Trouble in Margaritaville: Berryessa development partnership frays

Margaritaville Napa project at Lake Berryessa hits snag as Lincoln Hine sues financial partner Tim Wilkens

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The Steele Canyon Campground at Lake Berryessa is an area that developer Tim Wilkens is proposing to build a 440-cabin Margaritaville resort. Photo taken at Lake Berryessa in Napa County on Wednesday, July 8, 2026. (Photo: Christopher Chung/The Press Democrat)

Though Napa County has yet to sign a development agreement with the backers of a Camp Margaritaville resort on the shores of Lake Berryessa, the project remains viable. Behind the scenes, though, the situation has grown quarrelsome.

The lead developer, Napa businessman Tim Wilkens, is being sued in Napa County for securities fraud, breach of contract and other offenses by an outside financial partner, Atlas Hospitality. The lawsuit was originally filed in November 2024, a year after the county signed the negotiating agreement with WhiTim LLC, a company Wilkens controls.

It's just the latest in a long string of legal entanglements that have followed Wilkens over more than three decades, a Press Democrat investigation revealed. He has been sued at least two dozen times in Napa and Santa Clara counties, the state of New York and federal courts on financial grounds such as fraud, breach of contract and outstanding debt.

Wilkens was also arrested in Los Gatos in 1995, on charges of grand theft. Santa Clara County prosecutors accused him of taking money from investors and skimming much of it for his personal use. Wilkens, 66, confidently countered or dismissed any red flags in phone conversations with The Press Democrat. He suggested none of the suits against him had merit. Most appear to have been settled.

“Anybody can file a lawsuit and allege anything,” Wilkens said. He also cited his involvement in prominent Napa resort developments such as the Meritage Resort and Spa, RiverPointe Napa Valley and Calistoga Ranch, an upscale retreat that burned in the 2020 Glass Fire.

“In 28 years of developing projects in Napa, I have never been in front of a planning commissioner, county supervisor, city councilperson or airport land use commissioner who ever voted against any of our developments,” Wilkens said. So far, that includes Camp Margaritaville Napa, which would turn a rustic campground and RV parking area into a nationally branded resort with more than 400 cottages. It’s a particularly ambitious concept. “It’s a good project, and we’re proud to be the developer,” Wilkens said.

Big idea for Steele Canyon

When the federal government completed Monticello Dam in 1957, it opened seven modest resorts around the perimeter of the body of water created by the dam, Lake Berryessa. Those accommodations operated on 50-year leases. When the leases expired in 2007, most of the resorts closed.

Napa County decided in 2020 to redevelop four of them, and has entered into several exclusive negotiating agreements with potential developers. One is in the Steele Canyon area, near the southern extreme of Berryessa’s main body. It is currently available for tent and RV camping, and boat launching.

In 2021, Wilkens responded to a county request for proposals with a submission that included two other equity owners. Steele Canyon would become Camp Margaritaville, he wrote. It would include 425 cabins, 100 RV sites, a clubhouse, swimming pool, store, wedding pavilion and offer spa treatments, among other amenities.

The Board of Supervisors signed an exclusive negotiating agreement with Wilkens in December 2023. It went into effect for 30 months, with an automatic six-month extension upon request by the developer. Wilkens made that request; he and the county are now in the six-month window, and it is likely to expand.

“I am advised that we intend to credit him one year to account for the time he was paused while pursuing a lease extension with the federal government,” Holly Dawson, public information officer for Napa County, wrote in an email to The Press Democrat.

The U.S. Bureau of Reclamation, which still manages the land around the lake, is offering 50-year leases. Wilkens said that JLL, the lender he is working with on the project, has informed him it likely needs a 99-year term to make the project viable.

Six months after signing the negotiating agreement, WhiTim LLC brought in Atlas Group as a financial partner. Atlas, based in Palm Beach, Florida, specializes in construction of small cottage homes. The company has previously worked with Margaritaville, a conglomerate that sprouted from the legacy of country-rock musician Jimmy Buffett, who died in 2023.

