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UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA, LAS VEGAS DIVISION

In re: STONERIDGE PARKWAY, LLC Debtor and Debtor in Possession.	**Case No.: 16-11627-BTB** **Chapter 11 Proceeding** **DEBTOR'S DISCLOSURE STATEMENT AND CHAPTER 11 PLAN WITH SUPPORTING DECLARATIONS** **Disclosure Statement Hearing** DATE: TBD TIME: TBD PLACE: TBD **Plan Confirmation Hearing** DATE: TBD TIME: TBD PLACE: TBD

I.

INTRODUCTION

Stoneridge Parkway, LLC, a California Limited Liability Company (the "Debtor"), is the Debtor and the Debtor-In-Possession (“DIP”) in this Chapter 11 case. The Debtor began its Bankruptcy case by filing a petition under Chapter 11 of the U.S. Bankruptcy Code (the "Code") on December 18, 2015.

As explained herein, as per applicable provisions of the Bankruptcy Code, the Debtor proposes the herein described Plan of Reorganization based on the Disclosure Statement contained herein. In this instance, the Plan provides for the Debtor to reorganize by liquidating and selling assets of the Estate (personal property); entering into a Forbearance Agreement with the Debtor’s secured lender and obtaining DIP financing; and by either: (a) rejecting the Golf Course Agreement which severely limits the use of the Debtor’s main asset to a 27-Hole golf course as an executory contract, (b) stripping off the use restrictions as an unwarranted alienation of the property, or (c) selling the property free and clear of all encumbrances, any of which will allow for the re-entitlement of the Property and allow the Debtor to make the highest and best economical use of the Property.

In sum, the document you are reading is the Debtor’s Disclosure Statement (the "Disclosure Statement") for Debtor’s Plan for Reorganization (the "Plan"). As explained below, the Plan, if fully implemented, will allow the Debtor to fully pay all Creditors in less than twenty-four (24) months, and will allow the Debtor to sell the Property to a new entity (Buyer/Developer) for profit.

II.

DISCLOSURE STATEMENT

A. DEBTOR AND ITS ASSETS

The Debtor is a California Limited Liability Company with its headquarters located in Reseda, California. The Debtor filed its Emergency Voluntary Petition for Reorganization under Chapter 11 of the Title 11 of the United States Code on **December 18, 2015** ("Petition Date").

On **December 16, 2015,** the Debtor acquired the real property called the “Silverstone

Ranch Community Golf Course" located at 8600 Cupp Drive, Las Vegas, NV 89131-1658 (hereinafter the "Property") from the prior owner, Desert Lifestyles, LLC ("DLS"). The Property was formerly a 27-Hole Golf Course but the course has not been in operation since at least **September 1, 2015**. As it stands, it is undisputed that the Debtor currently does not generate any income and has no ongoing operations.

The Silverstone Ranch Community Association (the "HOA") has a "Second Amended and Restated Reciprocal Easement Agreement and Covenant to Share Costs" (the "Golf Course Agreement") recorded on the title of the Property. As per this Agreement, with the HOA, the Property can only be used to operate a 27-Hole golf course, irrespective of the costs, limited use of the Property by the surrounding community, and the scarcity of water due to the ongoing water crisis in the Southwestern United States.

The Debtor acquired the Property from DLS "as-is" based on a confidential Purchase and Sales Agreement ("PSA"). However, the Debtor never assumed any of DLS' liabilities and the Debtor is not a successor-in-interest or an affiliate or alter-ego of DLS.

Western Golf Properties ("WGP") is the Debtor's Property Manager. WGP was also the Manager of the Property when the Property was owned by DLS. As per the PSA, the management agreement between WGP and DLS was assigned to the Debtor. Since the acquisition of the Property, WGP has been watering, and maintaining the Property. However, due to a lack of funding, the watering and maintenance ceased on or about May 13, 2016. As it stands, WGP requires additional monies to pay for utilities, employees, and other costs. As part of its Plan, the Debtor shall seek approval of a new management agreement with WGP after securing DIP financing from Aveitas (discussed later on). *See **Exhibit "D"** attached to the Declaration of Danny Modab is a detailed listing of the Debtor's Assets and Debts.*

The Debtor does not own any other real property, corporate, or any other assets.

