debtor to Honor Pre-Petition Customer Deposits and Refunds, and to Honor Pre-Petition Appreciation Certificates, Gift Certificates, Promotions, and Complimentary Coupons to Customers (Related Doc # <u>7</u>). Date of Entry: 12/20/2012. (JN) (Entered: 12/20/2012)
12/20/2012	(2 pgs)	<u>85</u>	Notice of Appointment of Committee of Creditors . (Ching, Curtis) (Entered: 12/20/2012)
12/20/2012	(3 pgs)	<u>86</u>	Certificate of Service . Filed by. (related document(s): <u>85</u> Notice of Appointment of Creditors Committee). (Okimoto, Anson) (Entered: 12/20/2012)
12/20/2012	(7 pgs)	<u>87</u>	Certificate of Service ; <i>Exhibits A - C</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>78</u>). (Verbrugge, Neil) (Entered: 12/20/2012)
12/21/2012	(104 pgs)	<u>88</u>	Monthly Operating Report for Filing Period 11/20/12 to 11/30/12. Filed by Debtor Hawaii Outdoor Tours, Incorporated. (Verbrugge, Neil) (Entered: 12/21/2012)
		<u>89</u>	Second Stipulated Interim Order (i) Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. Sec. 363 (c)(2), (ii) Granting Adequate Protection Pursuant to 11 U.S.C. Sec. 363 and 364 (iii) Scheduling of Final Hearing, and (iv) Granting Related Relief; Exhibits "A"- "B"(Final Hearing: 1/22/2013 at 9:30

12/21/2012	(46 pgs)	a m.) (related document(s): <u>80</u> Motion to Approve Use of Cash Collateral). Date of Entry: 12/21/2012. (LL) (Entered: 12/21/2012)
12/22/2012	(3 pgs)	<u>90</u> BNC Certificate of Service - Notice of Entry of Order or Judgment (related document(s): <u>80</u>) Notice Date 12/22/2012. (Admin.) (Entered: 12/22/2012)
12/22/2012	(3 pgs)	<u>91</u> BNC Certificate of Service - Notice of Entry of Order or Judgment (related document(s): <u>81</u>) Notice Date 12/22/2012. (Admin.) (Entered: 12/22/2012)
12/22/2012	(3 pgs)	<u>92</u> BNC Certificate of Service - Notice of Entry of Order or Judgment (related document(s): <u>82</u>) Notice Date 12/22/2012. (Admin.) (Entered: 12/22/2012)
12/22/2012	(3 pgs)	<u>93</u> BNC Certificate of Service - Notice of Entry of Order or Judgment (related document(s): <u>83</u>) Notice Date 12/22/2012. (Admin.) (Entered: 12/22/2012)
12/22/2012	(3 pgs)	<u>94</u> BNC Certificate of Service - Notice of Entry of Order or Judgment (related document(s): <u>84</u>) Notice Date 12/22/2012. (Admin.) (Entered: 12/22/2012)
12/24/2012	2 docs (26 pgs)	<u>95</u> Motion for Relief from Automatic Stay re: State Court Action Against Non-Debtor Defendant Guarantors; Cover Sheet; Memorandum in Support of Motion . Filed by Ryan M. Hamaguchi on behalf of First-Citizens Bank & Trust Company. Fee Amount \$176 (Attachments: # <u>1</u> Declaration of Ryan M. Hamaguchi, Exhibits A and B) (Hamaguchi, Ryan) **Modified on 12/24/2012 to add text (Cover Sheet, Memo)**(JN). (Entered: 12/24/2012)
12/24/2012		Receipt of filing fee for Motion for Relief From Automatic Stay(12-02279) [motion,mot600] (176.00). Receipt No. 1439034. Fee amount \$ 176.00. (U.S. Treasury) (Entered: 12/24/2012)
12/24/2012	(2 pgs)	<u>96</u> Notice of Hearing . Filed by Ryan M. Hamaguchi. Hearing for: <u>95</u> Motion for Relief From Automatic Stay. Hearing scheduled for 1/23/2013 at 01:30 PM at Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (Hamaguchi, Ryan) (Entered: 12/24/2012)
12/24/2012	(4 pgs)	<u>97</u> Certificate of Service . Filed by Ryan M. Hamaguchi. (Related document(s): <u>95</u> , <u>96</u>). (Hamaguchi, Ryan) (Entered: 12/24/2012)
12/24/2012	(1 pg)	<u>98</u> Transcript for Trial/Hearing on December 17, 2012. Transcriber Jessica Cahill, Phone Number 808-244-0776. <i>Remote electronic access to the transcript is restricted for 90 days after the date the transcript is filed.</i> Redaction Request due 01/14/2013. Redacted Transcript due 01/22/2013. Transcript Access Restriction Period ends 03/25/2013. (RE: related document(s) <u>68</u> Virtual Minute Entry). (Cahill, Jessica) (Entered: 12/24/2012)
12/27/2012	(2 pgs)	<u>99</u> Certificate of Service ; <i>Exhibit "A"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>88</u>). (Verbrugge, Neil) (Entered: 12/27/2012)
12/27/2012	(7 pgs)	<u>100</u> Certificate of Service ; <i>Exhibits "A" and "B"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>88</u>). (Verbrugge, Neil) (Entered: 12/27/2012)
12/28/2012	(3 pgs)	<u>101</u> BNC Certificate of Service - Notice of Filing of Transcript (related document(s): <u>98</u>) Notice Date 12/28/2012. (Admin.) (Entered: 12/28/2012)
01/03/2013	(1 pg)	<u>102</u> Notice of Change of Address for Textron Financial Corporation . Filed by Neil J. Verbrugge on behalf of Hawaii Outdoor Tours, Incorporated (Verbrugge, Neil) (Entered: 01/03/2013)
01/03/2013	(2 pgs)	<u>103</u> Notice of Change of Address for Kenneth Fujiyama and Ken Direction Corporation . Filed by Neil J. Verbrugge on behalf of Hawaii Outdoor Tours, Incorporated (Verbrugge, Neil) (Entered: 01/03/2013)
01/03/2013	(1 pg)	<u>104</u> Certificate of Service . Filed by Neil J. Verbrugge. (Related document(s): <u>96</u>). (Verbrugge, Neil) (Entered: 01/03/2013)
01/03/2013	(6 pgs)	<u>105</u> Certificate of Service ; <i>Exhibits "A" through "C"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>102</u> , <u>103</u>). (Verbrugge, Neil) (Entered: 01/03/2013)
01/04/2013	(2 pgs)	<u>106</u> Application to Employ Tsugawa Biehl Lau & Muzzi LLC as Counsel for The Official Committee of Unsecured Creditors . Filed by Creditor Committee The Official Committee of Unsecured Creditors (Hawaii Outdoor Tours, Inc.). (Muzzi, Christopher) (Entered: 01/04/2013)

