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UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEVADA

In re:	)	CASE NO.: 16-11627-BTB
	)	
Stoneridge Parkway, LLC,	)	Chapter 11
	)	
Debtor.	)	Hearing Date: ~~February 14~~March 15, 2017
	)	Hearing Time: 1:30 p.m.
	)	
	)	

~~SECOND~~ ~~THIRD~~FOURTH AMENDED DISCLOSURE STATEMENT FOR THE ~~SECOND~~ ~~THIRD~~FOURTH AMENDED PLAN OF REORGANIZATION OF STONERIDGE PARKWAY, LLC UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

THE VOTING DEADLINE IS 5:00 P.M. PREVAILING PACIFIC TIME ON _________, 2017~~6~~ (UNLESS THE DEBTOR EXTENDS THE VOTING DEADLINE).

TO BE COUNTED AS A VOTE TO ACCEPT OR REJECT THE PLAN, THE DEBTOR'S COUNSEL, SCHWARTZ FLANSBURG PLLC, 6623 LAS VEGAS BOULEVARD SOUTH, SUITE 300, LAS VEGAS, NEVADA, 89119, ATTN: SAMUEL A. SCHWARTZ, ESQ. MUST ACTUALLY RECEIVE YOUR BALLOT ON OR BEFORE THE VOTING DEADLINE.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, THE PLAN AND ANY EXHIBITS ATTACHED HERETO IS HIGHLY SPECULATIVE, AND SUCH DOCUMENTS SHOULD NOT BE RELIED UPON IN MAKING INVESTMENT DECISIONS WITH RESPECT TO THE DEBTOR OR ANY OTHER ENTITIES THAT MAY BE AFFECTED BY THIS CHAPTER 11 CASE.

PRESERVATION OF AVOIDANCE ACTIONS UNDER THE PLAN:

IN REVIEWING THIS DISCLOSURE STATEMENT AND THE PLAN, AND IN DETERMINING WHETHER TO VOTE IN FAVOR OF OR AGAINST THE PLAN, CREDITORS AND INTEREST HOLDERS (INCLUDING PARTIES THAT RECEIVED PAYMENTS FROM THE DEBTOR WITHIN NINETY (90) DAYS PRIOR TO THE PETITION DATE) SHOULD CONSIDER THAT A CAUSE OF ACTION MAY EXIST AGAINST THEM, THAT THE PLAN PRESERVES ALL CAUSES OF ACTION AND THAT THE PLAN AUTHORIZES THE ~~REORGANIZED DEBTOR~~PURCHASER TO PROSECUTE THE SAME, EXCEPT FOR SUCH CAUSES OF ACTION THAT THE DEBTOR MAY HAVE EXPRESSLY RELEASED.

IMPORTANT INFORMATION FOR YOU TO READ

THE DEBTOR IS PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT FOR THE PLAN OF REORGANIZATION OF STONERIDGE PARKWAY, LLC UNDER CHAPTER 11 OF THE BANKRUPTCY CODE TO HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN FOR THE PURPOSE OF SOLICITING VOTES TO ACCEPT THE PLAN. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE.

THIS DISCLOSURE STATEMENT WAS NOT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE AUTHORITY AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE AUTHORITY HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS "FORWARD LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. SUCH STATEMENTS CONSIST OF ANY STATEMENT OTHER THAN A RECITATION OF HISTORICAL FACT AND CAN BE IDENTIFIED BY THE USE OF FORWARD LOOKING TERMINOLOGY SUCH AS "MAY," "EXPECT," "ANTICIPATE," "ESTIMATE" OR "CONTINUE" OR THE NEGATIVE THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. THE READER IS CAUTIONED THAT ALL FORWARD LOOKING STATEMENTS ARE NECESSARILY SPECULATIVE AND THERE ARE CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE REFERRED TO IN SUCH FORWARD LOOKING STATEMENTS. THE LIQUIDATION ANALYSIS, DISTRIBUTION PROJECTIONS AND OTHER INFORMATION CONTAINED HEREIN AND ATTACHED HERETO ARE ESTIMATES ONLY, AND THE TIMING AND AMOUNT OF ACTUAL DISTRIBUTIONS TO HOLDERS OF ALLOWED CLAIMS MAY BE AFFECTED BY MANY FACTORS THAT CANNOT BE PREDICTED. THEREFORE,

ANY ANALYSES, ESTIMATES OR RECOVERY PROJECTIONS MAY OR MAY NOT TURN OUT TO BE ACCURATE.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND IS NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THE SECURITIES DESCRIBED HEREIN WILL BE ISSUED TO CREDITORS WITHOUT REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY SIMILAR FEDERAL, STATE OR LOCAL LAW, AND WILL INSTEAD RELY UPON THE EXEMPTIONS SET FORTH IN SECTION 1145 OF THE BANKRUPTCY CODE TO THE MAXIMUM EXTENT PERMITTED AND APPLICABLE. THE DEBTOR RECOMMENDS THAT POTENTIAL RECIPIENTS OF ANY SECURITIES PURSUANT TO THE PLAN CONSULT THEIR OWN LEGAL COUNSEL CONCERNING THE SECURITIES LAWS GOVERNING THE TRANSFERABILITY OF ANY SUCH SECURITIES.

NO LEGAL OR TAX ADVICE IS PROVIDED TO YOU BY THIS DISCLOSURE STATEMENT. THE DEBTOR URGES EACH HOLDER OF A CLAIM OR AN EQUITY INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN AND EACH OF THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF DISCLOSURE CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE MERITS OF THE PLAN.

IT IS THE DEBTOR'S POSITION THAT THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION OR WAIVER. RATHER, HOLDERS OF CLAIMS AND EQUITY INTERESTS AND OTHER ENTITIES SHOULD CONSTRUE THIS DISCLOSURE STATEMENT AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS RELATED TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER PENDING OR THREATENED LITIGATION OR ACTIONS.

NO RELIANCE SHOULD BE PLACED ON THE FACT THAT A PARTICULAR LITIGATION CLAIM OR PROJECTED OBJECTION TO A PARTICULAR CLAIM IS, OR IS NOT, IDENTIFIED IN THE DISCLOSURE STATEMENT. THE DEBTOR OR THE REORGANIZED DEBTOR MAY SEEK TO INVESTIGATE, FILE AND PROSECUTE CLAIMS AND MAY OBJECT TO CLAIMS AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THE DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN EVENTS IN THE DEBTOR'S CHAPTER 11 CASE AND CERTAIN DOCUMENTS RELATED TO THE PLAN THAT ARE ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE. ALTHOUGH THE DEBTOR BELIEVES THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THE SUMMARIES DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES. EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED, FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTOR'S MANAGEMENT. THE DEBTOR DOES NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

THE DEBTOR'S MANAGEMENT HAS REVIEWED THE FINANCIAL INFORMATION PROVIDED IN

THIS DISCLOSURE STATEMENT. ALTHOUGH THE DEBTOR HAS USED ITS REASONABLE BUSINESS JUDGMENT TO ENSURE THE ACCURACY OF THIS FINANCIAL INFORMATION, THE FINANCIAL INFORMATION CONTAINED IN, OR INCORPORATED BY REFERENCE INTO, THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED.

THE DEBTOR IS GENERALLY MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF WHERE FEASIBLE, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTOR MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTOR HAS NO AFFIRMATIVE DUTY TO DO SO. HOLDERS OF CLAIMS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THE DISCLOSURE STATEMENT WAS FILED. THE DEBTOR HAS NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTOR HAS NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTOR OR THE VALUE OF ITS PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN MUST RELY ON THEIR OWN EVALUATION OF THE DEBTOR AND THEIR OWN ANALYSIS OF THE TERMS OF THE PLAN IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. IMPORTANTLY, PRIOR TO DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER OF A CLAIM IN A VOTING CLASS SHOULD CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT AND ANY EXHIBITS HERETO, INCLUDING THE RISK FACTORS DESCRIBED IN GREATER DETAIL IN SECTION V HEREIN, "PLAN RELATED RISK FACTORS."

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4837-7889-0052, v. 1

I. BACKGROUND TO THE CHAPTER 11 CASE

A. THE DEBTOR'S HISTORY[1]

Stoneridge Parkway, LLC, a California limited liability company ("**Stoneridge**" or the "**Debtor**"), which was formed on August 3, 2015. On December 16, 2015, the Debtor acquired the Silverstone Ranch Community Golf Course, located at 8600 Cupp Drive, Las Vegas, NV 89131 (the "**Property**") from the prior owner, Desert Lifestyles, LLC ("**DLS**"). Danny Modab is the Debtor's managing member and 90% membership interest holder. Stoneridge Parkway Investors, Inc., a Nevada corporation, is a 10% membership interest holder of the Debtor. The Property ~~was formerly~~is a 27-hole golf course; however, the course has not been in operations since September 1, 2015. The Property as it currently exists is structurally unchanged from when it operated as a 27-hole golf course. Currently, the Debtor does not generate income from the Property, and when a golf course was operated at the site, it operated at a loss.

B. THE OPERATIONAL HISTORY OF THE PROPERTY

Prior to taking ownership of the property from DLS, the golf course operated at a loss. The following is a list of the losses, by year, for the golf course operation at the Property:

- 2007 ($1,404,215)
- 2008 ($264,893)
- 2009 ($347,089)
- 2010 ($251,529)[2]
- 2012 ($720,194.53)
- 2013 ($909,765.11)
- 2014 ($1,095,081.22)

The golf course component of the Property did demonstrate some years of positive cash flow on an EBITDA basis as follows:

- 2007 ($885,545)
- 2008 $219,583
- 2009 $48,880
- 2010 ($165,548)[2]
- 2012 ($702,009.87)
- 2013 ($984,670.71)
- 2014 ($748,170.79)

Conversely, the restaurant and golf pro shop at the Property did show profit for some years, as follows:

Golf Pro Shop

- 2007 ($234,683)
- 2008 $25,935

---

[1] All capitalized terms used but not otherwise defined herein shall have the meanings set forth in Article X herein, titled "Glossary of Key Terms." To the extent that a definition of a term in the text of this Disclosure Statement and the definition of such term in the "Glossary of Key Terms" is inconsistent, the definition in the "Glossary of Key Terms" shall control.

[2] The 2010 financial data available includes only the time period of January 1, 2010 through June 30, 2010.

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- 2009 $34,086
- 2010 $115,853[2]

Restaurant

- 2007 $205,743
- 2008 $200,956
- 2009 $261,991
- 2010 $ 1,120[2]
- 2012 $182,073
- 2013 $127,327
- 2014 $102,590

The above revenues and losses are based on the financial data available to the Debtor at this time. The Property experienced a foreclosure in 2011, and the financial data for that year is unavailable. Attached hereto as Exhibit H are copies of all related financial data. The Debtor will supplement the record electronically with all financial data, if any, that comes available in the future.

~~B.~~C. EVENTS LEADING TO THE CHAPTER 11 FILING

While the Debtor disagrees with certain of the characterizations and legal conclusions in this section set forth by the Silverstone Ranch Community Association (the "**HOA**"), the HOA is a homeowners' association comprised exclusively of homeowners of the Silverstone Ranch Community (the "**Silverstone Property**"), which is a 272 acre planned community located in Las Vegas, Nevada, comprised of some 1,520 homes built around a 27 hole championship golf course (the "**Golf Course**" or "**Property**"). Approximately 747 of the homes on the Silverstone Property either border the Golf Course or feature a prominent view of the Golf Course from across the Street. The Silverstone Property homes were designed and built by PN II, Inc., d/b/a Pulte Homes of Nevada ("**Pulte Homes**") between 2002 and 2004. On June 14, 2002, Pulte Homes executed a "Declaration of Covenants, Conditions and Restrictions" (the "**CC&Rs**"), which binds all Silverstone Property homeowners to certain obligations and provides that they shall each be members of the Silverstone HOA, which shall be comprised exclusively of Silverstone Property homeowners. The CC&Rs were recorded on June 14, 2002. Also on June 14, 2002, Pulte Homes entered into that certain "Second Amended and Restated Reciprocal Easement Agreement and Covenant to Share Costs" (the "**Golf Course Agreement**") with then-owner of the Golf Course, Meadowbrook Spa, LLC. The Golf Course Agreement was recorded on June 14, 2002. By its own terms, the Golf Course Agreement creates an easement and restrictive covenant attached to the Silverstone Property and the Golf Course.

