STATE OF NORTH CAROLINA	IN THE GENERAL COURT OF JUSTICE SUPERIOR COURT DIVISION
COUNTY OF HENDERSON	26CV001244-440

FUSE 10, LLC

Plaintiff,

v.

CEDARS LODGE & SPA, L.L.C. and 719NOMAIN LLC,

Defendants.

VERIFIED COMPLAINT

This is an action seeking appointment of a receiver over the owners of a partially-completed, high-end condominium complex in Hendersonville, North Carolina. Plaintiff Fuse 10, LLC, complaining of the defendants Cedars Lodge & Spa, L.L.C. and 719NOMAIN LLC, hereby files this Verified Complaint and alleges as follows:

PARTIES, JURISDICTION, AND VENUE

1. Fuse 10, LLC ("**Plaintiff**" or "**Lender**"), is a Delaware limited liability company. Lender is in good standing under the laws of Delaware and has the capacity to sue.

2. Cedars Lodge & Spa, L.L.C. ("**Cedars**") is a North Carolina limited liability company with its principal office in Hendersonville, North Carolina. Process can be served on Cedars on its registered agent, Registered Agents Inc., 4030 Wake Forest Road, Ste 349, Raleigh, NC 27609.

Electronically Filed Date: 5/29/2026 10:00 AM Henderson Superior Court County Clerk of Superior Court

3. Cedars also operates under the assumed name "The Cedars Residences" as evidenced by an Assumed Business Name Certificate filed on March 10, 2025 at Book 27, Page 251 of the Henderson County Public Registry.

4. 719NOMAIN LLC ("**719NOMAIN**", and together with Cedars, the "**Defendants**") is a North Carolina limited liability company with its principal office in Hendersonville, North Carolina. Process can be served on 719NOMAIN on its registered agent, Registered Agents Inc., 4030 Wake Forest Road, Ste 349, Raleigh, NC 27609.

5. This Court has jurisdiction over the parties to this action pursuant to N.C. Gen. Stat. § 1-75.4 and other applicable bases for jurisdiction.

6. Venue is proper pursuant to N.C. Gen. Stat. §§ 1-76, 1-79, and 1-82 and other applicable bases for venue.

7. All conditions precedent to bringing and filing this suit and asserting the claims herein have been met or otherwise waived or satisfied.

FACTS

A. The Development Project

8. Upon information and belief, Cedars was formed in April 2020 to acquire land and build a high-end residential / hotel condominium building in downtown Hendersonville, North Carolina.

9. Cedars acquired various parcels of land in March 2021 as evidenced by a deed recorded at Book 3670, Page 512 of the Henderson County Public Registry.

10. Upon information and belief, Cedars is the owner of the following parcels of land in Henderson County (as shown on the Henderson County website):

REID	**PIN**	**Tax Assessed Value**
101190	9568-79-2254	$228,700
101191	9568-79-0388	$161,400
106969	9568-79-5465	$753,000
112499	9568-79-0293	$9,005,400
116898	9568-79-3224	$418,200
9940383	9568-79-4355	$204,200

11. 719NOMAIN was formed in December 2021 and, upon information and belief, is an affiliate of Cedars.

12. Upon information and belief, 719NOMAIN was formed to hold title to additional tracts of land, as evidenced by a deed recorded on December 26, 2021 at Book 3839, Page 75 of the Henderson County Public Registry.

13. The additional parcels of land were originally subject to an Autobell carwash lease which was subsequently terminated.

14. Upon information and belief, 719NOMAIN is the owner of the following parcels of land in Henderson County (as shown on the Henderson County website):

REID	**PIN**	**Tax Assessed Value**
106473	9568-79-2457	$434,200
116896	9568-79-2358	$457,400

15. The six parcels owned by Cedars and the two parcels owned by 719NOMAIN are hereafter collectively referred to as the "**Property**".

16. The Property once developed was to be known as the Fairmont Heritage Place The Cedars and is advertised online (fairmontresidencesthecedars.com) as "The Finest Residences in Western North Carolina". The development website states, in part:

> Fairmont Heritage Place The Cedars, is a new development property located in Hendersonville, North Carolina, that encompasses a rich history and tradition. The property has been in the same family for generations and has now been transformed into a luxurious destination. With a range of activities, including hiking, fishing, and boating on the river, Fairmont Heritage Place The Cedars will be the perfect place to escape everyday life and enjoy a peaceful retreat in a stunning natural setting.

17. The website also includes a sketch of what the finished project was supposed to look like:

B. The Loan from Lender

18. In October 2022, Cedars obtained a construction loan (the "**Loan**") from Lender in order to proceed with construction of the proposed development. The Loan is evidenced by a Revolving Promissory Note in the original principal amount of up to $32,000,000.00 (as modified and amended, the "**Note**"). A true and correct copy of the Note is attached hereto as Exhibit A and is fully incorporated herein by reference.

