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6 **IN THE UNITED STATES BANKRUPTCY COURT**

7 **DISTRICT OF ARIZONA**

8 In re:	Case No. 4:14-bk-09117-PS
9 STARR PASS RESIDENTIAL, LLC,	(Chapter 11)
10 Debtor.	

11
12 **DEBTOR'S SECOND AMENDED DISCLOSURE**
13 **STATEMENT DATED OCTOBER 17, 2016**

14 Starr Pass Residential, LLC, the debtor and debtor-in-possession in the above
15 captioned Chapter 11 case ("Debtor"), hereby submits its *Second Amended Disclosure*
16 *Statement Dated October 17, 2016* to assist its creditors in making an informed decision in
17 voting on the *Debtor's Second Amended Plan of Reorganization Dated October 17, 2016*
18 ("Plan") proposed pursuant to 11 U.S.C. § 1121.

19 **ARTICLE 1**

20 **INTRODUCTION TO THE DISCLOSURE STATEMENT AND VOTING**

21 **1.1 Purpose of the Disclosure Statement.**

22 This Disclosure Statement sets forth certain information regarding Debtor's
23 pre-petition history, its assets, significant events that have occurred during this Chapter 11
24 case, a summary of the Plan, including when and how creditors will be paid, and a brief
25 discussion of the confirmation process and the voting procedures that holders of claims in
26 Impaired Classes must follow for their votes to be counted.

1 The primary purpose of this Disclosure Statement is to provide adequate
2 information to those creditors voting on the Plan so that they may make a reasonably
3 informed decision with respect to exercising their right to accept or reject the Plan. This
4 Disclosure Statement is intended for the sole use of creditors and other parties in interest.
5 This Disclosure Statement may not be relied upon for any purpose other than to determine
6 how to vote on the Plan and nothing contained herein shall constitute an admission of any
7 fact or liability by any party or be admissible in any proceedings involving Debtor or any
8 other party or be deemed conclusive advise on the tax or other legal effects of the
9 reorganization on holders of claims or interests.

10 **You should consult your personal counsel or tax advisor on any questions**
11 **or concerns respecting tax, securities, or other legal consequences of the Plan.**

12 **1.2 Definitions.**

13 Unless otherwise defined herein, terms defined in the Plan shall have the
14 same meaning when used in this Disclosure Statement. In addition, unless otherwise
15 defined herein or in the Plan, terms used in this Disclosure Statement shall have the same
16 meaning as in the Bankruptcy Code (“Code”) or the Federal Rules of Bankruptcy Procedure
17 (“Bankruptcy Rules”), or, if not defined therein, their ordinary meaning.

18 **1.3 Authorized Representations.**

19 This Disclosure Statement is the only document authorized by the Bankruptcy
20 Court to be used in connection with the solicitation of votes on the Plan. You should not
21 rely upon any representations or inducements made to secure your acceptance of the Plan
22 other than those set forth herein or in the Plan. **The Bankruptcy Court’s approval of this**
23 **Disclosure Statement does not constitute a certification or ruling by the Court**
24 **regarding the completeness or accuracy of any statements contained herein. The**
25 **information contained in this Disclosure Statement came from Debtor’s records.**
26

1 This Disclosure Statement is not the Plan. This Disclosure Statement, together
2 with the Plan (**Exhibit A**), should be read in their entirety before you vote on the Plan. For
3 the convenience of the creditors and holders of interests, the Plan is summarized in this
4 Disclosure Statement, but all summaries are qualified in their entirety by the Plan itself,
5 which is controlling in the event of any inconsistency. The financial information contained
6 herein has been provided by in good faith, but has not been audited by a certified public
7 accountant and has not necessarily been prepared in accordance with generally accepted
8 accounting principles.

