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Agreement to expedite ski resort's conversion

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A bankruptcy proceeding that will help decide the future of the now-closed Elk Meadows ski area above Beaver moved a step closer to resolution Monday.

The bankruptcy must be untangled before CPB Development, LC, can go ahead with its plan to turn Elk Meadows into a private mega-resort.

As a result of an agreement approved Monday by U.S. Bankruptcy Judge William T. Thurman, four wooded cabin sites on a ridge facing the defunct ski area's existing runs will be auctioned at noon today at the Beaver Opera House and Civic Center. Auction proceeds will be used to help pay off \$19.2 million in debts left by the last resort operator, Meadows Operations Inc.

Seven other residential properties that had been set for the auction block will be sold instead for \$40,000 apiece to people who acquired leases to those properties, some as long ago as 1970, from previous operators of the isolated and consistently struggling resort.

That money also will be used to pay off creditors, including Beaver County and its political subdivision, the Elk Meadows Special Service District, for back taxes and fees due on a water line that services the mountain community.

And, in the agreement, court-appointed bankruptcy trustee Elizabeth Loveridge agreed to accept a claim by the resort's largest secured creditor, Nimbus Loan Fund of Holladay, to five commercial parcels that originally were scheduled to be auctioned.

Nimbus contended it had title to those parcels because of a \$5 million loan, secured with a trust deed, that Meadows Operations had not repaid. The trustee questioned whether that transaction had legally

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occurred.

The agreement will avoid potentially lengthy and costly litigation over whether the trustee or Nimbus has legal title to those parcels, sparing expenses that probably would have offset any additional revenue gained from auctioning the commercial lands, said Loveridge's attorney, David Williams. That legal fight would have accomplished little since even if an auction raised more money, most would have gone to Nimbus since there was no question it had priority to any repayment as a secured creditor.

In exchange for the bankruptcy trustee's consent to bypass that battle, Nimbus agreed to put its claim at the bottom of a list of unsecured creditors. That means that other individuals and companies owed money by Meadows Operations - such as Beaver resident Keith Hutchinson, who was owed \$2,250 for signage rental, and Scholzen Products of Hurricane, which was owed \$444 for equipment rental - will be repaid first.

"This is a win/win for everybody," said Salt Lake City attorney James Magleby, who represents both Nimbus and CPB Development, which together are promoting the transformation of sleepy Elk Meadows into the exclusive Mt. Holly Club.

Last month, CPB Development President Craig Burton said his company wants to turn Elk Meadows and nearby Puffer Lake into a 2,000-acre private club surrounded by a fence, with its own ski runs and a golf course designed by links legend Jack Nicklaus. He said the \$3.5 billion project would enrich Beaver County and provide up to 350 jobs.

But initial reaction to the plan at a Beaver County Planning Commission meeting was negative, particularly from property owners whose land is within the proposed development. Concern also was expressed that the developers included state trust lands within their grandiose master plan before talking to the state School and Institutional Trust Land Administration about acquiring those lands.

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