The Debtor believes that due to 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 documented restrictions relating to the Property can be removed by the Bankruptcy Court. In addition, the Debtor and the HOA have differing views of the meaning of a "championship" golf course. The Debtor's position is the use of the word "championship" is aspirational and principally related to the sales of homes in the community. The HOA's position is the use of the word "championship" has a special connotation that cannot be ignored or overridden.

The Debtor intends to prove that both the restrictions on the use of the Property, including the meaning of the term "championship" can be removed by the Bankruptcy Court. The HOA intends to prove, among other things, that (i) the CC&Rs and Golf Course Agreement are not executory contracts that can be rejected under 11 U.S.C. § 365, (ii) neither the Golf Course Agreement under 11 U.S.C. § 363(f), and (iii) there are no "changed circumstances" recognized under either federal or state law which would permit the CC&Rs and Golf Course Agreement to be removed by the Bankruptcy Court.

The Debtor acquired the Property from DLS "as-is" based on a confidential Purchase and Sales Agreement ("**PSA**"). A copy of the PSA is attached hereto as **Exhibit F**. The Debtor, however, only directly assumed DLS' liabilities for that certain note and deed of trust in favor of Aevitas Capital, LLC, however, ~~and~~ the Debtor is not a successor-in-interest or an affiliate or alter-ego of DLS. The Debtor submits that its Schedules of Assets and Liabilities filed with the Bankruptcy Court reflect the assets and liabilities the Debtor acquired from upon its purchase from DLS, like a similar purchase of real property (e.g. the Debtor became liable for the water and

electricity costs as the owner of the Property, not through an assumption of debt from DLS), however, in an abundance of caution, and in order to comply with the terms of the PSA, the Debtor sought a protective order from the Bankruptcy Court clarifying whether the Debtor must comply with its confidentiality requirements under the PSA. The motion was ultimately denied, and the Debtor shared copies of the PSA with counsel for the HOA and any interested parties that asked for copies.

Western Golf Properties ("**WGP**") was the Debtor's Property Manager, until January 31, 2017~~6~~, when WGP abruptly resigned. The Debtor is actively in the process of interviewing replacement managers. WGP was also the Manager of the Property when the Property was owned by DLS. Pursuant to the PSA, the management agreement between WGP and DLS was assigned to the Debtor. Since the acquisition of the Property, WGP had been watering and maintaining the Property. Due to a lack of funding, however, the watering and maintenance ceased on or about May 13, 2016. As it stands, ~~WGP~~ the new manager will require~~s~~ additional monies to pay for utilities, employees, and other costs. The Debtor is currently seeking debtor-in-possession financing ~~from its secured lender, Aveitas Capital,~~ in order to pay the necessary funds ~~to WGP~~ to continue with the maintenance of the Property. The Debtor is also considering the sale of certain non-core assets to help fund expenses, and its principal is considering making additional capital contributions or loans to the Debtor to further its turnaround.

The Debtor ~~was forced~~elected 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 United States District Court of Nevada under Case No. 2:15-cv-01804-RFB-CWH (the "**Nevada Action**"). If the Debtor had not filed, its plan to redevelop the Property would have been compromised immediately by the HOA. The HOA disputes this contention and submits the Nevada Action had little or no effect on the Debtor's development plans.

As a result of the foregoing, and the Debtor's desire to continue its ~~business operations~~real estate development operations, on December 18, 2015 (the "**Petition Date**"), the Debtor filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code (the "**Chapter 11 Case**") in California. Venue was later transferred to the United States Bankruptcy Court, District of Nevada.

II. EVENTS DURING THE CHAPTER 11 CASE

A. ~~FIRST DAY~~ MOTIONS AND CERTAIN RELATED RELIEF

On or around the Petition Date, in addition to filing its voluntary petition for relief, the Debtor also filed various motions (collectively, the "**~~First Day~~Nevada Motions**") with the Bankruptcy Court. The Bankruptcy Court entered several orders to, among other things, (i) prevent interruptions to the Debtor's business, (ii) ease the strain on the Debtor's relationships with certain essential constituents, such as utility providers and (iii) allow the Debtor to retain bankruptcy counsel to assist it with the administration of the Chapter 11 Case (each, a "**~~First Day~~Nevada Order**"). Additionally, during the Chapter 11 Case, the Debtor ~~filed a motion~~entered into a stipulation with Aevitas Capital, LLC ("**Aevitas**") to use its cash collateral.

1. Employment of Professionals

To assist the Debtor in carrying out its duties as debtor in possession and to represent its interests in the Chapter 11 Case, the Debtor filed an application to retain and employ Abbasi Law Corporation, an the Court entered an order granting the same on January 29, 2016, [Docket No. 44]. After venue was transferred to the United States Bankruptcy Court, District of Nevada, the Debtor filed an application to retain and employ Schwartz Flansburg PLLC as the Debtor's local bankruptcy counsel, and the hearing on same is scheduled for July 5, 2016, [Docket Nos. 124, 125]. Shortly after the transfer of the Chapter 11 Case to Nevada, Abbasi Law Corporation voluntarily resigned from representing the Debtor.

The Debtor also retained Employ Peterson Economics as its Real Estate Economics Consultant. The Debtor filed an Amended Application for Employment of Peterson Economics ("**PE**") [Docket No. 37] on January 20, 2016. The HOA filed an Objection to PE's Application for Employment which was not heard before this matter was transferred to Nevada. PE's Application for Employment has not yet been set for hearing in Nevada.

To assist both the Debtor and the HOA to determine if the Property could be sold for a reasonable value to pay creditors, the Debtor and the HOA filed a joint application to employ and retain Insight Land & Investments ("**Insight**") as real estate agent for the Debtor. On November 14, 2016, the Bankruptcy Court entered an order approving Insight's retention as real estate agent for the Debtor (Docket No. 494). To date, Insight has communicated only 1 offer on the Property to the Debtor in the amount of $1 million. The Debtor believes the $1 million offer is insufficient to pay allowed claims in its Chapter 11 case, and believes its proposed Plan generates higher and better recoveries for its creditors.

2. Stabilizing Operations

Recognizing that any interruption of the Debtor's business, even for a brief time, would negatively impact its operations, revenues and profits, the Debtor filed motions after the transfer of its case to Nevada to stabilize the Property, provide for the payment of expenses and manage utility companies.

B. OTHER EVENTS DURING THE CHAPTER 11 CASE

1. Debtor in Possession Financing

A critical goal of the Debtor's efforts to stabilize and maintain its business was the ability to obtain sufficient working capital to pay to continue to maintain the Property. The Debtor is currently in negotiations with its secured lender, Aevitas Capital, as well as a replacement lender, to obtain debtor-in-possession financing to maintain the Property through confirmation of the Plan.

Currently, the Golf Course Agreement requires the Debtor to maintain the Property in a clean, safe, attractive and reasonably weed-free condition. Due to the Debtor's acquisition of the Property from DLS, the Debtor is maintaining the Property as best it can under the circumstances. The Debtor is seeking additional financing to continue maintaining as much of the Property as reasonably possible, including the repair of part of the watering system, which repairs are estimated to cost approximately $15,000. The source of funding for these repairs will come from Mr. Modab, or the Debtor's proposed debtor-in-possession financing, either through Aevitas or Vegas by Locals, LLC.

2. Filing of the Schedules

On December 18, 2015, and January 4, 2016, the Debtor filed its Schedules with the Bankruptcy Court pursuant to section 521 of the Bankruptcy Code [Docket Nos. 1, 17, 18, 19, 20]. On January 18, 2016, the Debtor also filed its amended Schedules A and B [Docket No. 32].

3. Establishment of the Claims Bar Date

On December 24, 2015, the Bankruptcy Court issued the Notice of Chapter 11 Bankruptcy Case, Meeting of Creditors, & Deadlines, establishing **April 7, 2016** as the Claims Bar Date for filing proofs of claim and requests for payment of administrative claims under section 503(b)(9) of the Bankruptcy Code and establishing **June 15, 2016** as the Governmental Bar Date [Docket No. 3]. On March 3, 2016, the United States Bankruptcy Court for the District of Nevada issued a new Bar Date notice providing that the last date for non-governmental creditors to file proofs of claim as **July 27, 2016** [Docket No. 103]. Notwithstanding the above, on January 13, 2017, the Bankruptcy Court entered an order extending the Claims Bar Date for the HOA, in its individual capacity, the HOA, in its representative capacity on behalf of the residents of the Silverstone Property, and the individual residents of the Silverstone Property, as applicable, to February 10, 2017. On February 14, 2017, the Bankruptcy Court also extended the Claims Bar Date to ten (10) days after this Disclosure Statement is approved.

4. Analysis of the Debtor's Operations

The Debtor commissioned a study from Peterson Economics, which study indicated that due to the stagnant national golf market, the scarcity of water, and the size of the Property, it is unlikely the Debtor will be able to operate a profitable golf course. Moreover, it is the view of the Debtor that the entire Property, or roughly 272 acres, is unnecessary to operate a 27-hole golf course. Accordingly, it is the Debtor's opinion that absent a consensual repurposing of the Property with the HOA, or an order of the Court authorizing the ~~rezoning~~ development of the Property free and clear of the Golf Course Agreement, the Debtor may not be able to pay its creditors. Accordingly, the Debtor is working with its first lien holder to pursue the Plan, restructure the property and complete its turnaround. In connection with confirmation, the Debtor intends to demonstrate to the Bankruptcy Court that not only can a 27-hole golf course be operated by the amount of Property left with the Debtor post-confirmation; the Bankruptcy Court has the power to strip the Golf Course Agreement. The HOA intends to prove that (i) the CC&Rs and Golf Course Agreement are not executory contracts which can be rejected under 11 U.S.C. § 365, (ii) neither the Golf Course, nor any portion thereof, can be sold to third parties free and clear of the CC&Rs and Golf Course Agreement under 11 U.S.C. § 363(f), and (iii) there are no "changed circumstances" recognized under either federal or state law which would permit the CC&Rs and Golf Course Agreement to be removed by the Bankruptcy Court.

In anticipation of confirmation of the Plan, the Debtor will likely file a separate motion to determine whether the Golf Course Agreement can be either (i) rejected pursuant to Section 365 of the Bankruptcy Code, (ii) stripped off pursuant to a sale of the property, or (iii) deemed unenforceable against the Debtor as an unreasonable restraint on alienation.

~~C.~~D. REORGANIZATION AND LIQUIDATION STRATEGY

The Debtor focused on developing and executing a reorganization strategy to: (a) maximize the value of its Estate; (b) address the factors that led to the bankruptcy filing; and (c) enable the Debtor to emerge from chapter 11 as a stronger, more viable company.