9 **1.4 Voting Procedures.**

10 To be entitled to vote, a creditor must have an Allowed Claim that is impaired
11 under the Plan. The Bankruptcy Code defines whether a claim is impaired in 11 U.S.C. §
12 1124. Summarily, a claim is impaired if the plan modifies the legal or contractual rights of
13 the claimant, or if the plan does not cure and reinstate the legal rights of the claimant. A
14 creditor in a class that will not, under any circumstances, receive any distributions under the
15 Plan, is not entitled to vote as the class of which it is a member is deemed to have rejected
16 the Plan. If a creditor holds more than one claim in one class, all of the claims in such class
17 will be aggregated and the creditor will be entitled to one vote in the amount of all
18 aggregated claims.

19 **All creditors or parties in interest entitled to vote on the Plan may cast**
20 **their votes for or against the Plan by completing, dating, and signing the Ballot which**
21 **accompanies this Disclosure Statement.** In order for the Ballot to be considered, the
22 original Ballot must be mailed to the attorneys for the Plan Proponents. Ballots should be
23 sent as follows:

24 Jody A. Corrales
25 DECONCINI MCDONALD YETWIN & LACY, P.C.
26 2525 E. Broadway Blvd., Suite 200
Tucson, Arizona 85716

1 **Your ballot will not be counted if Proponent’s counsel receives it after**
2 **the deadline established by the Court.** You may not change your vote after it is cast,
3 unless the Bankruptcy Court permits you to do so after notice and a hearing to determine
4 whether sufficient cause exists to permit the change.

5 **1.5 Confirmation of the Plan.**

6 In order for the Proponent’s Plan to be effective, it has to be confirmed.
7 Confirmation of the Plan means that the Court has approved the Plan. For the Plan to be
8 confirmed, votes by each Impaired Class representing at least two-thirds (2/3) in amount of
9 the Allowed Claims voting in each class and greater than one-half (1/2) in number of
10 individual creditors for such class (of those casting votes) must be submitted in favor of
11 acceptance of the Proponent’s Plan. If the requisite acceptances are not obtained from one
12 or more Impaired Classes, the Court may nonetheless confirm the Proponent’s Plan
13 pursuant to 11 U.S.C. § 1129(b) if one Impaired Class accepts the Plan and the Court finds
14 that Debtor’s Plan provides, among other things, fair and equitable treatment of the classes
15 rejecting the Plan and that creditors receive as much or more under the Plan than they
16 would receive in a Chapter 7 liquidation (discussed more fully below).

17 When confirmed by the Bankruptcy Court, this Plan will bind all holders of
18 claims or equity interests in Debtor, whether or not they are entitled to vote, or did vote on
19 the Plan and whether or not they received or retained any distributions or property under the
20 Plan.

21 **1.6 Proponent’s Recommendations and Position.**

22 The Proponent strongly urges each creditor to vote to accept the Plan. Debtor
23 believes that each person or entity entitled to vote will conclude that the Plan is fair,
24 reasonable and provides the greatest return to the greatest number of creditors.

1 **ARTICLE 2**

2 **STARR PASS RESIDENTIAL, LLC**

3 **2.1 History of the Debtor.**

4 The Debtor is a Delaware real estate development company formed in 2002,
5 to develop residentially zoned and platted property in Starr Pass, a Master Planned Resort
6 and Residential Community in Tucson, Arizona.

7 In February 2010, as the residential housing market was still in deep
8 recession, Debtor received a Notice of Foreclosure from National Bank of Arizona on
9 certain undeveloped properties in its highly coveted residential development “Wildcat Pass”
10 due to the high rate of residential foreclosures at that time.

11 As a result, Debtor is currently left with only two parcels of land (Block 14
12 and Block B of Coyote Pass). The Debtor also owns Starr Pass Realty, LLC (“SP Realty”),
13 an on-site real estate company. SP Realty is responsible for the sale of residential lots, re-
14 sales, and new homes in the Starr Pass Community. SP Realty is comprised of a broker,
15 three registered realtors and an assistant.