B. DEBTOR'S DEBTS

The Debtor has one major creditor which is Aevitas Capital, LLC ("Aveitas"). As listed in Debtor's Petition, the Debtor owes **$6,020,874.63** to Aevitas, which is secured by the Property. As further listed in Debtor's Petition, the Debtor has various tools, machines, golf carts, plants,

restaurant and bar equipment, office furniture & equipment, and other personal property which are kept at the Property and worth approximately **$120,000.00**. Moreover, the Debtor has all rights, title and interest to in **$340,000.00** water deposit with the Southern Nevada Water District held in the name of or by the Manager of the Property, Western Golf Properties ("Western Golf"). *See **Exhibit "D"** attached to the Declaration of Danny Modab is a detailed listing of the Debtor's Assets and Debts.*

C. DEBTOR'S OWNERS

As of the date of this Disclosure Statement, Danny Modab owns 90% of the Debtor's Membership and the remaining 10% of the Debtor's Membership is owned by Stoneridge Parkway Investors, Inc., a Nevada Corporation. Mr. Modab is 100% owner of all of the shares of Stoneridge Parkway Investors, Inc. which was setup for investment in the Debtor and the Property. *See Declaration of Danny Modab ¶ 4.*

D. EVENTS LEADING TO CHAPTER 11 FILING

The main factor leading up to the herein filing was imminent litigation by the HOA. Specifically, the Debtor was forced to file this case almost immediately upon the acquisition of the Property because the HOA sought to join the Debtor into a pre-existing lawsuit involving the HOA and DLS entitled Hellerstein v. Desertlifestyles, LLC, et al. which was removed to the US District Court of Nevada under Case No. 2:15-cv-01804-RFB-CWH (hereinafter the "Nevada Action"). If the Debtor had not filed, its Plan would have been compromised immediately by the HOA. *See Declaration of Danny Modab ¶ 9.*

E. CURRENT AND HISTORICAL FINANCIAL CONDITIONS

In this instance, the Debtor was organized on August 3, 2015 and had no prior business or assets before acquiring the Property. Further, as noted before, the Debtor has no ongoing operations or business of any kind. *See Articles of Organization which is attached as **Exhibit "A"** to the Declaration of Danny Modab.*

F. CHANGED CIRCUMSTANCES:

As it stands, it is undisputed that the golf course at the Property has been closed since on or about **September 1, 2015** *(over 3 months before the Debtor acquired the Property).* As

explained in the Declaration of Jon Peterson, due to its high water costs, inefficient layout, large clubhouse, and fringe location, this Property has historically generated very substantial net operating losses, recently totaling about $1 million per year. In fact, no operator has been able to break even in the past decade. Overall, for the past decade no operator of the Property has been able to operate a golf course at the Property without a subsidy from the owner. Unfortunately, the water crises in Las Vegas will only get worse in the years to come. *See **Exhibit "A"** to the Declaration of Jon Peterson.*

As explained in the Peterson Economics report, the single biggest expense for the Property is water which has become a scare commodity in Las Vegas. Therefore, unless a reduction in the water rates can be obtained, the Property cannot be reopened profitably as a 27-Hole Golf Course under any management which is why this Property has been unprofitable for the past decade. Further, even with reduced water rates, the Property will require a significant amount of money to renovate/repair the Property. Additional monies will also be needed to buy new golf carts, buy new machines, hire staff, and to market the course.

In sum, the Property cannot cover the cost of its operations as a Golf Course based on the demands imposed by the Golf Course Agreement and the HOA.