01/04/2013	(3 pgs)	<u>107</u>	Notice of Appearance by Miranda Tsai and Request for Notice, . Filed by Miranda Tsai on behalf of Hawaii Medical Service Association. (Tsai, Miranda) (Entered: 01/04/2013)
01/07/2013	(5 pgs)	<u>108</u>	Certificate of Service ; <i>Exhibits A - B</i> . Filed by Christopher J. Muzzi. (Related document(s): <u>106</u>). (Muzzi, Christopher) (Entered: 01/07/2013)
01/08/2013		109	Minutes of Meeting of Creditors. The United States Trustee reports that the meeting of creditors pursuant to Section 341(a) of the Bankruptcy Code convened on January 8, 2013. The United States Trustee reports that the meeting of creditors has concluded. . (Ching, Curtis) (Entered: 01/08/2013)
01/09/2013		110	<i>[The entire order in this matter is set forth in this docket entry. No document is attached.]</i> Order Granting Application to Employ Professional under 11 U.S.C. sec. 1103 (related document: <u>106</u>). Tsugawa Biehl Lau & Muzzi, L.L.C. is authorized to act as attorney for the Committee of Unsecured Creditors in this case effective 01/04/2013. Compensation and reimbursement for expenses are subject to further court approval under 11 U.S.C. sec. 330 and applicable local rules and guidelines. SO ORDERED. /s/ Robert J. Faris, United States Bankruptcy Judge. (Entered: 01/09/2013)
01/09/2013	(3 pgs)	<u>111</u>	Objection to Secured Creditor First-Citizens Bank & Trust Company's Motion for Relief from Automatic Stay Against Non-Debtor Guarantors Kenneth Fujiyama and Ken Direction Corporation . Filed by Debtor Hawaii Outdoor Tours, Incorporated. (Related document(s): <u>95</u> Motion for Relief From Automatic Stay filed by First-Citizens Bank & Trust Company). (Verbrugge, Neil) (Entered: 01/09/2013)
01/10/2013	(2 pgs)	<u>112</u>	Certificate of Service ; <i>Exhibit "A"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>111</u>). (Verbrugge, Neil) (Entered: 01/10/2013)
01/10/2013	(5 pgs)	<u>113</u>	Certificate of Service ; <i>Exhibits "A" and "B"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>111</u>). (Verbrugge, Neil) (Entered: 01/10/2013)
01/11/2013	5 docs (30 pgs)	<u>114</u>	Motion to Approve [<i>Motion for Interim Order Authorizing Debtor to Enter into Insurance Premium Financing Agreement and Scheduling Final Hearing</i>]; <i>Memorandum in Support of Motion; Proposed Order; Declaration of Kenneth Fujiyama (Exhibit "A"); Declaration of Counsel (Exhibit "B")</i> . Filed by Neil J. Verbrugge on behalf of Hawaii Outdoor Tours, Incorporated. (Attachments: # <u>1</u> Memorandum In Support# <u>2</u> Proposed Order Proposed Order# <u>3</u> Declaration of Kenneth Fujiyama: Exhibit "A"# <u>4</u> Declaration Of Counsel: Exhibit "B") (Verbrugge, Neil) (Entered: 01/11/2013)
01/11/2013	(1 pg)	<u>115</u>	Motion to Shorten Time for <u>114</u> Motion to Approve, <i>Interim Order Authorizing Debtor to Enter into Insurance Premium Financing Agreement and Scheduling Final Hearing</i> . Filed by Neil J. Verbrugge on behalf of Hawaii Outdoor Tours, Incorporated. (Verbrugge, Neil) (Entered: 01/11/2013)
01/11/2013		116	<i>[The entire order in this matter is set forth in this docket entry. No document is attached.]</i> Order Granting Motion to Shorten Time (related document(s): <u>114</u> , <u>115</u>). The court will hear the Motion to Approve Insurance Premium Financing on an expedited basis at the United States Bankruptcy Court, 1132 Bishop Street, Suite 250L, Honolulu, Hawaii on 1/16/2013 at 9:30 a.m. Responsive memoranda due: up to hearing. Reply memoranda due: No Reply. <u>Movant shall immediately give notice of the hearing and the briefing deadlines to all parties in interest entitled to notice and not receiving electronic notice.</u> SO ORDERED. /s/Robert J. Faris, United States Bankruptcy Judge. (Entered: 01/11/2013)
01/11/2013	(2 pgs)	<u>117</u>	Notice of Hearing . Filed by Neil J. Verbrugge. Hearing for: <u>114</u> Motion to Approve. Hearing scheduled for 1/16/2013 at 09:30 AM at Courtroom. 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (Verbrugge, Neil) (Entered: 01/11/2013)
01/14/2013	(6 pgs)	<u>118</u>	Certificate of Service ; <i>Exhibits "A" - "C"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>114</u> , <u>115</u> , <u>117</u>). (Verbrugge, Neil) (Entered: 01/14/2013)
01/14/2013	(3 pgs)	<u>119</u>	Notice of Appearance by Kimo C. Leong and Request for Notice: Certificate of Service. Filed by Kimo C. Leong on behalf of Hawaii Electric Light Company, Inc. (JN) (Entered: 01/14/2013)
		120	Minutes of Hearing held on: 01/16/2013 Proceedings: (RF). M/Approve Insurance Premium Financing. The motion is granted with added provisions as stated which are: debtor will withdraw any request for coverage of addition vehicles and equipment: will add default provision as stated by

01/16/2013		creditors committee; and will notify the committee of any cancellation of coverage. Mr. Verbrugge will submit the order. (related dkt <u>114</u>). (OV). Appearances: Christopher Muzzi (Unsec. Creds. Committee). Neil Verbrugge (debtor).. (vCal Hearing ID (92740)). (courtrm) (Entered: 01/16/2013)
01/16/2013	(1 pg)	<u>121</u> PDF with attached Audio File. Court Date & Time [1/16/2013 9:46:49 AM]. File Size [784 KB]. Run Time [00:03:16]. (admin). (Entered: 01/16/2013)
01/16/2013	(5 pgs)	<u>122</u> Reply Memorandum to Debtor's Objection to First-Citizens' Motion for Relief from Stay Again Non-Debtor Guarantors . Filed by Creditor First-Citizens Bank & Trust Company. (Related document(s): <u>95</u> Motion for Relief From Automatic Stay filed by First-Citizens Bank & Trust Company, <u>96</u> Notice of Hearing filed by First-Citizens Bank & Trust Company, <u>111</u> Response filed by Hawaii Outdoor Tours, Incorporated). (Hamaguchi, Ryan) (Entered: 01/16/2013)
01/16/2013	(1 pg)	<u>123</u> Certificate of Service . Filed by Ryan M. Hamaguchi. (Related document(s): <u>122</u>). (Hamaguchi, Ryan) (Entered: 01/16/2013)
01/16/2013	(2 pgs)	<u>124</u> Amended Certificate of Service . Filed by Ryan M. Hamaguchi. (Related document(s): <u>122</u> , <u>123</u>). (Hamaguchi, Ryan) (Entered: 01/16/2013)
01/17/2013	2 docs (11 pgs)	<u>125</u> Interim Order Authorizing Debtor to Enter into Insurance Premium Financing Agreement and Scheduling Final Hearing; Exhibit A (final hearing: 2/4/2013 at 9:30am) (related document(s)) <u>114</u> Motion to Approve). Date of Entry: 1/17/2013. (LL) (Entered: 01/17/2013)
01/17/2013	(2 pgs)	<u>126</u> Notice of Hearing [<i>Notice of Final Hearing</i>]. Filed by Neil J. Verbrugge. Hearing for: <u>114</u> Motion to Approve. Hearing scheduled for 2/4/2013 at 09:30 AM at Courtroom. 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (Verbrugge, Neil) (Entered: 01/17/2013)
01/17/2013	(11 pgs)	<u>127</u> Motion for 2004 Examination (<i>Edna Palacol on behalf of Debtor Hawaii Outdoor Tours, Inc.</i>). Filed by Ryan M. Hamaguchi on behalf of First-Citizens Bank & Trust Company. (Hamaguchi, Ryan) (Entered: 01/17/2013)
01/17/2013	(11 pgs)	<u>128</u> Motion for 2004 Examination (<i>Frances Hamabata on behalf of Debtor Hawaii Outdoor Tours, Inc.</i>). Filed by Ryan M. Hamaguchi on behalf of First-Citizens Bank & Trust Company. (Hamaguchi, Ryan) (Entered: 01/17/2013)
01/17/2013	(11 pgs)	<u>129</u> Motion for 2004 Examination (<i>Kenneth Fujiyama on behalf of Nani Mau, Inc.</i>). Filed by Ryan M. Hamaguchi on behalf of First-Citizens Bank & Trust Company. (Hamaguchi, Ryan) (Entered: 01/17/2013)
01/17/2013	(11 pgs)	<u>130</u> Motion for 2004 Examination (<i>Kenneth Fujiyama on behalf of Ken Direction Corporation</i>). Filed by Ryan M. Hamaguchi on behalf of First-Citizens Bank & Trust Company. (Hamaguchi, Ryan) (Entered: 01/17/2013)
01/17/2013	(11 pgs)	<u>131</u> Motion for 2004 Examination (<i>Lee Harlow on behalf of Nani Mau, Inc.</i>). Filed by Ryan M. Hamaguchi on behalf of First-Citizens Bank & Trust Company. (Hamaguchi, Ryan) (Entered: 01/17/2013)
01/17/2013	(11 pgs)	<u>132</u> Motion for 2004 Examination (<i>Lee Harlow on behalf of Ken Direction Corporation</i>). Filed by Ryan M. Hamaguchi on behalf of First-Citizens Bank & Trust Company. (Hamaguchi, Ryan) (Entered: 01/17/2013)
01/17/2013		<u>133</u> [<i>The entire order in this matter is set forth in this docket entry. No document is attached.</i>] Order Granting Motion for Rule 2004 Examination of Edna Palacol (related document: <u>127</u>). Having satisfied the requirements of LBR 2004-1, the motion to conduct a Rule 2004 examination is GRANTED. The moving party may compel the attendance of and/or production of documents as provided in the motion, in accordance with Fed. R. Bankr. P. 9016. SO ORDERED. /s/ Michael B Dowling, Clerk of the United States Bankruptcy Court, District of Hawaii. (Entered: 01/17/2013)
		<u>134</u> [<i>The entire order in this matter is set forth in this docket entry. No document is attached.</i>] Order Granting Motion for Rule 2004 Examination of Frances Hamabata (related document: <u>128</u>). Having satisfied the requirements of LBR 2004-1, the motion to conduct a Rule 2004 examination is GRANTED. The moving party may compel the attendance of and/or production of documents as provided in the motion, in accordance with Fed. R. Bankr. P. 9016. SO ORDERED. /s/