16 **2.2 Incidents Leading to Chapter 11 Filing.**

17 On October 31, 2011, U.S. Bank, N.A., as Trustee for Credit Suisse First
18 Boston Mortgage Securities Corp. Commercial Mortgage Pass-Through Certificates, Series
19 2006-TFL2 (“U.S. Bank”), a creditor of a related entity, Starr Pass Resort Developments,
20 LLC, initiated a receivership action in Pima County Superior Court under Case No.
21 C20117682 (the “State Court Action”) seeking to foreclose on the JW Marriott Starr Pass
22 Resort & Spa in Tucson, Arizona (the “Resort”).

23 U.S. Bank’s receivership efforts were not opposed until it became clear that
24 the proposed Receivership Order sought to include assets of the Debtor’s estate: Block 14
25 and Block B of Coyote Pass (“Block B”).
26

1 Due to U.S. Bank's aggressive tactics to obtain ownership of its assets and the
2 imminent foreclosure of Block 14 scheduled to occur on June 13, 2014, Debtor filed
3 bankruptcy to protect its investment, restructure all of its obligations, and reorganize its
4 affairs.

5 **2.3 Debtor's Future.**

6 Debtor's operations have been at a stand-still as a result of the State Court
7 Action. However, once determinative issues are resolved through litigation or reached by a
8 consensual resolution, Debtor anticipates developing or selling its parcels of land, which
9 will put Debtor in a financial position to continue active operations, as explained below:

10 (1) Block 14: Debtor anticipates developing a 50 to 100-unit condominium
11 on Block 14 if it is determined through the state court appellate process that Debtor owns
12 this parcel of land free and clear of liens and encumbrances. The anticipated profit of this
13 contemplated development ranges from \$5 million to \$7.5 million.

14 (2) Block B: Debtor anticipates receiving income from the sale of a
15 portion of Block B. Currently, there is a hearing set for November 28 and November 29,
16 2016, to determine which portion of Block B Debtor is required to convey to U.S. Bank.
17 Currently, it remains to be determined which portion of Block B is necessary to operate the
18 Reclaimed Water Delivery System that is used, among other things, to irrigate the Resort's
19 golf course. Debtor anticipates that after the requisite portion of Block B is conveyed to
20 U.S. Bank, there will remain approximately three (3) acres of developable land that can be
21 sold at a § 363 sale for the benefit of administrative claimants and unsecured creditors. A
22 diagram illustrating the anticipation partition of Block B is attached hereto as **Exhibit B**.
23 Further, if it is later determined at the appellate level that the failure to include Block B as
24 collateral for the Resort was not a mutual mistake, the Debtor will be in even a stronger
25 financial position.
26

1 (3) Future Sales of Residential Lots and Pre-Owned Homes: Debtor's
2 primary business is selling residential lots, new homes and pre-owned homes. Due to the
3 current real estate climate, such sales have been lower than optimal but Debtor anticipates
4 continuing this business venture to generate income to pay its creditors. Currently, the
5 Debtor's entity, Starr Pass Realty, LLC is breaking even. Due to the rising market, that will
6 soon change.

7 The Debtor has no income and is currently funded by contributions from its
8 members, Starr Pass Holdings, LLC, and related principals, F. Christopher Ansley and
9 Peter Ansley. Debtor's current expenses include expenses related to the Property and
10 administrative expenses of this chapter 11 case.

11 Debtor's principal has met with various commercial real estate brokers to
12 discuss a sale of Block B. Debtor has informally employed Sharon Smith to represent the
13 Debtor in a potential sale of Block B, subject to Bankruptcy Court approval. Debtor will
14 consider a sale of Block B for an amount that will pay all administrative claims in full and
15 will also realize a sufficient dividend to unsecured creditors. Ms. Smith, upon approval by
16 the Bankruptcy Court, will market the Property and act as Debtor's agent in negotiating any
17 sale, upon authorization by the Bankruptcy Court.