19. 719NOMAIN (along with its principal Greggory Covin) guaranteed repayment of the Note by execution of a 13 October 2022 Guaranty of Payment and Performance, as well as a 13 October 2022 Performance and Completion Guaranty (the "**Guarantees**"). True and correct copies of the Guarantees are attached hereto as Exhibit B and Exhibit C respectively and are fully incorporated herein by reference.

20. Repayment of the Note was secured by a Deed of Trust, Security Agreement and Fixture Filing recorded at Book 3974, Page 185 of the Henderson County Public Registry (as modified and amended, the "**Deed of Trust**") which was executed by Defendants and provides Lender with a first priority lien against the Property. A true and correct copy of the Deed of Trust is attached hereto as Exhibit D and is fully incorporated herein by reference.

21. Lender's lien on Defendants' personal property was properly perfected with the filing of a fixture filing in the Henderson County Public Registry (Book 2974, Page 240) and a UCC-1 financing statement with the North Carolina Secretary of State on October 17, 2022 (File Number 20220141059H). True and correct copies of those UCC filings are attached hereto as Exhibit E and are fully incorporated herein by reference.

22. Cedars also executed a 13 October 2022 Construction Loan Agreement with Lender. A true and correct copy of the Construction Loan Agreement is attached hereto as Exhibit F and is fully incorporated herein by reference.

23. In May 2025, Lender and Cedars amended the Note to, among other things, extend the maturity date to 31 December 2025. A true and correct copy of that note amendment is attached hereto as Exhibit G and is fully incorporated herein by reference.

24. The Deed of Trust was also amended to reflect the new maturity date. A true and correct copy of the recorded First Modification of Deed of Trust, Security Agreement and Fixture Filing (Book 4313, Page 554, Henderson County Public

Registry) is attached hereto as Exhibit H and is fully incorporated herein by reference.

25. The Note, Deed of Trust, Construction Loan Agreement, Guaranty and other documents evidencing and securing the Loan are collectively referred to as the "**Loan Documents**".

26. In addition to the loan from Lender, Defendants obtained junior financing from other lenders including the following:

(a) a junior construction loan from Cedars Lodge and Spa EB-5 Funding LLC in an amount up to $21,000,000; and

(b) a junior loan from TAP 42 EB-5 Funding II, LLC in an amount up to $2,500,000.

These junior loans were expressly subordinated to the Loan pursuant to various intercreditor agreements and recorded subordination agreements.

B. The Loan Default

27. Defendants failed to repay the Loan to Lender by the extended maturity date of 31 December 2025.

28. In early 2026, construction at the project stopped and the general contractor demobilized. Copies of online news articles regarding the uncompleted nature of the project are attached hereto as Exhibits I and J and are fully incorporated herein by reference.

29. Per a March 17, 2026 article from the Hendersonville Lightning, "the Hendersonville City Manager John Connet said city officials learned last week that

the developer of the Cedars, Gregg Covin, was seeking new financing and demobilizing the project's general contractor, Turner Construction Co." Exh. I.

30. The same news article reported that "The construction site has appeared to be mostly abandoned for months."

31. A March 20, 2026 news story reports that the "stalled luxury condominium projects downtown called Fairmont Heritage Place The Cedars has become an eyesore for the community, as questions grow about whether construction will ever start back. The multi-million dollar, multi-story project sits partially built with exposed steel beams and concrete." Exh. J.

32. The news story contains the following picture of the partially-constructed building:

33. The news story also reported that "66 units have been sold" but representatives of Defendants "did not respond to additional questions on how much

each buyer put down as a pre-construction deposit and whether the funds are in an escrow account, or if any buyers have withdrawn from purchase agreements."

34. On March 30, 2026, Turner Construction Company filed a lawsuit against Cedars (*Turner Construction Company v. Cedars Lodge & Spa, LLC*, 2026CV000729-440) in which it sued for (a) breach of contract in the amount of $6,988,473.19 and (b) foreclosure of a claim of lien on the real property owned by Cedars. A copy of that complaint is attached hereto as Exhibit K and is fully incorporated herein by reference.

35. Multiple parties, including Turner, have filed claims of lien against the Property.

36. Lender sent a formal Notice of Loan Default to Defendants by letter dated 5 May 2026. A true and correct copy of that default notice is attached hereto as Exhibit L and is fully incorporated herein by reference.

37. Notwithstanding Lender's notice of default, the Loan remains unpaid and in default.

38. Defendants have failed to come up with additional funding for the project or a new lender to refinance the Loan.

C. Lender's Remedies

39. By reason of the foregoing, Lender is entitled to exercise all of its rights, recourses, and remedies under the Loan Documents.