G. CREDITORS AND PLAN TREATMENT OF CLAIMS

The Debtor's Plan proposed treatment of claims as follows:

Class #	Description	Impaired (Y/N)	Treatment
ADMINISTRATIVE (LEGAL FEES & COSTS)	**$200,000.00 (estimate)**	**NO**	**Paid in full on Effective Date**
ADMINISTRATIVE (US TRUSTEE)	**TBD**	**NO**	**Pay via Quarterly Payment through Plan**
Class 1 (SECURED)	**Aevitas**	**NO**	**Paid in full via Plan.**
Class 2 (UNSECURED)	**WGP**	**NO**	**Paid in full via Plan.**
Class 3 (UNSECURED)	**HOA**	**YES**	**Removal/Rejection of Golf Course Agreement**

H. VOTING PROCEDURES ON PLAN

This Disclosure Statement summarizes what is in the Plan, and tells you certain information relating to the Plan and the process the Court follows in determining whether or not to confirm the Plan.

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

(1) WHO CAN VOTE OR OBJECT,

(2) WHAT THE TREATMENT OF YOUR CLAIM IS (i.e., what your claim will receive if the Plan is confirmed), AND HOW THIS TREATMENT COMPARES TO WHAT YOUR CLAIM WOULD RECEIVE IN LIQUIDATION,

(3) THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING THE BANKRUPTCY,

(4) WHAT THINGS THE COURT WILL LOOK AT TO DECIDE WHETHER OR NOT TO CONFIRM THE PLAN,

(5) WHAT IS THE EFFECT OF CONFIRMATION, AND

(6) WHETHER THIS PLAN IS FEASIBLE.

THIS DISCLOSURE STATEMENT CANNOT TELL YOU EVERYTHING ABOUT YOUR RIGHTS. YOU SHOULD CONSIDER CONSULTING YOUR OWN LAWYER TO OBTAIN MORE SPECIFIC ADVICE ON HOW THIS PLAN WILL AFFECT YOU AND WHAT IS THE BEST COURSE OF ACTION FOR YOU. BE SURE TO READ THE PLAN AS WELL AS THE DISCLOSURE STATEMENT. IF THERE ARE ANY INCONSISTENCIES BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE PLAN PROVISIONS WILL GOVERN.

The Code requires a Disclosure Statement to contain "adequate information" concerning the Plan. The Bankruptcy Court ("Court") has to approve this document as an adequate Disclosure Statement, containing enough information to enable parties affected by the Plan to make an informed judgment about the Plan. Any party can now solicit votes for or against the Plan.

1. Time and Place of the Confirmation Hearing

The hearing where the Court will determine whether or not to confirm the Plan will take place on _____, 2016, ____ at p.m. in _____.

2. Deadline For Voting For or Against the Plan

If you are entitled to vote, it is in your best interest to timely vote on the enclosed ballot

and return the ballot to Debtor's insolvency counsel, ***ABBASI LAW CORPORATION at 8889 WEST OLYMPIC BLVD., SUITE 240, BEVERLY HILLS, CALIFORNIA 90211; TELEPHONE (310) 358-9341; FACSIMILE (888) 709-5448*.** Your ballot must be received by _____, 2016, during business hours (local time) or it will not be counted.

3. Deadline For Objecting to the Confirmation of the Plan

Objections to the Confirmation of the Plan must be filed with the Court and served upon the Debtor and the U.S. Trustee.

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

Any interested party desiring further information about the Plan should contact its own attorney.

5. Disclaimer

The financial data relied upon in formulating the Plan is based on the Debtor's internal financial information and its estimations concerning its future performance. The Debtor has provided the information contained in this Disclosure Statement. The information is not audited. The Debtor represents that everything stated in the Disclosure Statement is true to its best knowledge. The Court has not yet determined whether or not the Plan is confirmable and makes no recommendation as to whether or not you should support or oppose the Plan.

III.

SUMMARY OF THE PLAN OF REORGANIZATION

Debtor's Plan is to re-entitle the entire property for residential housing as this is the best use of the Property. There is approximately 270 acres of land that can be re-entitled at the Property. If green buffer zones are provided to protect the view corridor of the existing homes, over 200 acres of net developable acreage would be available to be used for approximately 1600 single family residences. The new development can also include recreational facilities and open space for the use of entire community.