01/17/2013		Michael B Dowling, Clerk of the United States Bankruptcy Court, District of Hawaii. (Entered: 01/17/2013)
01/17/2013	135	<i>[The entire order in this matter is set forth in this docket entry. No document is attached.]</i> Order Granting Motion for Rule 2004 Examination of Kenneth Fujiyama on behalf of Nani Mau, Inc. (related document: 129). Having satisfied the requirements of LBR 2004-1, the motion to conduct a Rule 2004 examination is GRANTED. The moving party may compel the attendance of and/or production of documents as provided in the motion, in accordance with Fed. R. Bankr. P. 9016. SO ORDERED. /s/ Michael B Dowling, Clerk of the United States Bankruptcy Court, District of Hawaii. (Entered: 01/17/2013)
01/17/2013	136	<i>[The entire order in this matter is set forth in this docket entry. No document is attached.]</i> Order Granting Motion for Rule 2004 Examination of Kenneth Fujiyama on behalf of Ken Direction Corporation (related document: 130). Having satisfied the requirements of LBR 2004-1, the motion to conduct a Rule 2004 examination is GRANTED. The moving party may compel the attendance of and/or production of documents as provided in the motion, in accordance with Fed. R. Bankr. P. 9016. SO ORDERED. /s/ Michael B Dowling, Clerk of the United States Bankruptcy Court, District of Hawaii. (Entered: 01/17/2013)
01/17/2013	137	<i>[The entire order in this matter is set forth in this docket entry. No document is attached.]</i> Order Granting Motion for Rule 2004 Examination of Lee Harlow on behalf of Nani Mau, Inc. (related document: 131). Having satisfied the requirements of LBR 2004-1, the motion to conduct a Rule 2004 examination is GRANTED. The moving party may compel the attendance of and/or production of documents as provided in the motion, in accordance with Fed. R. Bankr. P. 9016. SO ORDERED. /s/ Michael B Dowling, Clerk of the United States Bankruptcy Court, District of Hawaii. (Entered: 01/17/2013)
01/17/2013	138	<i>[The entire order in this matter is set forth in this docket entry. No document is attached.]</i> Order Granting Motion for Rule 2004 Examination of Lee Harlow on behalf of Ken Direction Corporation (related document: 132). Having satisfied the requirements of LBR 2004-1, the motion to conduct a Rule 2004 examination is GRANTED. The moving party may compel the attendance of and/or production of documents as provided in the motion, in accordance with Fed. R. Bankr. P. 9016. SO ORDERED. /s/ Michael B Dowling, Clerk of the United States Bankruptcy Court, District of Hawaii. (Entered: 01/17/2013)
01/18/2013	139 (11 pgs)	Motion for 2004 Examination (<i>Neil T. Fujiyama on behalf of Fujiyama Construction, Inc.</i>). Filed by Ryan M. Hamaguchi on behalf of First-Citizens Bank & Trust Company. (Hamaguchi, Ryan) (Entered: 01/18/2013)
01/18/2013	140	<i>[The entire order in this matter is set forth in this docket entry. No document is attached.]</i> Order Granting Motion for Rule 2004 Examination of Neil T. Fujiyama on behalf of Fujiyama Construction, Inc. (related document: 139). Having satisfied the requirements of LBR 2004-1, the motion to conduct a Rule 2004 examination is GRANTED. The moving party may compel the attendance of and/or production of documents as provided in the motion, in accordance with Fed. R. Bankr. P. 9016. SO ORDERED. /s/ Michael B Dowling, Clerk of the United States Bankruptcy Court, District of Hawaii. (Entered: 01/18/2013)
01/18/2013	141 (11 pgs)	Supplemental Declaration of Kenneth Fujiyama in Support of Motion for Order Authorizing Debtor to Use Cash Collateral Pursuant to 11 U.S.C. § 363(c)(2); Exhibits "A"- "C". Filed by Neil J. Verbrugge. (Related document(s): 8). (Verbrugge, Neil) (Entered: 01/18/2013)
01/19/2013	142 (3 pgs)	BNC Certificate of Service - Notice of Entry of Order or Judgment (related document(s): 125) Notice Date 01/19/2013. (Admin.) (Entered: 01/19/2013)
01/21/2013	143 (21 pgs)	Second Supplemental Declaration of Kenneth Fujiyama in Support of Cash Collateral Motion: Exhibits A-F. Filed by Neil J. Verbrugge. (Related document(s): 8). (Verbrugge, Neil) **Modified on 1/21/2013 to add relation document no. 141 and add docket text (second supplemental) and exhibits** (LL). (Entered: 01/21/2013)
	144	Minutes of Hearing held on: 1/22/2013. Disposition: 1)Final Use of Cash Collateral and 2)M/Establish Interim Fee Application and Expense Reimbursement Procedures are continued, by agreement, to