18 **2.4 Anticipated Operations.**

19 Debtor's principals are working towards obtaining a desirable outcome
20 through the state court appellate process while simultaneously pursuing a sale of Debtor's
21 portion of Block B.

22 **ARTICLE 3**

23 **DEVELOPMENTS DURING THE BANKRUPTCY CASE**

24 **3.1 Bankruptcy Proceeding.**

1 On June 12, 2014, the Debtor filed a petition for relief under Chapter 11 of
2 the Bankruptcy Code. The Debtor employed Gust Rosenfeld, PLC to represent it in this
3 bankruptcy case, which employment was approved by this Court on June 20, 2014.
4 Subsequently, Debtor employed DeConcini McDonald Yetwin & Lacy, P.C. to represent it
5 in this bankruptcy case, which employment was approved by this Court on January 16,
6 2015.

7 On August 18, 2014, Debtor and U.S. Bank filed with the Court a *Stipulated*
8 *Order Modifying the Automatic Stay* which allowed the parties to proceed with discovery
9 and litigate all claims in the State Court Action.

10 On August 22, 2014, an evidentiary hearing was held regarding U.S. Bank's
11 motion to dismiss bankruptcy case, motion to abstain, and motion to lift the stay as to Block
12 14 and Block B. On November 12, 2014, the Court denied U.S. Bank's motion to dismiss
13 or abstain, but granted U.S. Bank stay relief as to Block 14 only.

14 On October 8, 2015, U.S. Bank filed a *Motion for Relief from the Automatic*
15 *Stay* regarding Block B. Debtor objected to U.S. Bank's Motion for Relief. A preliminary
16 hearing on the Motion for Relief was held on November 10, 2015. At that hearing, the
17 Court found stay relief was proper and an order terminating the automatic stay as to Block
18 B was entered on November 19, 2015.

19 **3.2 State Court Action.**

20 On September 5, 2013, U.S. Bank was awarded partial summary judgment in
21 the State Court Action, where the court held Block 14 was conveyed without satisfying
22 certain conditions precedent and, therefore, subject to a lien held by U.S. Bank.

23 Debtor anticipates that ownership of Block 14 will be resolved through state
24 court appellate proceedings. Although the appeal has been pending for quite some time, the
25 parties are awaiting a final determination from the court of appeals whether it has
26 jurisdiction to hear the dispute. The issue has been fully briefed as of August 23, 2016.

1 On May 12, 2015, a three week trial in the State Court Action commenced
2 regarding, among other things, ownership of Block B. U.S. Bank prevailed at trial on all
3 counts but a final judgment has not been entered due to a dispute regarding the scope of
4 U.S. Bank's purported ownership of Block B. An evidentiary hearing is set for November
5 28 and November 29, 2016, to determine which portion of Block B Debtor is required to
6 convey to U.S. Bank.

7 **ARTICLE 4**

8 **SUMMARY OF THE DEBTOR'S CURRENT FINANCIAL CONDITION**

9 The Debtor believes that through the contributions from its members and a sale of
10 Block B, it will be able to confirm its Plan and perform as set forth therein. Debtor believes
11 that based on current market value of Block B, all Administrative Claims, plus a majority of
12 Allowed Unsecured Claims, will be paid in full from the sale of Block B.

13 **ARTICLE 5**

14 **DESCRIPTION OF ASSETS**

15 The Debtor's assets and liabilities are listed on its Schedules and Statement of
16 Financial Affairs filed in this case, located at Docket No. 1, and as subsequently amended at
17 Docket Nos. 17, 20, and 53. Debtor's primary assets include Block B and Block 14.