In order to effectuate the Debtor's Plan, the Golf Course Agreement currently burdening the Property must be amended or removed to allow a re-entitlement of the Property. Thereafter, the following will occur:

1. The re-entitled land will be sold in whole, or in part, to others to develop the Property which will provide funds exceeding the amount owed to all creditors;
2. The first proceeds from the sale will go first the Aevitas to repay principal and interest;
3. The remaining balance of the proceeds will go to pay any determined and allowed claims;
4. The next balance of any proceeds shall go to pay off any other creditors of the Estate, including Administrative claims; and
5. If any proceeds are remaining, they shall go to the Debtor.

Overall, the Debtor is confident that a re-entitlement of the Property to allow for its best economical use will not only pay all outstanding claims but it will also cause the value of the surrounding properties to increase.

A. CLAIM CLASSIFICATION

As required by the Bankruptcy Code, the Plan classifies claims and interests in various classes according to their right to priority. The Plan states whether each class of claims or interests is impaired or unimpaired. The Plan provides the treatment each class will receive. The Debtor Plan calls out for a down payment with a monthly payment plan for each Creditor being paid through the Plan.

As per the Debtor's Monthly Operating Reports which provides the basis for estimating its revenues, cost of goods sold, expenses and net profit during the Plan term along with payments proposed to be made to holders of clams against the estate. The discussion below summarizes the payments under the plan. Under the Debtor's Plan, the following payments will be made:

Class #	Description	Impaired (Y/N)	Treatment
ADMINISTRATIVE (LEGAL FEES & COSTS)	$200,000.00 (estimate)	NO	Paid in full on Effective Date
ADMINISTRATIVE (US TRUSTEE)	TBD	NO	Pay via Quarterly Payment through Plan
Class 1 (SECURED)	Aevitas	NO	Paid in full via Plan.
Class 2 (UNSECURED)	WGP	NO	Paid in full via Plan.
Class 3 (UNSECURED)	HOA	YES	Removal/Rejection of the Golf Course Agreement.

Certain types of claims are not placed into voting classes; they are not classified. They are

not considered impaired and do not vote on the Plan, as they are automatically entitled to specific treatment provided for them in the Bankruptcy Code. As such, the proponent has not placed the following claims in a class. The Court must rule on all fees listed in the above chart before the fees can be paid by the Debtor.

1. Administrative Expenses

Administrative expenses are claims for costs or expenses of administering the Debtor's Chapter 11 Case which are allowed under Code §507(a)(1). These expenses relate to Bankruptcy professionals, other business professionals, and trade vendors. The Code requires that all administrative claims be paid on the Effective Date of the Plan, unless a particular claimant agrees to a different treatment. The Court must rule on all fees listed in the above chart before the fees can be paid by the Debtor. The Court must rule on all fees listed in the above chart before the fees can be paid by the Debtor.

2. Court Approval of Fees Required:

For all fees except Clerk's Office fees and U.S. Trustee's fees, the professional in question must file and serve a properly noticed fee application and the Court must rule on the application. Only the amount of fees allowed by the Court will be owed and required to be paid under this Plan.

The Debtor will need to pay approximately $200,000.00 worth of administrative claims on the Effective Date of the Plan unless the claimant has agreed to be paid later or the Court has not yet ruled on the claim. The Debtor will have the necessary monies on hand on the Effective Date to pay all such claims.

3. Priority Claims

Priority tax claims are certain unsecured income, employment and other taxes described by Code §507(a)(8). The Code requires each holder of such a 507(a)(8) priority tax claim receive the present value of such claim in deferred cash payments, over a period not exceeding five years from the date the bankruptcy petition is filed.

In this instance, the Debtor has no priority tax claims as the Debtor is current on its Local, State and Federal tax liabilities. Therefore, there are no such claims to be treated under the Plan.

4. Classes of Secured Claims.

Secured claims are claims secured by liens on Estate property. In this instance, the Debtor's sole secured lender is Aveitas which holds a first-lien on the Debtor's Property. The Debtor's Plans calls for 100% repayment to Aveitas.