01/22/2013			allow lender and debtor to work out procedures so as to improve debtor's performance as is required by the lender. Appearances: James Wagner/Neil Verbrugge (debtor); Ken Fujiyama-debtor rep.; Christopher Muzzi (creditors committee); Ted Pettit (First Citizens Bank); Curtis Ching (USTR); Cynthia Johiro (State of Hawaii); Jeffery Flores (HMSA). Further Hearing scheduled for 2/25/2013 at 09:30 AM at USBC Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813.(related document (s): <u>10</u> First Day Motion) (courtrm.ov) (Entered: 01/22/2013)
01/22/2013	(1 pg)	<u>145</u>	PDF with attached Audio File. Court Date & Time [1/22/2013 9:39:15 AM]. File Size [2628 KB]. Run Time [00:10:57]. (admin). (Entered: 01/22/2013)
01/22/2013	(2 pgs)	<u>146</u>	Notice of Hearing [<i>Notice of Continued Hearing</i>]. Filed by Neil J. Verbrugge. Hearing for: <u>8</u> Motion to Approve Use of Cash Collateral, <u>10</u> First Day Motion. Hearing scheduled for 2/25/2013 at 09:30 AM at Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (Verbrugge, Neil) (Entered: 01/22/2013)
01/23/2013	(156 pgs)	<u>147</u>	Monthly Operating Report for Filing Period December 1, 2012 through December 31, 2012. Filed by Debtor Hawaii Outdoor Tours, Incorporated. (Verbrugge, Neil) (Entered: 01/23/2013)
01/23/2013		<u>148</u>	Minutes of Hearing held on: 01/23/2013 Proceedings: (RF). PH/Motion for Relief from the Automatic Stay (First-Citizens Bank. The motion is granted. Mr. Pettit will submit the order. (related dkt # <u>95</u>). (OV). Appearances: Ted Pettit (movant). Neil Verbrugge (debtor). (vCal Hearing ID (92379)). (courtrm) (Entered: 01/23/2013)
01/23/2013	(1 pg)	<u>149</u>	PDF with attached Audio File. Court Date & Time [1/23/2013 1:37:32 PM]. File Size [220 KB]. Run Time [00:00:55]. (admin). (Entered: 01/23/2013)
01/23/2013	(2 pgs)	<u>150</u>	Certificate of Service (<i>Proof of Service for Subpoena - Lee Harlow, Nani Mau, Inc.</i>). Filed by Ryan M. Hamaguchi. (Related document(s): <u>131</u>). (Hamaguchi, Ryan) (Entered: 01/23/2013)
01/23/2013	(2 pgs)	<u>151</u>	Certificate of Service (<i>Proof of Service for Subpoena - Lee Harlow, Ken Direction Corporation</i>). Filed by Ryan M. Hamaguchi. (Related document(s): <u>132</u>). (Hamaguchi, Ryan) (Entered: 01/23/2013)
01/23/2013	(2 pgs)	<u>152</u>	Service of Subpoena (<i>Kenneth Fujiyama - Nani Mau, Inc.</i>). Filed by Ryan M. Hamaguchi on behalf of First-Citizens Bank & Trust Company. (Hamaguchi, Ryan) (Entered: 01/23/2013)
01/23/2013	(2 pgs)	<u>153</u>	Service of Subpoena (<i>Kenneth Fujiyama - Ken Direction Corporation</i>). Filed by Ryan M. Hamaguchi on behalf of First-Citizens Bank & Trust Company. (Hamaguchi, Ryan) (Entered: 01/23/2013)
01/23/2013	(7 pgs)	<u>154</u>	Certificate of Service ; <i>Exhibits "A" - "C"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>141</u>). (Verbrugge, Neil) (Entered: 01/23/2013)
01/23/2013	(3 pgs)	<u>155</u>	Certificate of Service ; <i>Exhibit "A"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>143</u>). (Verbrugge, Neil) (Entered: 01/23/2013)
01/23/2013	(5 pgs)	<u>156</u>	Certificate of Service ; <i>Exhibits "A" and "B"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>143</u>). (Verbrugge, Neil) (Entered: 01/23/2013)
01/23/2013	(5 pgs)	<u>157</u>	Certificate of Service ; <i>Exhibits "A" and "B"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>146</u>). (Verbrugge, Neil) (Entered: 01/23/2013)
01/23/2013	(2 pgs)	<u>158</u>	Certificate of Service ; <i>Exhibit "A"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>146</u>). (Verbrugge, Neil) (Entered: 01/23/2013)
01/23/2013	(7 pgs)	<u>159</u>	Certificate of Service ; <i>Exhibits "A" - "C"</i> . Filed by Neil J. Verbrugge. (Related document(s): <u>147</u>). (Verbrugge, Neil) (Entered: 01/23/2013)
01/30/2013	(6 pgs)	<u>160</u>	Monthly Operating Report for Filing Period December 1, 2012 through December 31, 2012 [AMENDED]. Filed by Debtor Hawaii Outdoor Tours, Incorporated. (Verbrugge, Neil) (Entered: 01/30/2013)
01/30/2013	2 docs (4 pgs)	<u>161</u>	Order Granting Motion For Relief From Automatic Stay (Re: First-Citizens Bank & Trust Company) (Related Doc # <u>95</u>). Date of Entry: 1/30/2013. (JN) (Entered: 01/30/2013)

02/01/2013	(7 pgs)	<u>162</u>	Certificate of Service ; Exhibits "A" - "C". Filed by Neil J. Verbrugge. (Related document(s): <u>160</u>). (Verbrugge, Neil) (Entered: 02/01/2013)
02/01/2013	(3 pgs)	<u>163</u>	BNC Certificate of Service - Notice of Entry of Order or Judgment (related document(s): <u>161</u>) Notice Date 02/01/2013. (Admin.) (Entered: 02/01/2013)
02/04/2013		164	Minutes of Hearing held on: 02/04/2013 Proceedings: (RF). Final Hearing on Insurance Premium Financing. The motion is granted on final bases. Mr. Verbrugge will submit the order. (related dkt # <u>114</u>). Addition issues were discussed regarding further use of cash collateral on operations, professional fees and challenge deadlines. One clear point was made that the information the lender is requesting is not unreasonable. Counsel asked and were given comments as a guiding tool. (ov). Appearances: Neil Verbrugge (debtor). Ted Pettit (First Citizens Bank). Christopher Muzzi (cred. comm.). Cynthia Johiro (State Tax). (vCal Hearing ID (92828)). (courtrm) (Entered: 02/04/2013)
02/04/2013	(1 pg)	<u>165</u>	PDF with attached Audio File. Court Date & Time [2/4/2013 9:42:37 AM]. File Size 15024 KB]. Run Time [01:02:36]. (admin). (Entered: 02/04/2013)
02/07/2013	2 docs (8 pgs)	<u>166</u>	Order Authorizing Debtor to Enter into Insurance Premium Financing Agreement (Related Doc # <u>114</u>) . Date of Entry: 2/7/2013. (LL) (Entered: 02/07/2013)
02/09/2013	(3 pgs)	<u>167</u>	BNC Certificate of Service - Notice of Entry of Order or Judgment (related document(s): <u>166</u>) Notice Date 02/09/2013. (Admin.) (Entered: 02/09/2013)
02/15/2013	2 docs (69 pgs)	<u>168</u>	Supplement to (1) Motion for Order authorizing Debtor to Use Cash Collateral Pursuant to 11 U.S.C. § 363(c)(2) on an Interim and Final Basis, and (2) Motion for Order Establishing Interim Fee Application and Expense reimbursement Procedures; Declaration of Kenneth Fujiyama; Exhibits "A" - "I". Filed by Neil J. Verbrugge. (Related document(s): <u>8</u> , <u>11</u>). (Attachments: # <u>1</u> Declaration of Kenneth Fujiyama) (Verbrugge, Neil) (Entered: 02/15/2013)
02/19/2013	(7 pgs)	<u>169</u>	Certificate of Service ; Exhibits "A" - "C". Filed by Neil J. Verbrugge. (Related document(s): <u>168</u>). (Verbrugge, Neil) (Entered: 02/19/2013)
02/19/2013	(43 pgs)	<u>170</u>	Amended Declaration of Kenneth Fujiyama in Support of Supplement; Exhibits "A" - "J". Filed by Neil J. Verbrugge. (Related document(s): <u>168</u>). (Verbrugge, Neil) **Modified on 2/19/2013 to add relation to document no. <u>8</u> and <u>10</u> ** (LL). (Entered: 02/19/2013)
02/19/2013	(7 pgs)	<u>171</u>	Certificate of Service ; Exhibits "A" - "C". Filed by Neil J. Verbrugge. (Related document(s): <u>170</u>). (Verbrugge, Neil) (Entered: 02/19/2013)
02/19/2013	3 docs (551 pgs)	<u>172</u>	Motion to Appoint Trustee ; Memorandum in Support of Motion; Certificate of Word Count. Filed by Dana R.C. Lyons on behalf of First-Citizens Bank & Trust Company. (Attachments: # <u>1</u> Declaration of Ryan Hamaguchi, Exhibits 1 and 2# <u>2</u> Declaration of Ted N. Pettit, Exs. 3-14) (Lyons, Dana) **Modified on 2/20/2013 to add docket text** (LL). (Entered: 02/19/2013)
02/19/2013	(2 pgs)	<u>173</u>	Notice of Hearing on Motion for Appointment of Trustee. Filed by Dana R.C. Lyons. Hearing for: <u>172</u> Motion to Appoint Trustee. Hearing scheduled for 3/25/2013 at 10:30 AM at Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (Lyons, Dana) (Entered: 02/19/2013)
02/20/2013	(38 pgs)	<u>174</u>	Declaration of Thomas T. Ueno ; Exhibit 1. Filed by Ryan M. Hamaguchi. (Related document(s): <u>172</u> , <u>173</u>). (Hamaguchi, Ryan) (Entered: 02/20/2013)
02/21/2013	(2 pgs)	<u>175</u>	Motion to Quash Subpoena for Rule 2004 Examination. Filed by Johnathan Christiaan Bolton on behalf of Neil T. Fujiyama. (Bolton, Johnathan) (Entered: 02/21/2013)
02/21/2013	3 docs (26 pgs)	<u>176</u>	Memorandum in Support of Motion to Quash. Filed by Johnathan Christiaan Bolton. (Related document(s): <u>175</u>). (Attachments: # <u>1</u> Exhibit(s) A# <u>2</u> Exhibit(s) B) (Bolton, Johnathan) (Entered: 02/21/2013)
02/21/2013	(2 pgs)	<u>177</u>	Declaration of Neil T. Fujiyama in Support of Motion to Quash. Filed by Johnathan Christiaan Bolton. (Related document(s): <u>175</u>). (Bolton, Johnathan) (Entered: 02/21/2013)
02/21/2013	(3 pgs)	<u>178</u>	Certificate of Service . Filed by Johnathan Christiaan Bolton. (Related document(s): <u>175</u> , <u>176</u> , <u>177</u>). (Bolton, Johnathan) (Entered: 02/21/2013)