Specifically, while the Golf Course Agreement requires the owner of the Property to only use the Property as a 27-hole golf course, the Debtor believes the restriction in the Golf Course Agreement constitutes an unreasonable restraint on alienation. Importantly, circumstances changed greatly since the time the Golf Course Agreement was entered into and no owner of the Property can make a profitable enterprise by operating the Property as a 27-hole golf course. As a result, it is the Debtor's position (~~with~~which the HOA opposes) that the golf course is unsustainable as currently capitalized and its operations cannot support its costs. See An Evaluation of Future Options for Silverstone Golf Club, attached hereto as **Exhibit B**. Importantly, golf continues to decline nationally. In fact, on August 3, 2016, equipment and apparel giant Nike announced it would no longer make golf clubs, golf balls and golf bags. Additionally, in July 2014, Dicks Sporting Goods announced it had let go over 500 of its in-store PGA professionals nationwide and dramatically scaled back its golf related retail sales. Moreover, the annual green fees paid at the Golf Course have steadily declined since 2007. Specifically, green fees paid were approximately $2.9 million in 2007, $2.5 million in 2008, $2.0 million in 2009, and dropped to approximately $1.4 million in 2012, $1.5 million in 2013, and $1.3 million in 2014.

Further, in 2003, the Unites States had approximately 30.6 million golfers. *Men's Journal, The Death of Golf,* June 25, 2015. In 2014, the number of golfers in the United States dropped to 24.7 million. Id.

Accordingly, the Debtor intends on selling approximately ~~60~~ 64-90 acres of the 272 acres of the Property for development (the "**Development Property**"), and leaving the remaining ~~212~~ 182-208 acres of the Property with the Reorganized Debtor for the HOA and homeowners in full satisfaction of their respective claims against the Debtor (the "**Homeowners Property**"). A preliminary land use yield exhibit is attached hereto as **Exhibit C**.[3] The method of transfer and how the Debtor will effectuate the sale of the 64-90 acres is set forth in the Restructuring Transactions in Section III.A.2 below.

The HOA contends, among other things, that the Debtor's plan is unconfirmable and is violative of federal and state law. The HOA intends to prove, among other things, that (i) the CC&Rs and Golf Course Agreement are not executory contracts which can be rejected under 11 U.S.C. § 365, (ii) neither the Golf Course, nor any portion thereof, can be sold to third parties free and clear of the CC&Rs and Golf Course Agreement under 11 U.S.C. § 363(f), (iii) there are no "changed circumstances" recognized under either federal or state law which would permit the CC&Rs and Golf Course Agreement to be removed by the Bankruptcy Court, (iv) the plan is not feasible, and (v) the plan violates the Absolute Priority Rule. The HOA reserves all other objections to confirmation of the Debtor's plan. Further, the HOA contends that the Debtor will be unable to obtain the votes of 75% of all Homeowners to agree to modify, alter, amend, nullify, strip, or terminate the Golf Course Agreement as required by the CC&Rs and Golf Course Agreement.

The Debtor submits the Restructuring Transactions can be remedied under NRS 116, amendments to the HOA's operating and governing documents, and by the Payment to Homeowners. In addition, the Plan allows for the HOA to designate an assignee of the Debtor's New Equity Interests, in return for which, the HOA and the Silverstone homeowners can simply collect the Payment to Homeowners and whatever returns the parties negotiate for the Homeowners Property. The HOA disputes the Debtor's contentions.

Specifically, the Debtor intends to solicit votes on the Plan from all of the Silverstone Homeowners through Class 6. If less than 75% of the Homeowners vote in favor of the plan, but over 50% do vote in favor on the Plan, the Debtor intends to pursue approval through NRS 116.21175 (a copy of which is attached hereto as **Exhibit G**) and the Bankruptcy Court to modify the Golf Course Agreement and the Silverstone Conditions, Covenants and Restrictions, as each may be necessary to allow for the re-development of the Golf Course into either an 18 hole championship golf course, or a 27 hole executive golf course. In this fashion, the Golf Course Agreement will not need to be stripped from the Property to allow the Debtor to make the payments proscribed under the Plan. The HOA disputes the Debtor's contentions.

Separately, the Property is zoned for the construction of up to 1,900 homes. Currently, the Silverstone community has 1,526 homes. Based on its analysis of the Property and discussions with DR Horton, the Debtor believes the Property does not need any zoning changes. In order to build homes, however, the City of Las Vegas and its related agencies will have to approve a housing map, and any proposed building. In addition, the Debtor and DR are working with the Las Vegas Valley Water District to repair and protect the drainage system and flood channel on the Property. The Debtor expects that if the Golf Course Agreement is modified, amended or stripped, approval of construction will be obtained by DR Horton.

The Debtor intends develop the land it sells to a separate entity owned and controlled by the Debtor's principal, Danny Modab, through a transaction with a ~~local or national homebuilder~~DR Horton. It is anticipated ~~the ultimate homebuilder~~DR Horton will develop homes on the Development Property in the form of the drawings, mock-ups and development plan attached hereto as **Exhibit D**.

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[3] The preliminary land use yield currently shows approximately 67 acres for the Development Property. As shown on Exhibit D, however, the Development Property will consist of approximately ~~60~~ 64 acres, and hole # 1 along the northeast portion of Development Property will remain intact and will be part of the Homeowners Property. Furthermore, the HOA and homeowners can use, develop and redesign the Homeowners Property as they see fit.

It may be necessary for the Debtor to grant DR Horton certain easements during its construction in the event the Plan is approved. The Debtor believes it can grant the easements needed by DR Horton to build homes on the Development Property as part of its sale pursuant to the Plan. DR Horton will need access to the Property over certain of the private streets of the Silverstone community, as well as certain of the Debtor's Property. The parties anticipate that in exchange for the consideration paid to the homeowners through the Plan, the limited easements will be negotiated and approved.

AS SET FORTH IN THE RESTRUCTURING TRANSACTIONS, DR HORTON AND THE DEBTOR ANTICIPATE MEANINGFUL NEGOTIATION WITH THE SILVERSTONE COMMUNITY IN CONNECTION WITH THE CONFIRMATION OF THE PLAN.

Importantly, the Debtor believes the Homeowners Property left with the Reorganized Debtor for the benefit of the HOA and the Silverstone homeowners is more than sufficient to operate a 27-hole golf course. Alternatively, should be Silverstone homeowners prefer, the Debtor believes the Golf Course Agreement can be modified, by either the Bankruptcy Court or a vote of the homeowners, to require only an 18-hole golf course. In addition, the Debtor intends to leave behind the Homeowners Property, which consists of 184-208212 acres in the Reorganized Debtor, including the clubhouse and parking lot, free and clear of all claims and interests, except those of Classes 2, 4, 5 and 6. Accordingly, the Reorganized Debtor, on behalf of the homeowners and the HOA, will be empowered to operate, sell or redevelop its land, whichever it sees fit, including operating of golf course of 27 or 18 regulation holes. The Debtor estimates the value of Homeowners Property and improvements left with the Reorganized Debtor is over $63,000,000, which the Debtor submits is more than sufficient to satisfy all of the Allowed Claims in classes 4, 5 and 6 set forth below.[4]

During the course of the Bankruptcy Case, the City of Las Vegas fined the Debtor for not maintaining the Property on June 2, 2016. The Debtor believes the City's actions were a violation of the automatic stay of Section 362 of the Bankruptcy Code. Regardless, the Debtor anticipates the fines and concerns of the City of Las Vegas can be amicably resolved, and the fines, if any, paid through the Plan.

On January 31, 2017, the Debtor filed a Complaint, Adversary Proceeding No. 17-01007-BTB against its first lien holder and post-petition lender, Aevitas Capital, LLC (the "**Adversary**"). The Debtor alleged several causes of action against Aevitas in the Complaint. The Debtor provided drafts of the Complaint to Aevitas prior to filing the Adversary and conversations regarding the resolution of lender's claim were in process. As a result of those discussions, the Debtor and Aevitas reached a resolution, through which Aevitas agreed to support the Debtor's restructuring and the Plan consistent with that agreement (the "**Settlement with Aevitas**"). Therefore, on February 3, 2017 the Debtor voluntarily dismissed the complaint, without prejudice. The Debtor will be filing a motion to approve the sSettlement with Aevitas under Bankruptcy Rule 9019, ~~which motion will control the final terms of the settlement,~~ however, a summary of the salient terms agreed upon with Aevitas are as follows:

- Aevitas agreed to accept a discounted payoff of its debt in the amount of $7,400,000.00, so long as it is paid on or before June 30, 2017;
- As of July 1, 2017, the Debtor agreed to pay Aevitas approximately $8,750,000 (the exact amount being the amount consistent with the loan documents and the parties' agreement that Aevitas's allowed claim is $8,089,702 as of February 13, 2017), plus simple interest at a rate of 18%, through October 15, 2017;
- As of October 16, 2017, Aevitas will be authorized to issue a default under its loan documents, and pursue its remedies under Nevada law;
- The Debtor agreed to an allowed secured claim of $8,089,702.00 for Aevitas, as of February 13, 2017, which claim is accruing interest at a rate of 23% interest, compounding daily;
- Aevitas will allow the Debtor to pay its postpetition financing only, post-confirmation through October 15, 2017, at a rate of 6% interest;

[4] The potential value of the Homeowners Property of $63 million is calculated by taking the number of acres (21208) multiplied by the potential value per acre ($300,000) = $6332,6400,000. The Debtor reached this value based on the DR Horton Contract (as defined below). The HOA disputes the Debtor's estimate of value of the Homeowners Property and the property being transferred to the Purchaser.

- The Debtor will release its claims against Aevitas upon the earlier of Court approval of the Settlement with Aevitas or confirmation of Debtor's Plan, and upon payoff, Aevitas will release and discharge its debt against the estate and deem it fully satisfied;
- The parties agreed to a standstill with respect to litigation while the Debtor prosecutes its Plan; and
- The parties agreed to reserve their rights with respect to all matters outside of, or not specified in tthe Settlement with Aevitas.

The Settlement with Aevitas, once filed with the Bankruptcy Court, will be made available to all parties electronically.

In addition, several parties, including the HOA and Melanie Hill, filed objections to the Second Amended Disclosure Statement, which comments the Debtor incorporated herein to the extent itf found them reasonable and appropriate.

III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

THIS SECTION III IS INTENDED ONLY TO PROVIDE A SUMMARY OF THE MATERIAL TERMS OF THE PLAN AND IS QUALIFIED BY REFERENCE TO THE ENTIRE DISCLOSURE STATEMENT AND THE PLAN, AND SHOULD NOT BE RELIED ON FOR A COMPREHENSIVE DISCUSSION OF THE PLAN. TO THE EXTENT THERE ARE ANY INCONSISTENCIES BETWEEN THIS SECTION III AND THE PLAN, THE TERMS AND CONDITIONS SET FORTH IN THE PLAN SHALL GOVERN.

Purpose of the Plan of Reorganization or Liquidation

As required by the Bankruptcy Code, the Plan, a copy of which is attached hereto as **Exhibit A**, places Claims in separate Classes and describes the treatment each Class will receive. The Plan also states whether each Class of Claims is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

Unclassified Claims

Certain types of Claims are automatically entitled to specific treatment under the Bankruptcy Code. They are not considered impaired, and Holders of such Claims do not vote on the Plan. They may, however, object if, in such Claim Holder's view, the treatment under the Plan does not comply with that required by the Bankruptcy Code. As such, the Debtor did *not* place the following Claims in any Class.

Administrative Claims

Administrative Claims are Claims for the costs or expenses of administering the Debtor's Chapter 11 Case which are Allowed under section 507(a)(2) of the Bankruptcy Code. Administrative Claims also include the expenses for the value of any goods or services sold to the Debtor in the ordinary course of business. The Bankruptcy Code requires that all Administrative Claims be paid on the Effective Date of the Plan, unless a particular claimant agrees to a different treatment. Certain Administrative Claims were paid by the Debtor's principal, Danny Modab personally, which expenses were capital contributions to the estate in the approximate amount of $125,000. Mr. Modab also spends approximately 25 hours per week working on matters related to the reorganization of the Debtor.