18 Block B is a 4.5-acre parcel of land zoned for residential use in the residential plat of
19 Coyote Pass, which also houses a reclaimed water reservoir and a 5-million gallon capacity
20 irrigation pond and pumping station designed to provide irrigation for the Resort's 27 golf
21 holes and also for the irrigation of an additional 9-hole golf course and a new 300 custom
22 home development, Starr Pass Vistas. Block B was never included as collateral which
23 secures U.S. Bank's loan to construct the Resort. Block B has an estimated value of
24 \$3,000,000.00, which is not encumbered by consensual liens, but is subject to partition in
25 November 2016 in the State Court Action, which will reduce the value of the Property, but
26

1 entitle the estate to realize some of the equity in the Property as well, see Exhibit “B”;
2 Article 2.3, above.

3 Block 14 is a 5-acre parcel of land located approximately one mile away from the
4 Resort and adjacent to the Starr Pass Country Club. This parcel is valued at \$5,000,000.00
5 upon development. In 1992, it was zoned R-2 (high density residential) and is one of the
6 best locations for high end condos in the Starr Pass Community. Block 14 has no current
7 value to the estate as it is tied up in litigation in the State Court Action.

8 The Debtor has created a Liquidation Analysis Chart that details the liquidation
9 value of the Debtor’s assets, attached hereto as **Exhibit C**.

10 **ARTICLE 6**

11 **POST-CONFIRMATION CONTROL**

12 Debtor will continue to be managed by Starr Pass Holdings, LLC (“Holdings”).
13 Holdings is not receiving any compensation for its current management of the Debtor.
14 Holdings will continue to manage the Debtor after confirmation and will not be
15 compensated for its role as Debtor’s manager. The Debtor will retain control of its assets
16 and use the income from the sale of the Property to make payments set forth in the Plan.
17 The Debtor shall be responsible for preparing and filing quarterly post confirmation
18 financial reports. Copies of those reports shall be provided to the United States Trustee’s
19 Office. During the term of the Plan, Debtor will pay, in cash, or other certified funds,
20 quarterly fees to the United States Trustee’s Office.

21 **ARTICLE 7**

22 **SUMMARY OF THE PLAN**

23 This is a sale plan. Debtor hopes to sell its awarded portion of Block B, its primary
24 real property asset. The sale of Debtor’s awarded portion of Block B will satisfy all
25 administrative claims and a large portion of Allowed Unsecured Claims. This section
26

1 contains only a brief summary of the Plan, and it is qualified in its entirety by reference to
2 the Plan, which accompanies this Disclosure Statement. **THIS SUMMARY DOES NOT**
3 **PURPORT TO BE COMPLETE. THE PLAN ITSELF CONTROLS THE**
4 **RELATIONSHIP BETWEEN DEBTORS AND CREDITORS. YOU SHOULD**
5 **READ THE PLAN IN ITS ENTIRETY PRIOR TO CASTING YOUR BALLOT.**

6 **7.1 Classification and Treatment of Claims.**

7 **7.1.1 Class I - Administrative Claims.**

8 Class I consists of the allowed Administrative Claims for actual and
9 necessary costs and expenses of administration entitled to priority under §§ 503(b) and
10 507(a)(1) of the Bankruptcy Code. This class includes, without limitation, post-petition tax
11 claims, Debtor's attorneys' fees, approved accounting fees, and fees due the United States
12 Trustee, if any. The holders of Allowed Class I Claims shall be paid, in full, on the
13 Effective Date of the Plan of Reorganization or upon such other terms as the Debtor and the
14 holders of Allowed Class I Claims agree. Class I Claims are not impaired.

15 **7.1.2 Class II – Priority Claims.**

16 Class II consists of all Claims which are entitled to priority treatment pursuant
17 to 11 U.S.C. § 507(a). There are no holders of Class II Priority Claims.

18 **7.1.3 Class III – Secured Claims.**

19 Class III consists of secured creditor claims. Debtor contends there are no
20 holders of a valid Class III Secured Claim. Although the state court appointed receiver,
21 Douglas P. Wilson, has filed a bifurcated proof of claim stating the secured portion is
22 \$62,000, Debtor will file an objection to the proof of claim as Debtor believes the claim is
23 misclassified as the Receiver simply holds an unsecured claim in the amount of \$77,000.
24 Notwithstanding any pre-bankruptcy agreements with Class III Claimants, Debtor's
25 statement of the value of each secured claim shall be final unless a creditor objects to the
26 Debtor's value prior to the confirmation of the Plan.