02/21/2013	(2 pgs)	<u>179</u>	Notice of Hearing of Motion to Quash Subpoena for Rule 2004 Examination. Filed by Johnathan Christiaan Bolton. Hearing for: <u>175</u> Motion to Quash. Hearing scheduled for 2/25/2013 at 09:30 AM at Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (Bolton, Johnathan) (Entered: 02/21/2013)
02/21/2013	(3 pgs)	<u>180</u>	Certificate of Service (Re: Notice of Hearing). Filed by Johnathan Christiaan Bolton. (Related document(s): <u>179</u>). (Bolton, Johnathan) (Entered: 02/21/2013)
02/22/2013	(4 pgs)	<u>181</u>	Motion for Relief from Automatic Stay re: Stipulation for Relief. Filed by Christopher J. Muzzi, Neil J. Verbrugge, Samuel MacRoberts on behalf of Deborah Rosenbaum. Fee Amount \$176 (MacRoberts, Samuel) (Entered: 02/22/2013)
02/22/2013			Receipt of filing fee for Motion for Relief From Automatic Stay(12-02279) [motion,mot600] (176.00). Receipt No. 1474094. Fee amount \$ 176.00. (U.S. Treasury) (Entered: 02/22/2013)
02/22/2013	(2 pgs)	<u>182</u>	Notice of Hearing . Filed by Samuel MacRoberts. Hearing for: <u>181</u> Motion for Relief From Automatic Stay. Hearing scheduled for 3/25/2013 at 10:30 AM at Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (MacRoberts, Samuel) (Entered: 02/22/2013)
02/22/2013		<u>183</u>	Withdrawal of Motion for Relief from Automatic Stay re: Stipulation for Relief. The aforementioned document is hereby withdrawn by Deborah Rosenbaum. Notice will be provided to any parties in interest not receiving electronic notice of the withdrawal. /s/ Samuel MacRoberts <i>This withdrawal is set forth in its entirety on the docket and in the Notice of Electronic Filing created by this entry. No document is attached.</i> (Related document(s): <u>181</u> , <u>182</u>). (MacRoberts, Samuel) (Entered: 02/22/2013)
02/22/2013	(10 pgs)	<u>184</u>	Second Amended Monthly Operating Report for Filing Period December 1, 2012 through December 31, 2012. Filed by Debtor Hawaii Outdoor Tours, Incorporated. (Verbrugge, Neil) **Modified on 2/22/2013 to add relation to document no. <u>160</u> and to add text (Second Amended)**(JN). (Entered: 02/22/2013)
02/22/2013	(194 pgs)	<u>185</u>	Monthly Operating Report for Filing Period January 1, 2013 through January 31, 2013. Filed by Debtor Hawaii Outdoor Tours, Incorporated. (Verbrugge, Neil) (Entered: 02/22/2013)
02/22/2013	2 docs (74 pgs)	<u>186</u>	Supplemental Memorandum in Support of First-Citizens Objection to Motion for Order Authorizing Debtor to Use Cash Collateral and (2) Motion for Order Establishing Interim Fee Application and Expense Reimbursement Procedures . Filed by Creditor First-Citizens Bank & Trust Company. (Related document(s): <u>8</u> Motion to Approve Use of Cash Collateral filed by Hawaii Outdoor Tours, Incorporated, <u>10</u> First Day Motion filed by Hawaii Outdoor Tours, Incorporated, <u>63</u> Response filed by First-Citizens Bank & Trust Company). (Attachments: # <u>1</u> Declaration of Ryan M Hamaguchi; Exhibits "A" - "D") (Hamaguchi, Ryan) **Modified on 2/23/2013 to add Second Motion** (DM). (Entered: 02/22/2013)
02/25/2013	(4 pgs)	<u>187</u>	Stipulated Order Granting Relief from Automatic Stay to Permit Deborah Rosenbaum to Proceed with her Civil Suit in State Court (related document(s) <u>181</u> Motion for Relief From Automatic Stay). Date of Entry: 2/25/2013. (JN) (Entered: 02/25/2013)
02/25/2013	(49 pgs)	<u>188</u>	Third Stipulated Interim Order (i) Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. Sections 363(c)(2), (ii) Granting Adequate Protection Pursuant to 11 U.S.C. Sections 363 and 364, (iii) Scheduling of Final Hearing, and (iv) Granting Related Relief; Exhibits A-B (Final Hearing: 2/25/13 at 9:30 a.m.) (related document(s) <u>8</u> Motion to Approve Use of Cash Collateral, <u>89</u> Second Stipulated Interim Order). Date of Entry: 2/25/2013. (JN) **Modified on 2/25/2013 to add hearing date** (DM). (Entered: 02/25/2013)
02/25/2013		<u>189</u>	Minutes of Continued Hearing held on: 2/25/2013. (RF). Disposition: 1)Use of Cash Collateral and 2) Interim Fee and Cost Application Procedures are both continued by agreement to 3/25/13 @ 9:30 a.m. (hearing time changed to 10:30 a.m.) 3)M/Quash Subpoena for Rule 2004 Examination - parties are attempting to resolve issues therefore this hearing is continued to 3/11/13 @ 9:30 a.m. Appearances: Curtis Ching (USTR); Ted Pettit/Ryan Hamaguchi (First-Citizens Bank); Damien Elefante (State Tax); Walter Davison/Jonathan Bolten (Neil Fugiyama); Miranda Tsai (HMSA); Neil Verbrugge (debtor); debtor representative; Christopher Muzzi (creditors committee). Further Hearing on motion to quash is scheduled for 3/11/2013 at 09:30 AM at USBC Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813.(related document(s): <u>10</u> First Day Motion, <u>89</u> Stipulated Order, <u>175</u> Motion to Quash) (OV) (Entered: 02/25/2013)
		<u>190</u>	Notice of Hearing (Continued). Filed by Neil J. Verbrugge. Hearing for: <u>8</u> Motion to Approve Use of