5. Classes of Unsecured Claims.

Generally unsecured claims are not entitled to priority under §507 of the Code. The treatment of members of this class is described herein. In this instance, the only potential unsecured creditor is the HOA which has yet to file a Proof of Claim.

B. MEANS OF EFFECTUATING THE PLAN

1. Funding for the Plan

The Debtor's Plan will be funded as follows:

(a) Debtor shall contribute $25,000 of new cash to be used for the sole purpose of actual nuisance (e.g. weed abatement), not any maintenance that is aesthetic related (e.g. preservation of the prior golf course);

(b) Aveitas shall contribute $25,000 of new cash to be used for the sole purpose of actual nuisance (e.g. weed abatement), not any maintenance that is aesthetic related (e.g. preservation of the prior golf course);

(c) Aveitas agrees to fund an additional $100,000 of loan proceeds to be used for the sole purpose of re-entitlement costs at its sole discretion;

(d) Aveitas shall allow the assignment of its loan to the Debtor and agrees to extend the loan maturity to August 31, 2017, and shall lower the interest rate from June 1, 2016 to August 31, 2017 from 18% to 12%;

(d) Aveitas shall pay all outstanding Property tax and add it to the loan balance;

(e) Debtor shall work with Aveitas to process the re-entitlement of the Property for no additional compensation; and

(e) Aveitas agrees to provide a one (1) year extension of the loan from August 31, 2017, if it deems that the re-entitlement process is proceeding appropriately.

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2. Post-confirmation Management

Danny Modab will continue as the Debtor's Managing Member and will be in overall charge of the Debtor's business operation.

3. Disbursing Agent

Danny Modab shall act as the disbursing agent for the purpose of making all distributions provided for under the Plan. The Disbursing Agent shall serve without bond and shall receive no compensation for distribution services rendered and expenses incurred pursuant to the Plan.

C. OTHER PROVISIONS OF THE PLAN

1. Executory Contracts and Unexpired Leases

a. Assumptions

On the Effective Date, and only to the extent any further assumption is necessary, the Debtor shall assume WGP's Management Agreement and assume any agreement related to DIP financing provided by Aveitas. The Order of the Court confirming the Plan shall constitute an Order approving the assumption of each contract 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.

b. Rejections

Any and all prepetition executory contracts and unexpired leases not expressly assumed above is rejected, including but not limited to the Golf Course Agreement. The order confirming the Plan shall constitute an Order approving the rejection of the Golf Course Agreement and any other contract not listed above or contract. 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 Plan confirmation.

THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM ARISING FROM THE REJECTION OF A LEASE OR CONTRACT IS 30 days following entry of the order confirming this Plan. Any claim based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless the Court later orders otherwise.

IV.

CONFIRMATIN REQUIREMENTS AND PROCEDURES

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

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

A. Who May Vote or Object

1. Who May Object to Confirmation of the Plan

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

2. Who May Vote to Accept/Reject the Plan

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

a. What Is an Allowed Claim/Interest

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

THE BAR DATE FOR FILING A PROOF OF CLAIM IN THIS CASE WAS APRIL 8, 2016. A creditor or interest holder may have an allowed claim or interest even if a proof of claim or interest was not timely filed. A claim is deemed allowed if (1) it is scheduled on the Debtor's schedules and such claim is not scheduled as disputed, contingent, or unliquidated, and (2) no party in interest has objected to the claim. An interest is deemed allowed if it is scheduled and no party in interest has objected to the interest. Consult the exhibits to see how the Debtor has characterized your claim or interest.

b. What Is an Impaired Claim/Interest

As noted above, an allowed claim or interest only has the right to vote if it is in a class that is impaired under the Plan. A class is impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

Here the Debtor believes all classes are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. Parties who dispute the Debtor's characterization of their claim or interest as being impaired or unimpaired may file an objection to the Plan. Parties who dispute this characterization of their claim or interest as being impaired or unimpaired may object to the Plan contending the Debtor has incorrectly characterized their class.