1 **7.1.4 Class IV – Contingent, Unliquidated, and Disputed Claims.**

2 Class IV consists of the Contingent, Unliquidated or Disputed Claim of U.S.
3 Bank. Because U.S. Bank failed to file a proof of claim prior to the Bar Date, U.S. Bank
4 does not have an Allowed Claim and may not receive a distribution under the Plan or vote
5 to accept or reject the Plan.

6 **7.1.5 Class V – General Unsecured Creditors.**

7 Class V consists of all Allowed Unsecured Claims that are not entitled to
8 classification in any other class of claims. To the extent that funds are available to
9 unsecured creditors from the proceeds of the sale of the Property, holders of Class V Claims
10 shall receive payment on their Allowed Claims within ninety (90) days of the conclusion of
11 the proposed sale. No interest will accrue or be paid to the holders of the Allowed Class V
12 Claims. The Class V Claims are impaired.

13 **7.1.6 Class VI – Equity Interests in Debtor.**

14 The holder of a Class VI equity interests will retain their interest in the
15 Debtor, but will be entitled to no dividends unless all Plan payments to holders entitled to
16 higher priority are current. More specifically, the old stock in the Debtor held by the holder
17 of a Class VI equity interest shall be extinguished. The holder of a Class VI equity interest
18 shall receive newly issued stock in the debtor only if all classes of higher priority pursuant
19 to 11 U.S.C. § 507 are paid in full. Class VI is impaired but not entitled to vote to accept or
20 reject the Plan.

21 **ARTICLE 8**

22 **MEANS TO IMPLEMENT PLAN**

23 The Plan will be funded from a sale of the estate’s portion of Block B sufficient to
24 pay all Allowed Administrative Claims in full, plus a majority of Allowed Unsecured
25 Claims. Through the sale contemplated by the Plan, the Debtor believes that it can fulfill its
26 obligations under the Plan. See Article 2.3, above.

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ARTICLE 10

LIQUIDATION ANALYSIS

As a condition to confirmation, Bankruptcy Code § 1129(a)(7) requires the Plan to provide that each creditor either accept the Plan or receive from Debtor’s estate as much under the Plan as each creditor would receive in a Chapter 7 liquidation. The Debtor’s assets and liabilities are listed in their schedules and statement of financial affairs, and as amended. Additionally, the Debtor has investigated and is unaware of any receivable owing to it or any transfer that may be avoided for the benefit of the bankruptcy estate. The value of the Debtor’s assets is no more than \$2,000,000.00 and there are no secured liabilities, see Exhibit “C”; Article 5, above. In a liquidation scenario unsecured creditors would receive less of a distribution as the estate would have to bear the additional administrative expenses of a Chapter 7 Trustee. Accordingly, unsecured creditors will receive significantly more under the Plan than in a liquidation.

ARTICLE 11

TAX ISSUES

Debtor makes no representations regarding any tax implications resulting from confirmation of the Plan. **CLAIMANTS AND PARTIES IN INTEREST ARE ADVISED TO CONSULT WITH THEIR TAX ADVISORS CONCERNING THE INDIVIDUAL TAX CONSEQUENCES OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING STATE AND LOCAL TAX CONSEQUENCES.**

ARTICLE 12

BALLOTING INSTRUCTIONS

Creditors will vote to accept or reject this Plan. **THIS PLAN CANNOT BE CONFIRMED IF THE PLAN DOES NOT RECEIVE AT LEAST TWO-THIRDS (2/3) IN**

1 AMOUNT AND MORE THAN ONE-HALF (1/2) IN NUMBER OF ALLOWED
2 CLAIMS VOTING IN EACH IMPAIRED CLASS, provided, however, if the requisite
3 acceptances are not obtained from one or more Impaired Classes, the Court may
4 nonetheless confirm the Plan pursuant to 11 U.S.C. § 1129(b) if one Impaired Class accepts
5 the Plan and the Court finds that the Plan provides, among other things, fair and equitable
6 treatment of the classes rejecting the Plan and that creditors receive as much or more under
7 the Plan than they would receive in a Chapter 7 liquidation.