The following chart lists the Debtor's estimated Administrative Claims, and their proposed treatment under the Plan:

TYPE	ESTIMATED AMOUNT OWED	PROPOSED TREATMENT

Expenses Arising in the Ordinary Course of Business After the Petition Date	Current as of ~~the date of filing of the Disclosure Statement~~September 30, 2016, and expected to be brought current at the time of the approval of the Disclosure Statement in connection with the Debtor's proposed debtor-in-possession financing. The Debtor is approximately $________ on administrative expenses beginning October 1, 2017.	Paid in full on the Effective Date of the Plan, or according to terms of obligation if later.
Professional Fees, as approved by the court	$~~350~~500,000.00	Paid on the Effective Date of the Plan pursuant to the Distribution Stipulation or as otherwise agreed by the parties.
Debtor in Possession Loan Repayment to Aevitas	$200,000.00	Paid in full on or before the earliest of (i) October 15, 2017, or (ii) the date of the closing of the sale of the Development Property to DR Horton; or (iii) such earlier date as the Court may order as a condition for approval of replacement DIP financing from a new DIP lender. ~~,~~
Debtor in Possession Loan Repayment	$300,000.00	Paid in full on the date of closing of the sale of the Development Property to DR Horton.
United States Trustee's Fees	$~~10~~20,000.00	Paid in full on or before the Effective Date of the Plan.
TOTAL	$~~360~~1,020,000.00	

Priority Wage/Commission Claims

Priority Wage/Commission claims are unsecured employee wage or sales commissions described by section 507(a)(4) of the Bankruptcy Code, which allows priority treatment, but only to the extent of $12,475 for each individual or corporation, as the case may be, earned within 180 days of the petition date. Unless the Holder of such section 507(a)(4) claim agrees otherwise, such holders with receive payment of their claim amount entitled to priority on the Effective Date of the Plan, after the payment of the Administrative Expenses.

Priority Tax Claims

Priority Tax Claims are unsecured income, employment and other taxes described by section 507(a)(8) of the Bankruptcy Code. Unless the Holder of such a section 507(a)(8) Priority Tax Claim agrees otherwise, it must receive the present value of such Claim, in regular installments paid over a period not exceeding 5 years from the Petition Date. The only priority tax claim against the Debtor is a claim filed by the California Franchise Tax Board in the amount of $850.17 (Claim No. 1).

Secured Claims

Classes 1 through 3 shall be the secured claims of the Clark County Taxing Authority, Aevitas Capital, LLC, and the City of Las Vegas. The Clark County Taxing Authority filed Claim No. 38 on September 21, 2016, in the amount of $276,727.02. The Debtor estimates that at the time of confirmation of the Plan, ~~T~~the secured claim of the Clark County Taxing Authority for unpaid property taxes will be in the approximate amount of $300,000.00. Based upon the agreement of the parties, ~~T~~the secured claim of Aevitas Capital, LLC is ~~approximately~~ $~~6,000,000.00~~7,400,000.00, provided it is paid on or before June 30, 2017, or as of July 1, 2017, Aevitas' will be

owed approximately $8,802,206.00, plus simple interest at 18% (unless otherwise agreed by the parties). The secured claims of the City of Las Vegas is approximately $25,000. All secured claims shall be impaired, and paid as set forth in the chart below:

Class #	Description	Impairment	Treatment
Class 1	Secured Claim of the Clark County Taxing Authority	Impaired	Paid in full on the 90th day following the effective date of the Plan or as otherwise agreed by the parties.
Class 2	Secured Claim Aevitas Capital, LLC	Impaired	~~Paid~~ Unless otherwise agreed by the parties, paid in full either (a) on or before ~~the Effective Date of the Plan~~June 30, 2017, in the amount of $7,400,000.00 or (b) ~~upon the Disposition of the Property sold by the Debtor, or (c) within 36 months of the Effective Date, with interest paid at the rate of 5% per annum, until paid in full~~as of July 1, 2017, in the amount of $8,802,206.00, plus simple interest at 18%. If payment is not made by October 15, 2017, Aevitas shall be entitled to exercise its rights and remedies under its loan documents, including the note and deed of trust.
Class 3	Secured Claim of the City of Las Vegas	Impaired	Paid in full on the 90th day following the effective date of the Plan or as otherwise agreed by the parties.

Unsecured Claims

In connection with the settlement with Aevitas, upon the closing of the sale to Development Property, the Purchaser (as defined herein) will fund $1,000,000.00, into the Reorganized Debtor for the payment of unsecured claims (the "**Payment to Homeowners**"). The amount paid to the holders of unsecured claims shall be determined by the Reorganized Debtor in its sole discretion. Upon approval of the Disclosure Statement, the Debtor and the Purchaser intend to communicate directly with the HOA and the Silverstone homeowners to reach a consensual agreement with respect to the sale of the Development Property and the reasonable amount of the Payment to Homeowners (as either or both may change as set forth in the Restructuring Transactions). While the Debtor expects to reach an accord with the Silverstone homeowners with respect to the use of the Development Property, the number of homes to be built thereon, and the ultimate distribution to homeowners (which may increase by agreement of the parties), the Debtor submits its distribution of the Homeowners Property to the Reorganized Debtor, plus $1,000,000.00 of cash, is sufficient to satisfy all unsecured claims in full. The HOA disputes the Debtor's contentions.

Importantly, in the Nevada Action, the HOA submitted a value to restore the entire Property to a golf course of $1,775,000.00. See Case No. 2:15-cv-01804-RFB-CWH, Docket No. 147, p. 8, ll. 9-10 (The Association relies on its restoration plan and prior briefing regarding value of restoration, i.e., $1,775,000.). See also Proposal for Restoration of the Golf Course, Id. at Docket No. 114. The Debtor believes this estimate will likely be reduced if the Property is restructured as an 18 hole regulation golf course.

Class 4 shall consist of the unsecured claim of HOA. The HOA's unsecured claim is separately classified as the HOA is also suing and attempting to collect monies from the prior owner of the Property, DLS. The HOA's unsecured claim shall be satisfied in full by the Debtor's relinquishment of the Homeowners Property and the Payment to Homeowners left in the possession of the Reorganized Debtor on behalf of the HOA and individual

homeowners. Separately, if 300 or more homes are built within the Silverstone community, it is anticipated those additional homes will provide in excess of $15,000.00 per month of additional homeowner association dues to the HOA.

Class 5 shall consist of the unsecured claims of all individual homeowners in the Silverstone Ranch community. The Class 5 claims are separately classified as the individual homeowners' at the rate of $1.00 per claim for voting purposes, and in order for the homeowners to have an equal voice with respect to the transactions proposed in the Plan. The individual homeowners' claims shall be satisfied in full by the Debtor's relinquishment of the Homeowners Property -and the Payment to Homeowners.

Class 6 shall consist of the unsecured claims of the individual homeowners who have golf course views that are changed by the Debtor's development of homes as set forth on Exhibit D. The Class 6 claims are separately classified as the individual homeowners' also seek damages against the prior owner of the Property, DLS. The individual homeowners' claims shall be satisfied in full by the Debtor's relinquishment of the Homeowners Property and the Payment to Homeownersand improvements to the Reorganized Debtor on behalf of the HOA and individual homeowners.

Class 7 shall consist of General Unsecured Claims, which are not secured by property of the Estate and are not entitled to priority under section 507(a) of the Bankruptcy Code, but are entitled in this case to separate classification in accordance with Section 1122(b) of the Bankruptcy Code. If the Debtor's reorganization strategy is effective, General Unsecured Claims shall be paid approximately 100% of their claims from the Debtor's development of the Propertysale of the Development Property, after payment of all secured, administrative and priority claims. IF THE DEBTOR'S REORGANIZATION STRATEGY IS UNSUCCESSFUL, GENERAL UNSECURED CREDITORS MAY RECEIVE ZERO ($0.00) DISTRIBUTIONS THROUGH THE PLAN. As of the date hereof, the General Unsecured Claims (apart from Homeowner claims) filed against the estate are in excess of $——————150,000,000.

The following chart identifies the Plan's proposed treatment of unsecured claims against the Debtor:

Class #	Description	Impairment	Treatment
Class 4	Unsecured Claim of HOA	Impaired	Paid by the Debtor's relinquishment of the Homeowners Property and the Payment to Homeownersand improvements to the Reorganized Debtor, or as otherwise agreed by the parties.
Class 5	Unsecured Claims of the Individual Homeowners	Impaired	Paid by the Debtor's relinquishment of the Homeowners Property and the Payment to Homeowners improvements to the Reorganized Debtor, or as otherwise agreed by the parties.
Class 6	Unsecured Claims of Individual Homeowners with Changed Views or Other Damages	Impaired	Paid by the Debtor's relinquishment of the Homeowners Property and the Payment to Homeowners improvements to the Reorganized Debtor, or as otherwise agreed by the parties.
Class 7	General Unsecured Claims	Impaired	Allowed General Unsecured Creditors shall receive their pro rata distribution of the Debtor's income from the development of part of the Propertysale of the Development

			Property, if any, after payment of all secured, administrative and priority claims of the Debtor.

Equity Interest of the Debtor

Equity Interest Holders are parties who hold an ownership interest (i.e., equity interest) in the Debtor and are classified here in Class 8 In a corporation, entities holding preferred or common stock are equity interest holders. In a partnership, equity interest holders include both general and limited partners. In a limited liability company, the equity interest holders are the members. Finally, with respect to an individual who is a debtor, the debtor is the equity interest holder.

In this Chapter 11 Case, the Debtor is a California limited liability company. Upon the Effective Date of the Plan, all equity interests in the Debtor will be transferred to the HOA, or its designee, for the benefit of the Silverstone homeowners and in furtherance of the Restructuring Transactions.

SEPARATELY, THE DEBTOR ANTICIPATES THAT AFTER THE PAYMENT OF ALL ALLOWED CLAIMS, INCLUDING REAL ESTATE TAXES (INCLUDING DEFERRED TAXES), SECURED CLAIMS, ADMINISTRATIVE CLAIMS, AND THE PAYMENT TO HOMEOWNERS, MR. MODAB MAY EARN AS MUCH AS $7,000,000.00, HOWEVER, AFTER THE PAYMENT OF ALL TAXES, CITY AND WATER FEES, DEBTOR IN POSSESSION LOANS, THE HOMEOWNERS PAYMENT, AND LEGAL FEES AND COSTS, THE DEBTOR ESTIMATES THIS NUMBER WILL LIKELY BE CLOSER TO $5,000,000.00.

The Debtor's Relinquishment of Property

Except as may otherwise be set forth in the Plan Supplement, ~~T~~the Debtor ~~shall~~ currently plans to relinquish ~~212~~ 184-208 acres of the Property as set forth and described on **Exhibit C**, which includes the clubhouse and parking lot, to remain with the Reorganized Debtor, whereby all claims of the HOA and Individual Homeowners in Classes 4, 5 and 6 shall be satisfied in full from the Reorganized Debtor and its assets, which will include the Payment to Homeowners. The Reorganized Debtor will~~-~~, hold, use and manage the Homeowners Property as the Reorganized Debtor may deem best in its business judgment.

Except as otherwise provided herein or in any settlement agreement approved by Order of the Bankruptcy Court under Bankruptcy Rule 9019, all land and/or proceeds of or from the disposition of the Homeowners Property and improvements will remain with the Reorganized Debtor on the Effective Date as set forth and defined below. The corpus of the Reorganized Debtor may be used to pay the costs and expenses of administering the Reorganized Debtor's estate.

The Reorganized Debtor

1. The Debtor –shall execute a new operating agreement for the Reorganized Debtor substantially in the form to be attached to the Plan Supplement and shall take all steps necessary to establish the Reorganized Debtor in accordance with the Plan and the beneficial interests therein.