Atlas agreed to make $2.5 million in capital contributions to the Margaritaville Napa concept, the company’s attorneys wrote in their lawsuit. In return, CEO Lincoln Hine — Atlas’ then-28-year-old CEO — would become a project co-manager with Wilkens, sharing “equal power and authority” over WhiTim. It took less than a year for the partnership to disintegrate.

Partners spar in court

Atlas argues in its legal complaint, filed in Napa County Superior Court, that Wilkens overstated the entitlements he’d received for the project, failed to make capital contributions outlined in an operating agreement, and withdrew money earmarked for Margaritaville and spent it on himself and his family. Wilkens told Hine that Napa County had approved WhiTim’s project designs, and that the franchise with Margaritaville Enterprises was a done deal, according to the Atlas Hospitality suit, though neither was true.

Hine initially enjoyed full access to WhiTim’s bank accounts and document depositories, he contends. But after he began to question aspects of the development, Wilkens made important decisions without him, scheduled third-party meetings without Hine’s knowledge and exceeded agreed-upon budgets. “Perhaps most concerning,” Atlas’ attorneys at Loeb & Loeb in San Francisco wrote, “WhiTim’s Wells Fargo bank records reflected a series of transactions which suggested that Wilkens had siphoned large sums of money from WhiTim’s capital reserves and transferred those funds to himself, his family trusts, his wife, and his other businesses.”

Those expenditures allegedly included payments on credit cards held by Wilkens’ wife, airplane tickets, and meals at Napa restaurants Scala Osteria, Cordeiro’s Steakhouse, Bistro Don Giovanni and Allegria. The bank records also showed “curious” transfers in and out of the Wells Fargo account and others controlled by Wilkens, according to the complaint.

Hine informed his co-manager in July 2024 that Atlas was suspending further contributions, the lawsuit claims, and Wilkens retaliated by removing Hine as co-manager and blocking his access to WhiTim’s bank records, though he lacked the legal right to do so. All in all, according to Atlas, WhiTim received $750,000 in capital from Atlas and another managing member, Raul Labarca, and spent $659,000 of it — nearly half of that on Wilkens or his businesses.

Wilkens called the points outlined in Hine’s complaint “completely false.” “It’s pretty simple,” he said. “We were introduced to Lincoln Hine and Atlas through Margaritaville. He signed an agreement to invest $3 million in the project, and he was unable to perform. So he filed a lawsuit. He wasn’t who we thought he was.”

Hine has had stumbles of his own. He was sued by his father — Jay, an RV park developer — in May 2024, for breach of fiduciary duty and using company property without the consent of other executive members. And a month after Jay Hine filed that lawsuit, a commercial property owner moved to evict Lincoln Hine from his office in Palm Beach.

But those disagreements pale next to the string of lawsuits trailing Wilkens. Among the lenders and investors who pursued legal action against Wilkens in Napa County between 1998 and 2018 are: Creditors Adjustment Bureau, real estate law firm Carmel & Carmel, Napa Resort Partners, American Contractors Indemnity Co., American Express Travel, Shanghai resident Mihoko Kanematsu, American Express Centurion Bank, PMGI Financial and First American Title. The debts alleged in the various civil complaints ranged as high as $11 million, on a Napa property foreclosure initiated by Geneva Leasing.

On two occasions, groups of investors from China or Taiwan alleged that Wilkens overstated the value of investment properties and falsely promised to help them gain U.S. citizenship through the EB-5 "Immigrant Investor Program." EB-5 offers a path to green cards for foreign nationals if they pledge to invest at least $800,000 in a U.S. business and create at least 10 jobs here.

Wilkens was quick to brush aside this history. "There has never been a lawsuit that we haven't prevailed in," he said. "There has never been a judgment against us." Most of the cases appear to have been settled by the opposing sides, though a records search revealed 11 judgments totaling nearly $650,000. The largest was in favor of American Contractors Indemnity, for about $220,000. Wilkens said it was overturned. Napa County Superior Court records show the case was dismissed with prejudice in 2011, which often indicates a settlement.