3. Who is Not Entitled to Vote

The following four types of claims are not entitled to vote: (1) disallowed claims; (2) claims in unimpaired classes; (3) claims entitled to priority pursuant to Code sections 507(a)(1), (a)(2), and (a)(8); and (4) claims in classes that do not receive or retain any value under the Plan. Claims in unimpaired classes are not entitled to vote because such classes are deemed to have accepted the Plan.

Claims entitled to priority pursuant to Code §§507(a)(1), (a)(2), and (a)(7) are not entitled to vote because such claims are not placed in classes and they are required to receive certain treatment specified by the Code.

Claims in classes that do not receive or retain any value under the Plan do not vote because such classes are deemed to have rejected the Plan. EVEN IF YOUR CLAIM IS OF THE

TYPE DESCRIBED ABOVE, YOU MAY STILL HAVE A RIGHT TO OBJECT TO THE CONFIRMATION OF THE PLAN.

4. Who Can Vote in More Than One Class

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

5. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by "cram-down" on non-accepting classes, as discussed below.

6. Votes Necessary for a Class to Accept the Plan

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

7. Treatment of Non-Accepting Classes

As noted above, even if all impaired classes do not accept the proposed Plan, the Court may nonetheless confirm the Plan if the non-accepting classes are treated in the manner required by the Code. The process by which non-accepting classes are forced to be bound by the terms of the Plan is commonly referred to as “cram-down.” The Code allows the Plan to be "crammed down" on non-accepting classes of claims or interests if it meets all consensual requirements except the voting requirements of §1129(a)(8) and if the Plan does not “discriminate unfairly” and is “fair and equitable” toward each impaired class that has not voted to accept the Plan as referred to in 11 U.S.C. §1129(b) and applicable case law. What follows is a more detailed discussion of these legal requirements in the event the Debtor seeks confirmation via a “cram-down.”

Even if only one of the impaired classes votes to accept the proposed Plan, the Court may nevertheless confirm the Plan if the Plan treats the non-accepting class(es) in the manner required by §1129 of the Code. §1129(a) sets forth a series of requirements which the Plan must comply with in order to be approved. The various requirements include: the Plan complies with applicable provisions of the Bankruptcy Code; the Plan has been proposed in good faith; with respect to each impaired class of claims, each holder of claim in such class has accepted the Plan or will receive value that is not less than the amount that such holder would have received if the Debtor was liquidated in chapter 7; as to the classes, each class votes to accept the Plan or said class is not impaired under the Plan; specific treatment of administrative claims; that at least one class of claims that is impaired under the Plan has accepted the plan; and confirmation of the plan is not likely to be followed by Debtor's liquidation.

If all of the elements required by §1129(a) are met (other than the requirement that each class has accepted the plan or is not impaired under the plan §1128(a)(8)), the Debtor may request that the Court confirm the plan if the plan does not discriminate unfairly, and is fair and equitable, with respect to each class of claims that is impaired and has not accepted the plan. §1129(b).

The condition that a plan be fair and equitable as to a secured claim requires the following: the secured creditor keeps its lien(s), it is paid deferred cash payments totaling at least the allowed amount of that creditor's claim and the payments made are worth at least the value of that creditor's security.

The condition that a plan be fair and equitable with respect to an unsecured class includes the following requirements: each holder of a claim in the class receives, as of the Effective Date, property or monies equal to the allowed amount of the claim, or no monies will be paid to junior claimants and/or interest holders will not retain any interest(s) under the plan. Confirming the Plan without acceptance of all impaired classes is called a “cram-down.” All claims except those held by administrative claimants can be crammed down in a Chapter 11 Plan.

In some reorganizing plans, a debtor's principals, in order to retain their equity interests, offer new value, money, to creditors to be paid through the plan. A debtor will propose to infuse

new value if it believes that unsecured classes may vote against plan confirmation and that new value may be required under §1129 of the Bankruptcy Code. Please note that the proposed Plan treatment described by this Disclosure Statement can be crammed down on all classes.