2. The Reorganized Debtor shall be governed by the operating agreement negotiated among the Debtor, the HOA and the homeowners, to the extent necessary or applicable. The powers, rights, and responsibilities of the Reorganized Debtor shall be specified in the company's operating agreement and shall include the authority and responsibility to, among other things, take the actions set forth in the Plan.

3. The Reorganized Debtor shall be subject to an Oversight Committee appointed by the HOA that will meet quarterly and will be entitled to a quarterly payment of $7,500.00.

4. The Reorganized Debtor shall hold and distribute its assets in accordance with the provisions of the Plan and company's operating agreement. After the Effective Date, the Debtor shall have no interest in the Reorganized Debtor's assets.

5. Purpose of the Reorganized Debtor. The Reorganized Debtor shall operate for the purpose of pursuing or liquidating its assets, satisfying the Claims of the HOA and the Individual Homeowners in Classes 4, 5 and 6 as provided for in the Plan, and distributing its assets to its creditors. Unless otherwise agreed by the parties or directed by the Bankruptcy Court, the HOA shall determine the post-confirmation management of the Reorganized Debtor.

A. MEANS FOR IMPLEMENTATION OF THE PLAN

1. General Settlement of Claims

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, in consideration for the classification, distributions, releases and other benefits provided under the Plan, and as a result of arm's-length negotiations among the Debtor and its creditors, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims and Equity Interests and controversies resolved pursuant to the Plan. Nothing in the Plan is meant to waive or impair any of the Debtor's and/or the Estate's Causes of Action or Avoidance Actions, or the proceeds thereof, as any may be transferred and litigated or settled by the Reorganized Debtor.

2. Restructuring Transactions

As its principal Restructuring Transaction, the Debtor or Reorganized Debtor, as appropriate, shall issue the New Equity Interests to the HOA or its designee, and transfer the Development Property set forth on **Exhibit D** and all Estate Causes of Action to an entity owned and controlled by Mr. Modab (the "**Purchaser**"). The Purchaser of the Development Property from the Debtor will do so in exchange for the assumption of all of the claims in Classes 1, 2, 3, 7 and 8, as well as the satisfaction of all administrative and priority claims against the Estate. After the transfer to the Purchaser, the Development Property will be sold to DR Horton, Inc., a Delaware corporation ("**DR Horton**"), for approximately $17,150,000.00 (the "**DR Horton Contract**"). The DR Horton Contract was fully executed on January 27, 2017. It contemplates a closing on October 4, 2017, and the complete funding of the purchase price at that time. In addition, the Debtor is in discussions with lenders to provide exit financing for the estate, upon confirmation of the Plan. The Debtor has one soft loan commitment from an entity named Vegas By Locals, LLC, contingent upon the value of the Development Property at the time of confirmation.

The Property is currently zoned for a maximum construction of 1,900 homes. The Debtor anticipates that through negotiation with the parties during the confirmation process, it may become amenable or in the best interests of the estate and creditors to develop additional land in order to provide for the greater payment of Allowed Claims. In the event the Debtor, by agreement or otherwise, elects to sell additional land to DR Horton for development, it will disclose those development plans and terms in the Plan Supplement in advance of confirmation, including the land to be developed, and increases, if any, to the proposed Payment to Homeowners.

In addition, DR Horton, the Debtor and the Silverstone community began discussing alternatives for the Development Property and the Homeowners Property. Specifically, DR Horton is prepared to facilitate and manage the repair and restoration of the Golf Course clubhouse, including its potential expansion. DR Horton may also facilitate and manage certain improvements, including the addition of a pool, basketball courts, shuffle board, "tot lots" and other enhancements to the Golf Course clubhouse so it can be better utilized by the Silverstone community. In addition, DR Horton may construct additional guard posts and gates to further the safety and quiet enjoyment of the Silverstone homeowners, or other similar enhancements and improvements as the parties may agree during the confirmation process.

Importantly, DR Horton expressed its intent to comply with the Silverstone development agreement, and its limitations. In order to comply with the Silverstone development agreement, DR Horton will have to provide its proposed development site plan to the City of Las Vegas for approval. Approval of the ultimate development site

plan will require the participation of the Silverstone community, DR Horton, the City of Las Vegas and the Debtor. Accordingly, the Debtor submits all of its Restructuring Transactions will be in the full view of all parties-in-interest.

Separately, if 300 or more homes are built by DR Horton within the Silverstone community, it is anticipated those additional homes will provide in excess of $15,000.00 per month of additional homeowner association dues to the HOA. Currently, the Debtor understands the Silverstone homeowners pay approximately $53 per month in association dues to the HOA. Assuming additional homes are built as planned by the Restructuring Transactions, the HOA may receive as much as $200,000 per year of additional revenue.

The Restructuring Transactions may also include one or more sales, mergers, consolidations, restructurings, conversions, dissolutions, transfers or liquidations as may be determined by the secured claim holders to be necessary or appropriate to fully effectuate the transfer of the New Equity Interests, the Homeowners Property and the Development Property. The actions to effect the Restructuring Transactions may include: (a) the execution and delivery of appropriate agreements or other documents of sale, merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan and the Restructuring Transactions and that satisfy the applicable requirements of applicable state and federal law and any other terms to which the applicable Entities may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and the Restructuring Transactions, and having other terms for which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution pursuant to applicable state or federal law; and (d) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable state or federal law in connection with the Restructuring Transactions.

The purchase price for the Development Property and all Estate Causes of Action will be the assumption of the debt in Classes 1, 2, 3, 7 and 8, as well as the satisfaction of all administrative and priority claims. After the sale, Mr. Modab, through the Purchaser, will sell the Development Property to DR Horton. Either at confirmation through exit financing or the sale to DR Horton, or a combination thereof, the Purchaser will satisfy the Debtor's existing debt in full with respect to Classes 1, 2, 3, 7 and 8, as well as the satisfaction of all administrative and priority claims against the Estate. Aevitas's lien and secured claim, however, shall encumber the entire 272 acres until it has been fully paid.

To the extent that any such Restructuring Transactions result in the assignment of any Executory Contract or Unexpired Lease assumed under the Plan to a party other than the Debtor which was originally a party to such Executory Contract or Unexpired Lease (including such Debtor as Reorganized Debtor), the Debtors shall follow the procedures in Article VI of the Plan for the assignment of such Executory Contracts and Unexpired Leases under section 365 of the Bankruptcy Code. The officers of the Debtor shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such other actions, as may be necessary or appropriate, to effectuate and further evidence the terms and conditions of this Plan and the Restructuring Transactions. The secretary or assistant secretary of the Debtor and of the Reorganized Debtor, as the case may be, shall be authorized to certify or attest to any of the foregoing actions.

Prior to, on or after the Effective Date, and pursuant to the Plan, the Debtor and the Reorganized Debtor, as applicable, shall take any actions as may be necessary or appropriate to affect a restructuring of their businesses or the overall organizational structure of the Reorganized Debtor. As of the date hereof, the actions to effect the Restructuring Transactions may include:

- the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree;
- the filing of appropriate certificates or articles of formation, reformation, merger, consolidation, conversion or dissolution pursuant to applicable state law; and

- all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable state law in connection with the Restructuring Transactions.

3. New Corporate Existence

The Debtor shall continue to exist after the Effective Date as a separate corporate entity or limited liability company, as applicable, with all the powers of a corporation or limited liability company pursuant to laws of the State of Nevada and pursuant to the certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, in such a manner as to preserve the Debtor's net operating losses for Federal tax purposes, except to the extent such certificate of incorporation or bylaws (or other formation documents) are amended by or in connection with the Plan or otherwise and, to the extent such documents are amended, such documents are deemed to be authorized pursuant hereto and without the need for any other approvals, authorizations, actions or consents.

4. Vesting of Assets in the Reorganized Debtor and Mr. Modab's Purchasing Entity

Except as otherwise provided in the Plan or the Plan Supplement, in any agreement, instrument or other document relating thereto, on or after the Effective Date, the Purchaser shall acquire the Development Property and all Estate Causes of Action, free and clear of all liens, Claims, charges or other encumbrances, except for Aevitas's claim and liens which shall encumber all 272 acres of the Property until Aevitas's claim is fully repaid. Except as may be provided in the Plan and any sale all or a portion of the Debtor's Assets, on and after the Effective Date, the Reorganized Debtor may operate its business and may use, acquire or dispose of property and compromise or settle any Claims in Classes 4, 5 and 6 only without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and the Confirmation Order. Without limiting the foregoing, the Reorganized Debtor shall pay the charges that they incur after the Effective Date for Retained Professionals' fees, disbursements, expenses or related support services (including reasonable fees relating to the preparation of Retained Professional fee applications) without application to the Bankruptcy Court.

5. New Equity Interests

On the Effective Date, the Reorganized Debtor shall issue the New Equity Interests to the HOA or its designee pursuant to the terms set forth in the Plan. The New Equity Interests shall represent all of the Equity Interests in the Reorganized Debtor as of the Effective Date. The New Equity Interests to be issued to the HOA or its designee will be issued without registration under the Securities Act or any similar federal, state or local law in reliance upon the exemptions set forth in section 1145 of the Bankruptcy Code. The HOA or its designee shall determine how to distribute the Payment to Homeowners, resolve the Allowed Claim in Classes 4, 5 and 6, and manage the Homeowners Property, which may include any transaction enumerated in the Restructuring Transactions.

The HOA contends, among other things, that the Debtor's plan is unconfirmable and is violative of federal and state law. The HOA intends to prove, among other things, that (i) the CC&Rs and Golf Course Agreement are not executory contracts which can be rejected under 11 U.S.C. § 365, (ii) neither the Golf Course, nor any portion thereof, can be sold to third parties free and clear of the CC&Rs and Golf Course Agreement under 11 U.S.C. § 363(f), (iii) there are no "changed circumstances" recognized under either federal or state law which would permit the CC&Rs and Golf Course Agreement to be removed by the Bankruptcy Court, (iv) the plan is not feasible, and (v) the plan violates the Absolute Priority Rule. The HOA reserves all other objections to confirmation of the Debtor's plan. Further, the HOA contends that the Debtor will be unable to obtain the votes of 75% of all Homeowners to agree to modify, alter, amend, nullify, strip, or terminate the Golf Course Agreement as required by the CC&Rs and Golf Course Agreement.

The Debtor submits the Restructuring Transactions can be remedied under NRS 116, amendments to the HOA's operating and governing documents, and by the Payment to Homeowners. In addition, the Plan allows for the HOA to designate an assignee of the Debtor's New Equity Interests, in return for which, the HOA and the Silverstone homeowners can simply collect the Payment to Homeowners and whatever returns the parties negotiate

for the Homeowners Property. The HOA disputes the Debtor's contentions. A draft of the Complaint the Debtor intends to file after approval of the Disclosure Statement under NRS 116.21175 is attached hereto as **Exhibit I**.

Specifically, the Debtor intends to solicit votes on the Plan from all of the Silverstone Homeowners through Class 6. If less than 75% of the Homeowners vote in favor of the plan, but over 50% do vote in favor on the Plan, the Debtor intends to pursue approval through NRS 116.21175 and the Bankruptcy Court to modify the Golf Course Agreement and the Silverstone Conditions, Covenants and Restrictions, as each may be necessary to allow for the re-development of the Golf Course into either an 18 hole championship golf course, or a 27 hole executive golf course. In this fashion, the Golf Course Agreement will not need to be stripped from the Property to allow the Debtor to make the payments proscribed under the Plan.

6. Securities Registration Exemption and Registration Rights Agreement

The New Equity Interests to be issued pursuant to the Plan will be issued without registration under the Securities Act or any similar federal, state or local law in reliance upon the exemptions set forth in section 1145 of the Bankruptcy Code.

B. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

1. Assumption and Rejection of Executory Contracts and Unexpired Leases

(a) Assumption of Executory Contracts and Unexpired Leases

Subject to the right of the Reorganized Debtor to elect to reject any Executory Contract or Unexpired Lease as to which there is an objection to the proposed cure, each Executory Contract or Unexpired Lease shall be deemed automatically assumed in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code as of the Effective Date, unless any such Executory Contract or Unexpired Lease:

- has been previously rejected by the Debtor by Final Order of the Bankruptcy Court;
- has been rejected by the Debtor by order of the Bankruptcy Court as of the Effective Date, which order becomes a Final Order after the Effective Date;
- is the subject of a motion to reject pending as of the Effective Date;
- is listed on the schedule of "Rejected Contracts and Unexpired Leases" in the Plan Supplement; or
- is otherwise rejected pursuant to the Plan.

The Confirmation Order shall constitute an order of the Bankruptcy Court approving such assumptions or rejections pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. The Debtor reserves the right to amend the schedule of Rejected Executory Contracts and Unexpired Leases at any time before the Effective Date.

(b) Approval of Assumptions

The Confirmation Order shall constitute an order of the Bankruptcy Court approving the rejections described in the Plan pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption of such Executory Contract or Unexpired Lease will be deemed to have consented to such assumption. Each Executory Contract and Unexpired Lease assumed pursuant to the Plan or by any order of the Bankruptcy Court, which has not been assigned to a third party prior to the Effective Date, shall be terminated.

(c) Assignment of Executory Contracts or Unexpired Leases

In the event of an assignment of an Executory Contract or Unexpired Lease, at least ten (10) days prior to the Confirmation Hearing, the Debtor shall file with the Bankruptcy Court and serve upon counterparties to such Executory Contracts and Unexpired Leases, a notice of the proposed assumption and assignment, which will: (i) list the applicable cure amount, if any; (ii) identify the party to which the Executory Contract or Unexpired Lease will be assigned; (iii) describe the procedures for filing objections thereto; and (iv) explain the process by which related disputes will be resolved by the Bankruptcy Court. Any applicable cure amounts shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the cure amount in Cash on the Effective Date or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree.

Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assignment or any related cure amount must be filed, served and actually received by the Debtor at least five (5) days prior to the Confirmation Hearing. Any counterparty to an Executory Contract and Unexpired Lease that fails to object timely to the proposed assignment or cure amount will be deemed to have consented to such assignment of its Executory Contract or Unexpired Lease. The Confirmation Order shall constitute an order of the Bankruptcy Court approving any proposed assignments of Executory Contracts or Unexpired Leases pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date.

In the event of a dispute regarding (a) the amount of any cure payment, (b) the ability of any assignee to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assigned or (c) any other matter pertaining to assignment, the applicable cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assignment. If an objection to assignment or cure amount is sustained by the Bankruptcy Court, the Debtor or the Reorganized Debtor, at their option, may elect to reject such Executory Contract or Unexpired Lease in lieu of assuming and assigning it.

2. Claims on Account of the Rejection of Executory Contracts or Unexpired Leases

All proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or the Confirmation Order, if any, must be filed with the Bankruptcy Court within thirty (30) days after the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection. Any Entity that is required to file a Proof of Claim arising from the rejection of an Executory Contract or an Unexpired Lease that fails to timely do so shall be forever barred, estopped and enjoined from asserting such Claim, and such Claim shall not be enforceable, against the Debtor or the Reorganized Debtor or the Estate and property, and the Debtor or the Reorganized Debtor and the Estate and property shall be forever discharged from any and all indebtedness and liability with respect to such Claim unless otherwise ordered by the Bankruptcy Court or as otherwise provided in the Plan.

3. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

Any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. At least ten (10) days prior to the Confirmation Hearing, the Debtor shall file with the Bankruptcy Court and serve upon counterparties to such Executory Contracts and Unexpired Leases, a notice of the proposed assumption, which will: (a) list the applicable cure amount, if any; (b) describe the procedures for filing objections thereto; and (c) explain the process by which related disputes will be resolved by the Bankruptcy Court.

Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be filed, served and actually received by the Debtor at least five (5) days prior to the Confirmation Hearing. Any counterparty to an Executory Contract and Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such matters. In the event of a dispute regarding (a) the amount of any payments to cure such a default, (b) the ability of the Buyer or any assignee to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed or (c) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code, shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption. If an objection to a Cure Claim is sustained by the Bankruptcy

Court, the Buyer, in its sole option, may elect to reject such executory contract or unexpired lease in lieu of assuming it.

4. Contracts and Leases Entered into After the Petition Date

Contracts and leases entered into after the Petition Date by the Debtor, including any Executory Contracts and Unexpired Leases assumed by the Debtor, will be performed by the Debtor or the Reorganized Debtor in the ordinary course of its business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

C. PROVISIONS GOVERNING DISTRIBUTIONS

1. Distributions for Claims Allowed as of the Effective Date

Except as otherwise provided in the Plan, a Final Order or as agreed to by the relevant parties, the Reorganized Debtor shall make initial distributions under the Plan on account of Claims Allowed before the Effective Date on or as soon as practicable after the Initial Distribution Date; provided, however, that payments on account of General Unsecured Claims that become Allowed Claims on or before the Effective Date shall commence on the Effective Date.

2. Distributions on Account of Claims Allowed After the Effective Date

(a) Rejection of Executory Contracts or Unexpired Leases

Except as otherwise provided in the Plan, a Final Order or as agreed to by the relevant parties, distributions under the Plan on account of a Disputed Claim that becomes an Allowed Claim after the Effective Date shall be made on the Periodic Distribution Date that is at least thirty (30) days after the Disputed Claim becomes an Allowed Claim.

(b) Special Rules for Distributions to Holders of Disputed Claims

Notwithstanding anything in the Plan to the contrary, and except as otherwise agreed to by the relevant parties, no partial payments and no partial distributions shall be made with respect to a Disputed Claim until all such disputes in connection with such Disputed Claim have been resolved by settlement or Final Order. In the event that there are Disputed Claims requiring adjudication and resolution, the Reorganized Debtor shall establish appropriate reserves for potential payment of such Claims pursuant to Article VIII of the Plan.

3. Delivery and Distributions and Undeliverable or Unclaimed Distributions

(a) Record Date for Distributions

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those Holders of Claims listed on the Claims Register as of the close of business on the Distribution Record Date. If a Claim is transferred twenty (20) or fewer days before the Distribution Record Date, the Distribution Agent shall make distributions to the transferee only to the extent practical and, in any event, only if the relevant transfer form contains an unconditional and explicit certification and waiver of any objection to the transfer by the transferor.

(b) Special Rules for Distributions to Holders of Disputed Claims

Except as otherwise provided in the Plan, the Debtor or the Reorganized Debtor, as applicable, shall make distributions to Holders of Allowed Claims at the address for each such Holder as indicated on the Debtor's records as of the date of any such distribution; provided, however, that the manner of such distributions shall be determined at the discretion of the Debtor or the Reorganized Debtor, as applicable; and provided further, that the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder.

(c) Distributions by Distribution Agent

The Debtor or the Reorganized Debtor, as applicable, shall have the authority, in their sole discretion, to enter into agreements with one or more Distribution Agents to facilitate the distributions required under the Plan. As a condition to serving as a Distribution Agent, a Distribution Agent must (i) affirm its obligation to facilitate the prompt distribution of any documents, (ii) affirm its obligation to facilitate the prompt distribution of any recoveries or distributions required under the Plan and (iii) waive any right or ability to setoff, deduct from or assert any lien or encumbrance against the distributions required under the Plan that are to be distributed by such Distribution Agent.

The Debtor or the Reorganized Debtor, as applicable, shall pay to the Distribution Agents all reasonable and documented fees and expenses of the Distribution Agents without the need for any approvals, authorizations, actions or consents. The Distribution Agents shall submit detailed invoices to the Debtor or Reorganized Debtor, as applicable, for all fees and expenses for which the Distribution Agent seeks reimbursement and the Debtor shall pay those amounts that they, in their sole discretion, deem reasonable, and shall object in writing to those fees and expenses, if any, that the Debtor deems to be unreasonable. In the event that the Debtor objects to all or any portion of the amounts requested to be reimbursed in a Distribution Agent's invoice, the Debtor or the Reorganized Debtor, as applicable, and such Distribution Agent shall endeavor, in good faith, to reach mutual agreement on the amount of the appropriate payment of such disputed fees and/or expenses. In the event that the Debtor or the Reorganized Debtor, as applicable, and a Distribution Agent are unable to resolve any differences regarding disputed fees or expenses, either party shall be authorized to move to have such dispute heard by the Bankruptcy Court.

(d) Minimum Distributions

Notwithstanding anything in the Plan to the contrary, the Reorganized Debtor shall not be required to make distributions or payments of less than $10.00 (whether Cash or otherwise) and shall not be required to make partial distributions or payments of fractions of dollars. Whenever any payment or distribution of a fraction of a dollar under the Plan would otherwise be called for, the actual payment or distribution will reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars or less being rounded down.

No Distribution Agent shall have any obligation to make a distribution on account of an Allowed Claim if: (i) the aggregate amount of all distributions authorized to be made on the Periodic Distribution Date in question is or has an economic value less than **$1,000.00**, unless such distribution is a final distribution; or (ii) the amount to be distributed to the specific Holder of an Allowed Claim on such Periodic Distribution Date does not constitute a final distribution to such Holder and is or has an economic value less than $10.00, which shall be treated as an undeliverable distribution under Article VII.C. of the Plan.

(e) Undeliverable Distributions

Holding of Certain Undeliverable Distributions. If any distribution to a Holder of an Allowed Claim made in accordance herewith is returned to the Reorganized Debtor (or the Distribution Agent) as undeliverable, no further distributions shall be made to such Holder unless and until the Reorganized Debtor (or the Distribution Agent) is notified in writing of such Holder's then current address, at which time all currently due missed distributions shall be made to such Holder on the next Periodic Distribution Date. Undeliverable distributions shall remain in the possession of the Reorganized Debtor, subject to Article VII.C. of the Plan, until such time as any such distributions become deliverable. Undeliverable distributions shall not be entitled to any additional interest, dividends or other accruals of any kind on account of their distribution being undeliverable.

Failure to Claim Undeliverable Distributions. No later than 210 days after the Effective Date, the Reorganized Debtor shall file with the Bankruptcy Court a list of the Holders of undeliverable distributions. This list shall be maintained and updated periodically in the sole discretion of the Reorganized Debtor for as long as the Chapter 11 Case stays open. Any Holder of an Allowed Claim, irrespective of when a Claim becomes an Allowed Claim, that does not notify the Reorganized Debtor of such Holder's then current address in accordance herewith within the latest of (i) one year after the Effective Date, (ii) 60 days after the attempted delivery of the undeliverable distribution and (iii) 180 days after the date such Claim becomes an Allowed Claim, shall have its Claim for such undeliverable distribution discharged and shall be forever barred, estopped and enjoined from asserting any such

Claim against the Reorganized Debtor or its property. In such cases, (i) any Cash or Equity Interest held for distribution on account of Allowed Claims shall be redistributed to Holders of Allowed Claims in the applicable Class on the next Periodic Distribution Date and (ii) any Cash held for distribution to other creditors shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and become property of the Reorganized Debtor, free of any Claims of such Holder with respect thereto. Nothing contained in the Plan shall require the Reorganized Debtor to attempt to locate any Holder of an Allowed Claim.