40. Section 2.01 of the Deed of Trust specifically provides that Lender is entitled to the appointment of a receiver after default. That section provides:

> After the happening of any Event of Default and during its continuance, . . . each of Trustee and Beneficiary shall be entitled, as a matter of right, if it shall so elect, without the giving of notice to any other party and without regard to the adequacy or inadequacy of any security for the Indebtedness, forthwith either before or after declaring the unpaid principal of the Note to be due and payable, to the appointment of a receiver or receivers in respect of the Premises and/or other Deed of Trust Property, and Grantor hereby consents to the appointment of such receiver or receivers.

41. Upon information and belief, Defendants are insolvent.

42. The assessed tax value of the Property is in excess of $10,000,000, but the debts owed by Defendants appear to exceed $50,000,000.

43. As of the date hereof, the entire outstanding balance of the Note is due and owing, including a principal amount in excess of $31,000,000. This amount does not include accrued and unpaid interest, late charges, prepayment premiums, or other sums due and/or owing to Lender under the Loan Documents, including, without limitation, Lender's attorneys' fees and other expenses incurred in connection with the collection of all indebtedness due and owing thereunder (collectively with the unpaid principal balances, for purposes hereof, the "**Indebtedness**").

44. The development property is partially completed and is presently exposed to the elements. Lender has significant concerns that the condition of the Property will continue to deteriorate if it remains partially completed and exposed to rain and other elements.

CLAIM FOR RELIEF
(Request for Appointment of Receiver)

45. Lender incorporates by reference the factual allegations contained in the foregoing paragraphs as if fully set forth herein.

46. Pursuant to the North Carolina General Receivership Act (N.C. Gen. Stat. § 1-507.20 *et. seq*.), a general receiver may be appointed when, among others:

a. The person is insolvent;
b. The person is not paying its debts as they become due unless such debts are the subject of a bona fide dispute;
c. The person is unable to pay its debts as they become due;
d. The person is in imminent danger of insolvency; or
e. The person suspends its business for want of funds. (N.C. Gen. Stat. § 1-507.24(e)).

47. Moreover, the Court retains the equitable authority to appoint a receiver without specific statutory authority. This authority is particularly applicable when corporate entities have agreed to the appointment of a receiver in their loan documents with a lender.

48. Defendants have defaulted under the Loan Documents by not making payments as and when due, including paying the full Loan amount at maturity.

49. As set forth above, Defendants have been unable to pay their debts as they become due, including its inability to pay the Indebtedness in full upon demand.

50. Upon information and belief, if Defendants are not already insolvent, the Turner Construction lawsuit and potential for foreclosure of Turner's lien claim further evidences an imminent danger of insolvency.

51. The Property is subject to, and in danger of, waste, loss, dissipation, and impairment unless a receiver is immediately appointed and unless that receiver is

allowed, among other things, to assume control of the Property and take all necessary steps regarding the Property.

52. A general receiver is necessary to manage, protect, maintain, and operate Defendants and their assets and to secure and safeguard the Property.

53. Absent the appointment of a receiver, Lender will suffer irreparable loss and damage.

54. Lender is entitled to relief in the form of appointment of a general receiver under the terms of the Loan Documents, the North Carolina Commercial Receivership Act, and the equitable power of the Court.

WHEREFORE, Lender respectfully prays that the Court:

A. Enter an order appointing a general receiver over Defendants and their assets, with all the powers of a general receiver, including (without limitation) the authority to take possession of and manage Defendants and the Property;

B. Enter an order requiring Defendants' affiliates, agents, attorneys, officers, partners, and others in active concert therewith to deliver control of Defendants' assets to the receiver;

C. Award Lender its attorneys' fees and expenses;

D. Tax the costs of this action against Defendants; and

E. Grant Lender such other and further relief as the Court deems just and proper.

This the 29th day of May, 2026.

/s/ William L. Esser IV
William L. Esser IV, N.C. Bar No. 29201
Parker Poe Adams & Bernstein LLP
620 South Tryon Street, Suite 800
Charlotte, North Carolina 28202
willesser@parkerpoe.com
Telephone: (704) 372-9000
Facsimile: (704) 334-4706
Attorneys for Plaintiff

VERIFICATION

Eyal Peretz, being first duly sworn, deposes and says that he is the Manager of R.E.L. Partners, LLC, which is the manager of Fuse Funding, LLC, which is the manager of Fuse 10, LLC, and, as such, he is authorized to make this oath; that he has read the foregoing and attached Verified Complaint, and that the same is true of his own personal knowledge, the business records of Fuse 10, LLC and the referenced news stories and public records, except those matters stated upon information and belief, which he believes to be true.

Eyal Peretz

STATE OF FLORIDA
COUNTY OF BROWARD

Signed and sworn to before me this day by Eyal Peretz

Date: May 29, 2026

Alex Fraynd, Notary Public

(OFFICIAL SEAL)

My Commission Expires: 3/10/2030

Notary Public State of Florida
Alex A Fraynd
My Commission HH 752418
Expires 3/10/2030

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