B. Liquidation Analysis

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

In a Chapter 7 case, the Debtor's assets are usually sold by a Chapter 7 trustee. Secured creditors are paid first from the sales proceeds of properties on which the secured creditor has a lien. Administrative claims are paid next. Next, unsecured creditors are paid from any remaining sales proceeds, according to their rights to priority. Unsecured creditors with the same priority share in proportion to the amount of their allowed claim in relationship to the amount of total allowed unsecured claims. Finally, interest holders receive the balance that remains after all creditors are paid, if any.

For the Court to confirm this Plan, the Court must find that all creditors and interest holders who do not accept the Plan will receive at least as much under the Plan as such holders would receive under a Chapter 7 liquidation. The Plan Proponent maintains that this requirement is met here for the following reasons:

In the event of a liquidation of its assets, the Debtor would have to net a minimum liquidation value Aveitas' loan. However, in its current state and with the Golf Course Agreement in place, the Property is worth no more than $1,500,000.00. Under the Debtor's Plan, the Debtor is proposing 100% repayments to all secured and unsecured creditors. Therefore, a liquidation of the Debtor's assets will not net the Estate the amount the Debtor is offering to pay under the Plan. As such, under the Debtor's Plan all classes receive more than they would in the event of a liquidation.

C. 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. Further, the Plan Proponent must show that all aspects of feasibility are satisfied.

As explained above, the Debtor's Property is worth more than all the claims against the Estate but such value can only be realized if the Golf Course Agreement is amended or stripped from the Debtor's Property. Otherwise, the Property has little value to any investor or owner that wishes to operate a business.

V.

EFFECT OF CONFIRMATION OF PLAN

A. Discharge

This Plan provides that upon the effective date, the Debtor shall be discharged of liability for payment of debts incurred before confirmation of the Plan, to the extent specified in 11 U.S.C.§1141.

B. Revesting of Property in the Debtor

Except as provided in the Disclosure Statement and Plan confirmation of the Plan revests all of the property of the Estate in the Debtor.

C. Modification of Plan

The Proponent of the Plan may modify the Plan at any time before confirmation. However, the Court may require a new disclosure statement and/or revoting on the Plan. The Proponent of the Plan may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modifications after notice and a hearing.

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D. Post-Confirmation Status Report

Within 120-Days of the entry of the order confirming the Plan, or as otherwise directed by the Court, the Plan Proponent shall file a status report with the Court explaining what progress has been made toward consummation of the confirmed Plan. The status report shall be served on the United States Trustee, the twenty largest unsecured creditors, and those parties who have requested special notice. Further reports shall be filed every 120-Days or as directed by the Court and served on the same entities.

D. US Trustee's Quarterly Fees

Quarterly fees accruing under 28 U.S.C. §1930(a)(6) to date of confirmation shall be paid to the United States Trustee on or before the effective date of the plan. Quarterly fees accruing under 28 U.S.C. §1930(a)(6) after confirmation shall be paid to the United States Trustee in accordance with 28 U.S.C. §1930(a)(6) until entry of a final decree, or entry of an order of dismissal or conversion to chapter 7.

The Debtor's Plan requires payments of all incurred US Trustee's Fees to be paid on a quarterly basis.

E. Post-Confirmation Conversion/Dismissal

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

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

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F. Final Decree

Once the Estate has been fully administered as referred to in F.R.B.P. Rule 20 3022, Debtor shall file a Motion to obtain a Final Decree to close the Case.

G. Valuation of Debtor's Assets; Releases of Security Interests

The Debtor has no creditor with a security interest on its assets or property.

The Effective Date shall be 30-Days following Entry of an Order approving and Confirming the Plan.

SCHWARTZ FLANSBURG, PLLC

DATED: June 1, 2016

/s/Samuel A. Schwartz, Esq.
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ATTORNEYS FOR DEBTOR, AND DEBTOR-IN-POSSESSION, STONERIDGE PARKWAY, LLC

DATED: June 1, 2016

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(Pro Hac Vice Pending)