Failure to Present Checks. Checks issued by the Distribution Agent on account of Allowed Claims shall be null and void if not negotiated within 180 days after the issuance of such check. In an effort to ensure that all Holders of Allowed Claims receive their allocated distributions, no later than 180 days after the issuance of such checks, the Reorganized Debtor shall File with the Bankruptcy Court a list of the Holders of any un-negotiated checks. This list shall be maintained and updated periodically in the sole discretion of the Reorganized Debtor for as long as the Chapter 11 Case remains open. Requests for reissuance of any check shall be made directly to the Distribution Agent by the Holder of the relevant Allowed Claim with respect to which such check originally was issued. Any Holder of an Allowed Claim holding an un-negotiated check that does not request reissuance of such un-negotiated check within 240 days after the date of mailing or other delivery of such check shall have its Claim for such un-negotiated check discharged and be discharged and forever barred, estopped and enjoined from asserting any such Claim against the Reorganized Debtor or its property. In such cases, any Cash held for payment on account of such Claims shall be property of the Reorganized Debtor, free of any Claims of such Holder with respect thereto. Nothing contained in the Plan shall require the Reorganized Debtor to attempt to locate any Holder of an Allowed Claim.

4. Compliance with Tax Requirements/Allocations

In connection with the Plan, to the extent applicable, the Reorganized Debtor shall comply with all tax withholding and reporting requirements imposed on them by any governmental unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding anything in the Plan to the contrary, the Reorganized Debtor and the Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtor and the Purchaser reserves the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support and other spousal awards, liens and encumbrances. For tax purposes, distributions in full or partial satisfaction of Allowed Claims shall be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that accrued on such Claims.

5. Timing and Calculation of Amounts to be Distributed

On the Initial Distribution Date (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such a Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim against the Debtor shall receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class; provided, however, that distributions on account of General Unsecured Claims that become Allowed Claims before the Effective Date shall be paid on the Effective Date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in the applicable class treatment or in Article VI of the Plan. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

6. Setoffs

The Debtor and the Reorganized Debtor may withhold (but not setoff except as set forth below) from the distributions called for under the Plan on account of any Allowed Claim an amount equal to any claims, equity interests, rights and Causes of Action of any nature that the Debtor or the Reorganized Debtor may hold against the Holder of any such Allowed Claim. In the event that any such claims, equity interests, rights and Causes of Action

of any nature that the Debtor or the Reorganized Debtor may hold against the Holder of any such Allowed Claim are adjudicated by Final Order or otherwise resolved, the Debtor may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), the amount of any adjudicated or resolved claims, equity interests, rights and Causes of Action of any nature that the Debtor or the Reorganized Debtor may hold against the Holder of any such Allowed Claim, but only to the extent of such adjudicated or resolved amount. Neither the failure to effect such a setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtor or the Reorganized Debtor of any such claims, equity interests, rights and Causes of Action that the Debtor or the Reorganized Debtor may possess against any such Holder, except as specifically provided in the Plan.

D. PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED AND DISPUTED CLAIMS

1. Resolution of Disputed Claims

(a) Allowance of Claims

After the Effective Date, the Reorganized Debtor or the Purchaser, as applicable, shall have and shall retain any and all rights and defenses that the Debtor had with respect to any Claim, except with respect to any Claim deemed Allowed under the Plan. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Case prior to the Effective Date (including, without limitation, the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code or the Bankruptcy Court has entered a Final Order, including, without limitation, the Confirmation Order, in the Chapter 11 Case allowing such Claim. All settled claims approved prior to the Effective Date pursuant to a Final Order of the Bankruptcy Court pursuant to Bankruptcy Rule 9019 or otherwise shall be binding on all parties, including the Debtor's settlement with Aevitas.

(b) Prosecution of Objection to Claims

After the Confirmation Date but before the Effective Date, the Debtor, and after the Effective Date until the Claims Objection Bar Date, the Reorganized Debtor or the Purchaser, as applicable, shall have the exclusive authority to File objections to Claims, settle, compromise, withdraw or litigate to judgment objections to any and all Claims, regardless of whether such Claims are in a Class or otherwise, except that pre-Effective Date, C-eourt-approved settlements shall be binding on all parties. From and after the Effective Date, the Reorganized Debtor or the Purchaser, as applicable, may settle or compromise any Disputed Claim without any further notice to or action, order or approval of the Bankruptcy Court. The Reorganized Debtor and the Purchaser, as applicable, shall have the sole authority to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order or approval of the Bankruptcy Court. With respect to all Tort Claims, an objection is deemed to have been Filed timely, thus making each such Claim a Disputed Claim as of the Claims Objection Bar Date. Each such Tort Claim shall remain a Disputed Claim unless and until it becomes an Allowed Claim.

(c) Claims Estimation

After the Confirmation Date, but before the Effective Date, the Debtor, and after the Effective Date, the Reorganized Debtor may, at any time, request that the Bankruptcy Court estimate: (i) any Disputed Claim pursuant to applicable law; and (ii) any contingent or unliquidated Claim pursuant to applicable law, including, without limitation, section 502(c) of the Bankruptcy Code, regardless of whether the Debtor or the Reorganized Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court shall retain jurisdiction under 28 U.S.C. §§ 157 and 1334 to estimate any Disputed Claim, contingent Claim or unliquidated Claim, including during the litigation concerning any objection to any Claim or during the pendency of any appeal relating to any such objection.

Notwithstanding anything in the Plan to the contrary, a Claim that has been expunged from the Claims Register but that is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at

zero dollars, unless otherwise ordered by the Bankruptcy Court.

(d) Expungement or Adjustment of Claims

Any Claim that has been paid, satisfied or superseded may be expunged on the Claims Register by the Reorganized Debtor, and any Claim that has been amended may be adjusted thereon by the Reorganized Debtor, in both cases without a claims objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court.

(e) Deadline to File Objections to Claims

Any objections to Claims shall be Filed no later than the Claims Objection Bar Date.

2. Disallowance of Claims

All Claims of any Entity from which property is sought by the Debtor or the Reorganized Debtor under section 542, 543, 550 or 553 of the Bankruptcy Code or that the Debtor or the Reorganized Debtor allege is a transferee of a transfer that is avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549 or 724(a) of the Bankruptcy Code shall be disallowed if (a) the Entity, on the one hand, and the Debtor or the Reorganized Debtor, on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turnover any property or monies under any of the aforementioned sections of the Bankruptcy Code and (b) such Entity or transferee has failed to turnover such property by the date set forth in such agreement or Final Order.

EXCEPT AS OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE CLAIMS BAR DATE SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER OR APPROVAL OF THE BANKRUPTCY COURT, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS SUCH LATE PROOF OF CLAIM IS DEEMED TIMELY FILED BY A BANKRUPTCY COURT ORDER ON OR BEFORE THE LATER OF (A) THE CONFIRMATION HEARING AND (B) 45 DAYS AFTER THE APPLICABLE CLAIMS BAR DATE.

3. Amendment to Claims

On or after the Effective Date, except as otherwise provided in the Plan, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtor, and, to the extent such prior authorization is not received, any such new or amended Claim Filed shall be deemed disallowed and expunged without any further notice to or action, order or approval of the Bankruptcy Court.

E. CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

1. Conditions Precedent to Confirmation

It shall be a condition to Confirmation of the Plan that all provisions, terms and conditions set forth in the Plan are approved in the Confirmation Order.

2. Conditions Precedent to Consummation

It shall be a condition to Consummation of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX of the Plan:

- The Plan and all Plan Supplement documents, if any, including any amendments, modifications or supplements thereto, shall be reasonably acceptable to the Debtor;
- The Confirmation Order shall have been entered and become a Final Order in a form and in

substance reasonably satisfactory to the Debtor. The Confirmation Order shall provide that, among other things, the Debtor or the Reorganized Debtor, as appropriate, are authorized and directed to take all actions necessary or appropriate to consummate the Plan, including, without limitation, entering into, implementing and consummating the contracts, instruments, releases, leases, indentures and other agreements or documents created in connection with or described in the Plan, including ~~the Liquidating Trust~~the transfer of the Development Property to the Purchaser, free and clear of encumbrances, including the Golf Course Agreement, but subject to the claim and lien of Aevitas;

- All documents and agreements necessary to implement the Plan shall have (a) been tendered for delivery and (b) been affected or executed. All conditions precedent all to such documents and agreements shall have been satisfied or waived pursuant to the terms of such documents or agreements;

- All actions, documents, certificates and agreements necessary to implement the Plan shall have been effected or executed and delivered to the required parties and, to the extent required, Filed with the applicable governmental units in accordance with applicable laws.

3. Waiver of Conditions

The conditions to Confirmation of the Plan and to Consummation of the Plan set forth in Article VIII of the Plan may be waived by the Debtor without notice, leave or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate the Plan.

4. Effect of Non-Occurrence of Conditions to Consummation

If the Consummation of the Plan does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (a) constitute a waiver or release of any claims by or Claims against or Equity Interests in the Debtor; (b) prejudice in any manner the rights of the Debtor, any Holders or any other Entity; or (c) constitute an admission, acknowledgment, offer or undertaking by the Debtor, any Holders or any other Entity in any respect.

F. SETTLEMENT, RELEASE AND RELATED PROVISIONS

1. Compromise and Settlement

Notwithstanding anything in the Plan to the contrary, the allowance, classification and treatment of all Allowed Claims and their respective distributions and treatments under the Plan takes into account and conforms to the relative priority and rights of the Claims and the Equity Interests in each Class in connection with any contractual, legal and equitable subordination rights relating thereto whether arising under general principles of equitable subordination, sections 510(b) and (c) of the Bankruptcy Code or otherwise. As of the Effective Date, any and all such rights described in the preceding sentence are settled, compromised and released pursuant to the Plan. The Confirmation Order will constitute the Bankruptcy Court's finding and determination that the settlements reflected in the Plan, including the Settlement with Aevitas are: (a) in the best interests of the Debtor, its estates and all Holders of Claims; (b) fair, equitable and reasonable; (c) made in good faith; and (d) approved by the Bankruptcy Court pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019.

In accordance with the provisions of the Plan and pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, without any further notice to or action, order or approval of the Bankruptcy Court, after the Effective Date (a) the Reorganized Debtor may, in its sole and absolute discretion, compromise and settle Claims against it and (b) the Reorganized Debtor may, in its sole and absolute discretion, compromise and settle Causes of Action against other Entities.

2. Preservation of Rights of Action

(a) Maintenance of Causes of Action

Except as otherwise provided in the Plan or Confirmation Order, after the Effective Date, the ~~Reorganized Debtor~~Purchaser shall retain all rights to commence, pursue, litigate or settle, as appropriate, any and all Causes of Action and avoidance actions, whether existing as of the Petition Date or thereafter arising, in any court or other tribunal including, without limitation, in an adversary proceeding Filed in the Chapter 11 Case.

(b) Preservation of All Causes of Action Not Expressly Settled or Released

Unless a Claim or Cause of Action against a Holder of a Claim or an Equity Interest or other Entity is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order (including, without limitation, the Confirmation Order and the ultimate order approving the Debtor's settlement with Aevitas), the Debtor expressly reserves such claim or Cause of Action for later adjudication by the ~~Debtor or the Reorganized Debtor~~Purchaser (including, without limitation, claims and Causes of Action not specifically identified or of which the Debtor may presently be unaware or which may arise or exist by reason of additional facts or circumstances unknown to the Debtor at this time or facts or circumstances that may change or be different from those the Debtor now believes to exist) and, therefore, no preclusion doctrine, including, without limitation, the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such claims or Causes of Action upon or after the Confirmation or Consummation of the Plan based on the Disclosure Statement, the Plan or the Confirmation Order, except where such claims or Causes of Action have been expressly released in the Plan or any other Final Order (including, without limitation, the Confirmation Order). In addition, the ~~Debtor and the Reorganized Debtor~~Purchaser expressly reserves the right to pursue or adopt any claims alleged in any lawsuit in which the Debtor is a plaintiff, defendant or an interested party, against any Entity, including, without limitation, the plaintiffs or codefendants in such lawsuits.