02/25/2013	(2 pgs)	Cash Collateral, <u>10</u> First Day Motion, <u>146</u> Notice of Hearing. Hearing scheduled for 3/25/2013 at 10:30 AM at Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (Verbrugge, Neil) (Entered: 02/25/2013)
02/25/2013	(1 pg)	<u>191</u> PDF with attached Audio File. Court Date & Time [2/25/2013 9:40:38 AM]. File Size [812 KB]. Run Time [00:03:23]. (admin). (Entered: 02/25/2013)
02/25/2013	(4 pgs)	<u>192</u> Certificate of Service ; Exhibits "A" and "B". Filed by Neil J. Verbrugge. (Related document(s): <u>184</u> , <u>185</u>). (Verbrugge, Neil) (Entered: 02/25/2013)
02/25/2013	(4 pgs)	<u>193</u> Certificate of Service ; Exhibits "A" and "B". Filed by Neil J. Verbrugge. (Related document(s): <u>190</u>). (Verbrugge, Neil) (Entered: 02/25/2013)
02/25/2013	(2 pgs)	<u>194</u> Notice of Hearing (Continued). Filed by Johnathan Christiaan Bolton. Hearing for: <u>175</u> Motion to Quash, <u>179</u> Notice of Hearing, 189 Minutes - Virtual. Hearing scheduled for 3/11/2013 at 09:30 AM at Courtroom, 1132 Bishop Street, Suite 250. Honolulu, HI 96813. (Bolton, Johnathan) (Entered: 02/25/2013)
02/25/2013	(3 pgs)	<u>195</u> Certificate of Service . Filed by Johnathan Christiaan Bolton. (Related document(s): <u>175</u> , <u>194</u>). (Bolton, Johnathan) (Entered: 02/25/2013)
03/04/2013	(4 pgs)	<u>196</u> Certificate of Service ; Exhibit "A". Filed by Neil J. Verbrugge. (Related document(s): <u>184</u> , <u>185</u> , <u>190</u>). (Verbrugge, Neil) (Entered: 03/04/2013)
03/04/2013	2 docs (11 pgs)	<u>197</u> Motion for Order Extending Time for Debtor to Assume or Reject Non-Residential Leases. Filed by Neil J. Verbrugge on behalf of Hawaii Outdoor Tours, Incorporated. (Attachments: # <u>1</u> Declaration of Kenneth Fujiyama) (Verbrugge, Neil) (Entered: 03/04/2013)
03/04/2013	(1 pg)	<u>198</u> Ex Parte Motion to Shorten Time for <u>197</u> Motion, . Filed by Neil J. Verbrugge on behalf of Hawaii Outdoor Tours, Incorporated. (Verbrugge, Neil) (Entered: 03/04/2013)
03/04/2013		<u>199</u> [The entire order in this matter is set forth in this docket entry. No document is attached] Order Granting Motion to Shorten Time (related document(s): <u>197</u> , <u>198</u>). The court will hear the Motion to Extend Time to Assume or Reject Nonresidential Leases on an expedited basis at the United States Bankruptcy Court, 1132 Bishop Street, Suite 250L, Honolulu, Hawaii on 3/15/2013 at 10:00 a.m.. Responsive memoranda due: 3/12/2013. Reply memoranda due: 3/14/2013 by 12:00 noon. <u>Movant shall immediately give notice of the hearing and the briefing deadlines to all parties in interest entitled to notice and not receiving electronic notice.</u> SO ORDERED. /s/Robert J. Faris, United States Bankruptcy Judge. (Entered: 03/04/2013)
03/05/2013	(4 pgs)	<u>200</u> Certificate of Service ; Exhibits "A" and "B". Filed by Neil J. Verbrugge. (Related document(s): <u>197</u> , <u>198</u>). (Verbrugge, Neil) (Entered: 03/05/2013)
03/05/2013	(6 pgs)	<u>201</u> Notice of Appearance by Tom E. Roesser and Request for Notice, Certificate of Service; Exhibit A. Filed by Tom E. Roesser on behalf of Marian Rose Benda Thornton, Trustee of the Eleanor Rose Benda Trust. (Roesser, Tom) (Entered: 03/05/2013)
03/05/2013	(2 pgs)	<u>202</u> Notice of Hearing . Filed by Neil J. Verbrugge. Hearing for: <u>197</u> Motion. Hearing scheduled for 3/15/2013 at 10:00 AM at Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (Verbrugge, Neil) (Entered: 03/05/2013)
03/05/2013	(4 pgs)	<u>203</u> Certificate of Service ; Exhibits "A" and "B". Filed by Neil J. Verbrugge. (Related document(s): <u>202</u>). (Verbrugge, Neil) (Entered: 03/05/2013)
03/06/2013	(4 pgs)	<u>204</u> Certificate of Service ; Exhibit "A". Filed by Neil J. Verbrugge. (Related document(s): <u>197</u> , <u>198</u> , <u>202</u>). (Verbrugge, Neil) (Entered: 03/06/2013)
03/06/2013	(2 pgs)	<u>205</u> Amended Notice of Hearing . Filed by Neil J. Verbrugge. Hearing for: <u>197</u> Motion, <u>202</u> Notice of Hearing. Hearing scheduled for 3/15/2013 at 10:00 AM at Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (Verbrugge, Neil) (Entered: 03/06/2013)
		<u>206</u> Amended Notice of Hearing [Notice of Further Continued Hearing]. Filed by Neil J. Verbrugge. Hearing for: <u>8</u> Motion to Approve Use of Cash Collateral, <u>10</u> First Day Motion, <u>146</u> Notice of