8 **ARTICLE 13**

9 **MODIFICATION OF PLAN**

10 The Debtor reserves the right to modify the Plan in accordance with the provisions
11 of the Bankruptcy Code and Chapter 11 as follows:

12 **13.1 Pre-Confirmation.**

13 In accordance with § 1127(a) of the Code, the modification of the Plan may
14 be proposed in writing by the Proponent at any time before its Confirmation, provided that
15 the Plan, as thus modified, meets the requirements of §§ 1122 and 1123 of the Code, and
16 the Proponent complies with § 1125 of the Code.

17 **13.2 Post-Confirmation.**

18 In accordance with § 1127(b) of the Code, the Plan also may be modified at
19 any time after its Confirmation and before its substantial consummation, provided that the
20 Plan as thus modified meets the requirements of §§ 1122 and 1123 of the Code, provided
21 further that the circumstances then existing justify such modification, and the Court
22 confirms the Plan as thus modified under § 1129 of the Code.

23 **13.3 Objections.**

24 Any holder of a claim or equity interest that has accepted or rejected the Plan
25 will be deemed to have accepted or rejected, as the case may be, the Plan as modified
26

1 unless, within the time fixed by the Bankruptcy Court for doing so, such holder changes its
2 previous acceptance or rejection.

3 **13.4 Effect.**

4 Every modification of the Plan will supersede the previous version of the Plan
5 as and when ever each modification is effective. When superseded, the previous version of
6 the Plan will be in the nature of a withdrawn or rejected settlement proposal, and will be
7 null, void and unusable by Debtor or any other party for any purposes whatsoever with
8 respect to any of the contents of such version of the Plan.

9 **13.5 Default.**

10 If the Debtor is unable to perform the terms and conditions of the Plan, then it
11 will be in default. Any creditor may seek to enforce the Plan. Before doing so, the creditor
12 must provide notice to the Debtor specifying the nature of the alleged default and a 30-day
13 period to cure the default. Any notice must be in writing and sent via certified mail to the
14 Debtor at the address on file with the Clerk of this Court and with a copy sent via certified
15 mail to:

16 Jody A. Corrales
17 DECONCINI MCDONALD YETWIN & LACY, P.C.
18 2525 E. Broadway Blvd., Suite 200
19 Tucson, Arizona 85716

20 **ARTICLE 14**

21 **CONFIRMATION, RISKS & RECOMMENDATION**

22 **14.1 Best Interests Test.**

23 Debtor believes that the “best interests test” imposed by 11 U.S.C. §
24 1129(a)(7) is satisfied by the Plan because each holder of a Claim or Interest not accepting
25 the Plan will receive at least as much as such holder would receive in a Chapter 7
26 liquidation as discussed in detail in Article 9 herein.

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14.2 Fair and Equitable Test.

Debtor believes that the Plan will satisfy the fair and equitable requirements of the Bankruptcy Code, to the extent such requirements are applicable based upon the vote of creditors on the Plan.

14.3 Recommendation of the Debtor.

Debtor recommends that the Plan be approved.

RESPECTFULLY SUBMITTED this 17th day of October, 2016.

/s/ F. Christopher Ansley

F. Christopher Ansley for Starr Pass Residential, LLC

APPROVED AS TO FORM AND CONTENT:

DECONCINI McDONALD YETWIN & LACY, P.C.

By: */s/ Jody A. Corrales - #024869*

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