Gerry Closs, who owns Napa's Butter Cream Bakery, won a $150,000 settlement against Wilkens and had to sue again to enforce it. Wilkens told The Press Democrat it was "done in error" and that he and Closs are friends. Closs, 84, told The Press Democrat it was a complicated case, that Wilkens was among several defendants he prevailed against and that he bears no animosity toward him.

As for his 1995 arrest in Los Gatos, Wilkens told The Press Democrat it was a legal error, and has been expunged from his record. The Santa Clara County District Attorney's Office was unable to explain how the case was resolved, saying it happened too long ago.

In a 2017 bankruptcy case, a court-appointed trustee sued to compel Wilkens and other defendants to turn over property along the north shore of Lake Tahoe. The trustee called the bankrupt entity's licensed manager — Great Western Holdings Ltd., a Hong Kong corporation not authorized to do business in California — "one of a number of insolvent, shell business entities" controlled by Wilkens, and through which he did business "to avoid personal liability for his wrongful acts and omissions."

Particularly contentious has been the case of Arena Limited SPV vs. Wilkens and several entities he oversees, filed in New York County in October 2023. It involves a development project of manufactured homes in Sparks, Nevada. Arena Limited loaned more than $15 million to The Chalets LLC, which would build out the project along with Factory Housing Group LLC; Wilkens was the head of the latter two companies. International Housing Concepts Inc. would be the manufacturer, according to the lawsuit.

The three development partners represented to Arena Limited that The Chalets had forwarded a down payment of $2.33 million to International Housing Concepts. That was a fabrication, according to Arena's complaint. After pressing for an accounting of how the money had been spent, Arena alleged, the lender learned the manufacturer had only $66,000 on hand and would not disclose where the rest of the collateral was. Wilkens then conceded for the first time that no homes had been built, according to the lawsuit.

Pressured further, he wound up forwarding a screenshot purporting to identify the missing collateral. The image, Arena's lawyers wrote, "is undated, cannot be confirmed that it is even from a bank, has no account number, account name, bank location, and does not confirm that the Missing Collateral is actually there." Ten days after that, the suit alleges, Wilkens told Arena that a co-owner had moved the money to a bank account in Panama.

The New York court granted Arena a temporary restraining order enjoining Wilkens from using the collateral, then held Wilkens in contempt in June 2024 for violating that order. Judge Suzanne J. Adams ordered Wilkens and his development partners to pay a fine of $45,000 and an additional $250 per day until they restored whatever remained of the collateral. Five weeks later, the attorney representing Arena Limited wrote to Adams that Wilkens had still not complied with the court order.

"To compel compliance," Victoria Serigano wrote, "this Court should also issue a warrant for Wilkens' arrest and incarceration." A New York appeals court overturned the restraining order. Meanwhile, Wilkens countersued Arena in Nevada courts in April 2024, alleging breach of contract and other violations. The judge there has stayed the case until the New York matter is sorted out.

More detailed review ahead

As for Lake Berryessa, Wilkens said he's working with lobbyists to secure a conditional 99-year lease with the Bureau of Reclamation, which would allow him to commence building on Camp Margaritaville.

"We expect in the next 90 days we will have that 99-year lease finalized," he said on June 25.

It isn't clear how much of Wilkens' history was known to Napa County staff and elected leaders when they entered into the exclusive negotiating agreement. During the negotiation phase, according to Dawson, the county PIO, the county's due diligence typically might include a review of publicly available information and basic evaluation of the developer's qualifications.

"Should negotiations advance to a final agreement, the County would undertake a more detailed review of the proposed project's financing, development plan, operational approach, and other contractual requirements before bringing any agreement forward for Board consideration," Dawson said. For now, Napa County has not moved away from Wilkens' proposal for Steele Canyon. "The County remains under an Exclusive Negotiating Agreement (ENA) with WhiTim Development, and discussions regarding the project are ongoing," Dawson confirmed.

The litigation between two of the project's development partners has not been a factor in negotiations, she added. "The County's contractual relationship is with WhiTim Development," Dawson wrote. "Atlas Hospitality is not a party to the County's agreement."

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