03/06/2013	(2 pgs)	Hearing, <u>190</u> Notice of Hearing. Hearing scheduled for 3/25/2013 at 10:30 AM at Courtroom, 1132 Bishop Street, Suite 250, Honolulu, HI 96813. (Verbrugge, Neil) **Modified on 3/6/2013 to correct location to courtroom** (LL). (Entered: 03/06/2013)
03/06/2013	(52 pgs)	<u>207</u> Fourth Stipulated Interim Order (i) Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. Sections 363(c)(2), (ii) Granting Adequate Protection Pursuant to 11 U.S.C. Sections 363 and 364, (iii) Scheduling of Final Hearing, and (iv) Granting Related Relief; Exhibits A-B (Final Hearing: 3/25/2013 at 10:30 AM) (related document(s)) <u>8</u> Motion to Approve Use of Cash Collateral, <u>188</u> Third Stipulated Order). Date of Entry: 3/6/2013. (JN) (Entered: 03/06/2013)
03/07/2013	(4 pgs)	<u>208</u> Stipulated Order to Extend Time for Debtor to Assume or Reject Benda Trust Lease (extended to 6/18/2013). Date of Entry: 3/7/2013. (LL) (Entered: 03/07/2013)
03/07/2013	(5 pgs)	<u>209</u> Supplement to Monthly Operating Report for January 1, 2013 through January 31, 2013. Filed by Neil J. Verbrugge. (Related document(s): <u>185</u>). (Verbrugge, Neil) (Entered: 03/07/2013)
03/08/2013	(4 pgs)	<u>210</u> Stipulation By and Between First-Citizens Bank & Trust Company and Neil T. Fujiyama for Withdrawal of (1) Subpoena for Rule 2004 Examination of Neil T. Fujiyama and (2) Neil T. Fujiyama's Motion to Quash Subpoena for Rule 2004 Examination. Filed by Ryan M. Hamaguchi. (Related document(s): <u>175</u> , <u>176</u> , <u>177</u>). (Hamaguchi, Ryan) (Entered: 03/08/2013)
03/11/2013	(6 pgs)	<u>211</u> Order Approving Stipulation for Withdrawal of (1) Subpoena for Rule 2004 Examination of Neil T. Fujiyama and (2) Neil T. Fujiyama's Motion to Quash Subpoena for Rule 2004 Examination; Exhibit "A" (related document(s)) <u>175</u> Motion to Quash, <u>210</u> Stipulation). Date of Entry: 3/11/2013. (LL) (Entered: 03/11/2013)
03/11/2013	(7 pgs)	<u>212</u> Certificate of Service ; Exhibits "A" - "C". Filed by Neil J. Verbrugge. (Related document(s): <u>205</u>). (Verbrugge, Neil) (Entered: 03/11/2013)
03/11/2013	(7 pgs)	<u>213</u> Certificate of Service ; Exhibits "A" - "C". Filed by Neil J. Verbrugge. (Related document(s): <u>209</u>). (Verbrugge, Neil) (Entered: 03/11/2013)
03/11/2013	(6 pgs)	<u>214</u> Certificate of Service ; Exhibits "A" and "B". Filed by Neil J. Verbrugge. (Related document(s): <u>206</u>). (Verbrugge, Neil) (Entered: 03/11/2013)
03/11/2013	(2 pgs)	<u>215</u> Certificate of Service ; Exhibit "A". Filed by Neil J. Verbrugge. (Related document(s): <u>206</u>). (Verbrugge, Neil) (Entered: 03/11/2013)
03/11/2013	4 docs (146 pgs)	<u>216</u> Debtor's Memorandum in Opposition to Secured Creditor First-Citizens Bank & Trust Company's Motion for Appointment of Trustee . Filed by Debtor Hawaii Outdoor Tours, Incorporated. (Related document(s): <u>172</u> Motion to Appoint Trustee filed by First-Citizens Bank & Trust Company). (Attachments: # <u>1</u> Declaration of Kenneth Fujiyama# <u>2</u> Exhibit(s) "A" - "L."# <u>3</u> Declaration of Lee Harlow) (Verbrugge, Neil) (Entered: 03/11/2013)
03/12/2013	(4 pgs)	<u>217</u> Certificate of Service ; Exhibits "A" and "B". Filed by Neil J. Verbrugge. (Related document(s): <u>216</u>). (Verbrugge, Neil) (Entered: 03/12/2013)
03/12/2013	(4 pgs)	<u>218</u> Certificate of Service ; Exhibit "A". Filed by Neil J. Verbrugge. (Related document(s): <u>216</u>). (Verbrugge, Neil) (Entered: 03/12/2013)
03/12/2013	(67 pgs)	<u>219</u> Supplemental Declaration of Kenneth Fujiyama in Support of Debtor's Memorandum in Opposition to Secured Creditor First-Citizens Bank & Trust Company's Motion for Appointment of Trustee; Exhibits "M" - "S". Filed by Neil J. Verbrugge. (Related document(s): <u>172</u> , <u>216</u>). (Verbrugge, Neil) (Entered: 03/12/2013)
03/13/2013	(4 pgs)	<u>220</u> Certificate of Service ; Exhibits "A" and "B". Filed by Neil J. Verbrugge. (Related document(s): <u>219</u>). (Verbrugge, Neil) (Entered: 03/13/2013)
03/13/2013	(2 pgs)	<u>221</u> Joinder in Debtor's Memorandum in Opposition to Secured Creditor First-Citizens Bank & Trust Company's Motion for Appointment of Trustee . Filed by Creditor Committee The Official Committee of Unsecured Creditors (Hawaii Outdoor Tours, Inc.). (Related document(s): <u>172</u> Motion to Appoint Trustee filed by First-Citizens Bank & Trust Company, <u>216</u> Response filed by Hawaii Outdoor Tours, Incorporated). (Muzzi, Christopher) (Entered: 03/13/2013)
		<u>222</u> Certificate of Service ; Exhibits A - B. Filed by Christopher J. Muzzi. (Related document(s): <u>221</u>).

03/13/2013	(6 pgs)	(Muzzi, Christopher) (Entered: 03/13/2013)
03/13/2013	(4 pgs) 223	Certificate of Service : <i>Exhibit "A"</i> . Filed by Neil J. Verbrugge. (Related document(s): 219). (Verbrugge, Neil) (Entered: 03/13/2013)
03/14/2013	(3 pgs) 224	State of Hawaii's Joinder in Motion for the Appointment of Trustee . Filed by Creditor Department of Taxation, State of Hawaii. (Related document(s): 172 Motion to Appoint Trustee filed by First-Citizens Bank & Trust Company). (Johiro, Cynthia) (Entered: 03/14/2013)
03/14/2013	(3 pgs) 225	Certificate of Service . Filed by Cynthia M. Johiro. (Related document(s): 224). (Johiro, Cynthia) (Entered: 03/14/2013)
03/15/2013	226	Minutes of Hearing held on: 3/15/2013. (RF). Disposition: M/Extend Time to Assume or Reject Nonresidential Leases - there being no opposition, the motion is granted. Mr. Verbrugge will submit the order. Appearances: Neil Verbrugge (debtor); Christopher Muzzi (committee); Ted Pettit (First Citizens Bank). (related document(s): 197 Motion) (OV) (Entered: 03/15/2013)
03/15/2013	(1 pg) 227	PDF with attached Audio File. Court Date & Time [3/15/2013 9:10:10 AM]. File Size [336 KB]. Run Time [00:01:24]. (admin). (Entered: 03/15/2013)
03/18/2013	3 docs (108 pgs) 228	Reply Memorandum in Support of Motion for Appointment of Trustee . Filed by Creditor First-Citizens Bank & Trust Company. (Related document(s): 172 Motion to Appoint Trustee filed by First-Citizens Bank & Trust Company). (Attachments: # 1 Declaration of Thomas T. Ueno, Exhibit "1" # 2 Declaration of Ryan M. Hamaguchi, Exhibits "A"--"I") (Lyons, Dana) (Entered: 03/18/2013)

PACER Service Center			
Transaction Receipt			
03/20/2013 09:50:04			
PACER Login:	we0153	Client Code:	admin
Description:	Docket Report	Search Criteria:	12-02279 Fil or Ent: filed Doc From: 0 Doc To: 99999999 Term: included Headers: included Format: html
Billable Pages:	22	Cost:	2.20

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

EXHIBIT "G"
LETTER OF INTENT FOR CONVERTIBLE SUPER PRIORITY LOAN
(To be provided no later than 14 days before disclosure statement hearing)

EXHIBIT "H"
INTERNATIONAL HOTEL GROUP LETTER OF INTENT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24



InterContinental Hotels Group

March 14, 2013

Mr. Ken Fujiyama
CEO & Chairman
Nanihoa Volcanoes Resort
93 Banyan Dr.
Hilo, Hawaii 96720

Three Ravinia Drive
Suite 100
Atlanta, GA 30346-2149
www.ihg.com

Aloha Ken:

Thank you again for your continued consideration and interest in converting the Nanihoa Volcanoes Resort to the Holiday Inn Hilo Resort. I think we have a pretty good understanding of your needs and the situation and plan to make it work for all involved. With the enterprise values of IHG coupled with the re-launch of Holiday Inn and the global roll-out of Holiday Inn Resorts, the timing is perfect. We feel your property fits in well with the direction of the brand. Plus, the opening of the Holiday Inn Beachcomber Resort in Waikiki has worked very well.

When we met this summer, I outlined the many strengths of IHG and Holiday Inn ...our powerful reservation systems, IHG's growing global sales team, the now 53 million member Priority Club Rewards loyalty program (the largest in the industry), the connection with Holiday Inn Club Vacations and ultimately ...our ability to step in and work with you and your team to create a solid resort option for our guests throughout the world.

1. Description of Hotel. You own the Nanihoa Volcanoes Resort located at 93 Banyan Dr., Hilo, Hawaii proposed to be licensed as a Holiday Inn Resort.
2. Branding. We are proposing Holiday Inn Resort branding. IHG has produced a Property Improvement Plan (really a deficiency list recently sent to you by Paul Hilton) which is the basis for discussion on what would need to be accomplished prior to entering the system. The Hotel will be required to meet the applicable Holiday Inn Resort brand standards as well as certain operational brand standards to allow for some consistency throughout the portfolio.
3. Hotel Naming. The exact hotel naming convention will be mutually agreed upon by both parties prior to execution of the license. We propose the name Holiday Inn Resort Hilo.



4. Priority Club Rewards Redemption Rates. Priority Club Rewards ("PCR") will modify its standard reimbursement policy. For High Occupancy nights of 95% or higher, IHG will reimburse the hotel the Average Daily Rate for that night. For occupancy night of less than 95%, IHG will pay the hotel according to the schedule below which is **double** our normal IHG reimbursement program:

Tier	ADR Between	Reimbursement to Hotel
1	\$150 +	\$100
2	\$126 - \$149	\$70
3	\$76 - \$125	\$50
4	\$0 -\$75	\$40

These rates could be subject to future revision to the PCR programs, but in adopting any such future revisions, reimbursements to the Hotel would reflect consideration given to the annual average daily rate and redemption volumes of the Hotel as compared to those of other hotels participating in the PCR program. The Hotel may need to agree to make a higher percentage of guest room inventory available for PCR redemptions at the Hotel than the minimum required by PCR.

Once an application has been processed, I will go to work internally to see if we can provide a flat amount which would more in keeping with your current ADR.

5. License. A summary of the primary business terms we would present to our Franchise Approval Committee ("FAC") follow. Please refer to the FDD for a complete listing of fees and terms.

Term: The initial term of the License would be ten (10) years after the Hotel opens as a Holiday Inn Resort. IHG would provide one mutual window within the license agreement...at the end of the fifth year. All liquidated damages would be linked to these potential termination dates. Please see the liquidated damages section of our license agreement in the FDD provided.

Room Count: We understand that there are currently 325 rooms considered guest room inventory. We also understand that 175 of those rooms have been renovated and these are the rooms that would be included in the inventory of the Holiday Inn Resort. The other rooms would not be rented until they were renovated to Holiday Inn standards

Application Fee: Our normal application fee is \$500 per room or \$87,500 for the Holiday Inn Resort brand based on 175 rooms. We are prepared to offer a flat amount of \$50,000, of which \$10,000 is due with the application and the remaining fee due prior to license execution. If you do not sign a license agreement with IHG, any application fees will be refunded.

Royalty Fee: The standard Royalty Fee is equal to five percent (5%) of the Gross Rooms Revenue. We are willing to offer advertising assistance in the first year to help with the ramp up equal to 2% of Gross Rooms Revenue (a net 3.0% Royalty Fee). We will also provide an advertising assistance of 1% for the second year.

Other Fees: The following fees listed in the FDD will be charged separately as they have been included in the Royalty and Incentive Fees proposed above:

- 1) Services Contribution Fee: Three percent (3%) of Gross Rooms Revenue of the Holiday Inn Resort, utilized for marketing and reservations services.
- 2) Technology Fee: \$12.51 per room per month

Revenue Management for Hire (RMH): IHG could provide revenue management services to assist in optimizing channel performance for this Hotel. RMH fees would be charged for separately. This is an area which we may be able to assist to a greater capacity given an application.

Priority Club Fees: For The Holiday Inn, 4.75% of qualifying full folio revenue of PCR members for qualifying stays plus 1.2% of qualifying meeting revenue. Additionally, a one time initial Priority Club marketing contribution of \$10 per room in the Hotel would be payable with the first payment of the Royalty Fee. IHG can change the Priority Club Fees but any proposed changes to Priority Club Fees are subject to the vote of all hotels in good standing.

Other Fees: For a full listing of all applicable fees and conditions relating to them please refer to Items 5 and 6 of the FDD, but noting the exceptions outlined above in section 5(f) and 5(g). Fees, excluding Rooms Royalties, can be increased in accordance with the provisions of the license and the brand standards applicable to hotels in the Holiday Inn system.

Liquidated Damages: The standard provision for liquidated damages is three years of fees.

7. FAC Approval. IHG has no obligation to accept your application, and in any event, such acceptance is conditioned upon approval by IHG's Franchise Approval Committee ("FAC"). This letter is therefore not an offer of a franchise and the proposed business terms described herein remain subject to IHG's application and approval process. We would however support and recommend the business terms summarized in this letter to the FAC in their consideration of your application.

8. Non-Binding Understanding. This Letter is intended only to reflect the general understanding of the parties as to the proposed application. This Letter is non-binding and no party has incurred any obligation or liability whatsoever by virtue of this Letter.

Ken, we are prepared to move forward upon your acceptance of this proposal. I need the signed receipt document for our FDD and the completed application form. Our Franchise Approval Committee meets every two weeks and we need the application two or three weeks prior to prepare for any meeting. You already have an application for that purpose.

There is still a considerable amount of renovation work to be done at the resort prior to opening as a Holiday Inn Resort. We are prepared to provide a more detailed PIP upon submission of an application.

Again...thank you for your consideration. I will follow up with you in the next week. Please feel free to call me at 503-443-1550 if you have any questions. Mahalo.

Sincerely,



Ed Shaw
Director – Franchise Development
5464 Southwood Dr.
Lake Oswego, OR 97035
503-443-1550

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

EXHIBIT "I"
LETTER OF INTENT TO FUND \$1.5M TO PAY CLASS 2 AND 3
CLAIMANTS, REPLENISH PERFORMANCE BONDS AND TO PAY
ADMINISTRATIVE EXPENSES

AMERICA ASIA TRAVEL CENTER INC.

117 E. Garvey Avenue
Monterey Park, California 91755
Telephone (626)571-2988
Fax (626)571-1102

March 15, 2013

Mr. Kenneth Fujiyama
CEO
Hawaii Outdoor Tours, Inc.
P.O. Box 1417, Hilo, Hawaii 96720

Re: Proposal to Fund New Value, case # Case No. 12-02279 (RJF)

Helen Severson proposes to fund \$1,500,000 on the Effective date of the Reorganization Plan in case # 12-02279 (RJF) estimated to be funded on or about September or October of 2013 as a new value contribution to fund the reorganization plan of Hawaii Outdoor Tours, Inc.

The funding of the \$1,500,000 is contingent upon bankruptcy court approval of Debtors March, 2013 Reorganization Plan and a final review of Helen Severson of such approved plan before funding is released. The release of funds shall be at Helen Severson's sole discretion upon review of the Court approval of Debtor's reorganizational plan.

The monies to fund the New Value Contribution are available through a credit line in favor of AATC that has in excess of \$1,500,000 available for draw down.

The funds shall be utilized to make payments due under the reorganization plan as follows:

Approximately \$521,861.15 shall be utilized to pay in full, the Hawaii State Tax Collector, Department of Taxation referenced as Class 2 in the Reorganization Plan.

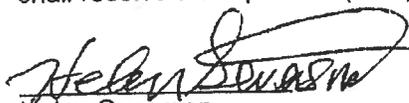
Approximately \$423,673.43 shall be utilized to pay in full, the Director of Finance, for Real Property Taxes, County of Hawaii referenced as Class 3 in the Reorganization Plan.

Approximately \$259,971.03 shall be utilized to replenish the Performance Bond such that the balance on deposit at First Citizens Bank in Torrance, California is \$500,000.

Approximately \$2,526.15 shall be utilized to pay in full, the State of Hawaii Department of Land and Natural Resources past due lease payment.

The approximately \$290,000 balance remaining after payment of the above to be utilized to pay administrative claims as approved by the Court.

In exchange for the herein referenced New Value contribution, Helen Severson shall receive a ten percent (10%) shareholder interest in Hawaii Outdoor Tours Inc.


Helen Severson

Agreed to and Accepted this 20 day of
March, 2013


Kenneth Fujiyama, CEO
Hawaii Outdoor Tours, Inc.