G. BINDING NATURE OF THE PLAN

THE PLAN SHALL BIND ALL HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTOR TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NOTWITHSTANDING WHETHER OR NOT SUCH HOLDER (A) WILL RECEIVE OR RETAIN ANY PROPERTY OR INTEREST IN PROPERTY UNDER THE PLAN, (B) HAS FILED A PROOF OF CLAIM OR INTEREST IN THE CHAPTER 11 CASE OR (C) FAILED TO VOTE TO ACCEPT OR REJECT THE PLAN OR VOTED TO REJECT THE PLAN.

IV. CONFIRMATION AND CONSUMMATION PROCEDURES

A. Solicitation of Votes

The process by which the Debtor will solicit votes to accept or reject the Plan is summarized in that certain Solicitation and Procedures Motion (the "**Procedures Motion**"), filed with the Court on _______, ~~2016~~2017, Docket No. ____. On ____________, 2017, this Court approved the Procedures Motion.

PLEASE REFER TO THE PROCEDURES MOTION FOR MORE INFORMATION REGARDING VOTING REQUIREMENTS TO ENSURE THAT VOTES ARE PROPERLY AND TIMELY SUBMITTED SUCH THAT THEY ARE COUNTED AS VOTES TO ACCEPT OR REJECT THE PLAN.

B. Confirmation Procedures

1. Confirmation Hearing

The Confirmation Hearing will commence at _________ prevailing Pacific Time on _____________, 2016.

The Plan Objection Deadline is 5:00 p.m., prevailing Pacific Time on ________________, 2017.

All Plan objections must be filed with the Bankruptcy Court and served on the Debtor and certain other parties in accordance with the Disclosure Statement Order on or before the Plan Objection Deadline.

THE BANKRUPTCY COURT WILL NOT CONSIDER PLAN OBJECTIONS UNLESS THEY ARE TIMELY SERVED AND FILED IN COMPLIANCE WITH THE DISCLOSURE STATEMENT ORDER.

2. Confirmation Hearing Notice

Following the Disclosure Statement Hearing, the Debtor will serve the Confirmation Hearing Notice on all of the Debtor's creditors, parties in interest and parties which have requested notice pursuant to Bankruptcy Rule 2002, which will contain, among other things, the Plan Objection Deadline, the Voting Deadline and the date that the Confirmation Hearing is scheduled to commence.

3. Filing Objections to the Plan

All objections, if any, must (a) be made in writing, (b) conform to the Bankruptcy Rules and the Local Rules and (c) be filed, contemporaneously with a proof of service, with the Bankruptcy Court and served so that they are **actually received** on or before the Plan Objection Deadline by each of the parties listed in the table below:

Name:	Contact Information:
Debtor's counsel	Schwartz Flansburg PLLC Attn: Samuel A. Schwartz, Esq. 6623 Las Vegas Blvd. South, Suite 300 Las Vegas, Nevada 89119 Fax: (702) 385-2741

C. STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements of section 1129 of the Bankruptcy Code. The Debtor believes that: (i) the Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code; (ii) it has complied or will have complied with all of the requirements of chapter 11 of the Bankruptcy Code; and (iii) the Plan has been proposed in good faith. Specifically, the Debtor believes that the Plan satisfies or will satisfy the applicable Confirmation requirements of section 1129 of the Bankruptcy Code set forth below:

- The Plan complies with the applicable provisions of the Bankruptcy Code.
  - The Debtor, as the Plan proponent, will have complied with the applicable provisions of the Bankruptcy Code.
  - The Plan has been proposed in good faith and not by any means forbidden by law.
  - Any payment made or promised under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Case, or in connection with the Plan and incident to the Chapter 11 Case, has been disclosed to the Bankruptcy Court, and any such payment: (a) made before the Confirmation of the Plan is reasonable; or (b) is subject to the approval of the Bankruptcy Court as reasonable, if it is to be fixed after Confirmation of the Plan.
  - Either each Holder of an Impaired Claim has accepted the Plan, or will receive or retain under the Plan on account of such Claim, property of a value, as of the Effective Date of the Plan, that is not less than the amount that such Holder would receive or retain if the Debtor was liquidated on that date under chapter 7 of the Bankruptcy Code, including pursuant to section 1129(b) of the Bankruptcy Code for Equity Interests deemed to reject the Plan.
  - Each Class of Claims that is entitled to vote on the Plan has either accepted the Plan or is not Impaired under the Plan, or the Plan can be confirmed without the approval of such voting Class pursuant to section 1129(b) of the Bankruptcy Code for Equity Interests deemed to reject the Plan.

- Except to the extent that the Holder of a particular Claim will agree to a different treatment of its Claim, the Plan provides that Administrative Claims and Other Priority Claims will be paid in full on the Effective Date, or as soon thereafter as is reasonably practicable.

- At least one Class of Impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in that Class.

- 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 successors thereto under the Plan.

- The Debtor has paid the required filing fees pursuant to 28 U.S.C. § 1930 to the clerk of the Bankruptcy Court.

- In addition to the filing fees paid to the clerk of the Bankruptcy Court, the Debtor will pay quarterly fees no later than the last day of the calendar month, following the calendar quarter for which the fee is owed in the Debtor's Chapter 11 Case for each quarter (including any fraction thereof), to the Office of the U.S. Trustee, until the case is converted or dismissed, whichever occurs first.

1. Best Interests of Creditors Test/Liquidation Analysis

Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provides, with respect to each class, that each holder of a claim or an equity interest in such class either (a) has accepted the plan or (b) will receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtor is liquidated under chapter 7 of the Bankruptcy Code. To make these findings, the bankruptcy court must: (a) estimate the Cash liquidation proceeds that a chapter 7 trustee would generate if the debtor's Chapter 11 Case was converted to a chapter 7 case and the assets of such debtor's estate were liquidated; (b) determine the liquidation distribution that each non-accepting holder of a claim or an equity interest would receive from such liquidation proceeds under the priority scheme dictated in chapter 7; and (c) compare such holder's liquidation distribution to the distribution under the plan that such holder would receive if the plan were confirmed. The Debtor's liquidation analysis is attached hereto as **Exhibit E**.

In chapter 7 cases, unsecured creditors and interest holders of a debtor are paid from available assets generally in the following order, with no junior class receiving any payments until all amounts due to senior classes have been paid fully or any such payment is provided for: (a) holders of secured claims (to the extent of the value of their collateral); (b) holders of priority claims; (c) holders of unsecured claims; (d) holders of debt expressly subordinated by its terms or by order of the bankruptcy court; and (e) holders of equity interests.

Accordingly, the Cash amount that would be available for satisfaction of Claims (other than Secured Claims) would consist of the proceeds resulting from the disposition of the unencumbered assets of the Debtor, augmented by the unencumbered Cash held by the Debtor at the time of the commencement of the liquidation. Such Cash would be reduced by the amount of the costs and expenses of the liquidation and by such additional administrative and priority claims that may result from termination of the Debtor's business and the use of chapter 7 for purposes of a liquidation.

The Debtor believes that confirmation of the Plan will provide each Holder of an Allowed Claim with a greater recovery than the value of any distributions if the Chapter 11 Case was converted to a case under chapter 7 of the Bankruptcy Code because, among other reasons, the Debtor does not own any significant, tangible assets which could be liquidated. Specifically, the Debtor's intended management of its Assets will pay all creditors in full. Additionally, in a chapter 7 liquidation, the Debtor would be subject to the fees and expenses of a chapter 7 trustee which would likely further reduce Cash available for distribution. In addition, distributions in chapter 7 cases may not occur for a longer period of time than distributions under the Plan, thereby reducing the present value of such distributions. In this regard, it is possible that distribution of the proceeds of a liquidation could be delayed for a significant period while the chapter 7 trustee and its advisors become knowledgeable about, among other

things, the Chapter 11 Case and the Claims against the Debtor. As set forth in the Liquidation Analysis, Holders of Class 2 Equity Interests would not receive any recovery under a chapter 7 liquidation, so the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code with respect to such Classes.

2. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that the Bankruptcy Court find that confirmation is not likely to be followed by the liquidation of the Reorganized Debtor or the need for further financial reorganization, unless the Plan contemplates such liquidation. For purposes of demonstrating that the Plan meets this "feasibility" standard, the Debtor has analyzed the ability of the Reorganized Debtor to meet its obligations under the Plan and to retain sufficient liquidity and capital resources to conduct its business.

The Debtor believes that the Plan meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code, as Confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Debtor or any successor under the Plan because the Debtor is reissuing the New Equity Interests to ~~its equity holder, Danny Modab~~the HOA, ~~whose experience and managerial skills will allow the Debtor to continue its business operations~~and selling the Development Property to the Purchaser, who will in turn sell it to DR Horton. In connection with the development of the Plan and for the purposes of determining whether the Plan satisfies this feasibility standard, the Debtor analyzed its ability to satisfy its financial obligations while maintaining sufficient liquidity and capital resources.

Accordingly, the Debtor believes that Confirmation and Consummation is, therefore, not likely to be followed by the liquidation or further reorganization of the Reorganized Debtor. Therefore, the Debtor believes that the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code.

3. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, that, except as described in the following section, each class of claims or equity interests that is impaired under a plan, accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. A class is "impaired" unless the plan: (a) leaves unaltered the legal, equitable and contractual rights to which the claim or the equity interest entitles the holder of such claim or equity interest; (b) cures any default and reinstates the original terms of such obligation; or (c) provides that, on the consummation date, the holder of such claim or equity interest receives Cash equal to the allowed amount of that claim or, with respect to any equity interest, any fixed liquidation preference to which the holder of such equity interest is entitled to any fixed price at which the debtor may redeem the security.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of claims in that class, but for that purpose counts only those who actually vote to accept or to reject the plan. Thus, a class of claims will have voted to accept the plan only if two-thirds in amount and a majority in number actually voting cast their ballots in favor of acceptance.

Claims in Classes 1, 2 3, 4, 5, 6 and 7 Impaired under the Plan, and as a result, the Holders of Claims in Class 1, 2, 3, 4, 5, 6 and 7 are entitled to vote to accept or reject the Plan. Class 8 is conclusively deemed to accept the Plan. Pursuant to section 1129 of the Bankruptcy Code, the Holders of Claims in the Voting Classes must accept the Plan for the Plan to be confirmed without application of the "fair and equitable test" to such Classes, and without considering whether the Plan "discriminates unfairly" with respect to such Classes, as both standards are described herein. As stated above, Classes of Claims will have accepted the Plan if the Plan is accepted by at least two-thirds in amount and a majority in number of the Claims of each such Class (other than any Claims of creditors designated under section 1126(e) of the Bankruptcy Code) that have voted to accept or reject the Plan.

4. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if all impaired classes entitled to vote on the plan have not accepted it, provided that the plan has been accepted by at least one

impaired class. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or deemed rejection of the plan, such plan will be confirmed, at the plan proponent's request, in a procedure commonly known as "cram down," so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

5. No Unfair Discrimination

This test applies to classes of claims or equity interests that are of equal priority and are receiving different treatment under the Plan. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (e.g., classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly, and, accordingly, a plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

6. Fair and Equitable Test

This test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in such class. As to the dissenting class, the test sets different standards depending on the type of claims or equity interests in such class:

- Secured Claims. The condition that a plan be "fair and equitable" to a non-accepting class of secured claims includes the requirements that: (a) the holders of such secured claims retain the liens securing such claims to the extent of the allowed amount of the claims, whether the property subject to the liens is retained by the debtor or transferred to another entity under the plan; and (b) each holder of a secured claim in the class receives deferred Cash payments totaling at least the allowed amount of such claim with a present value, as of the effective date of the plan, at least equivalent to the value of the secured claimant's interest in the debtor's property subject to the liens.

- Unsecured Claims. The condition that a plan be "fair and equitable" to a non-accepting class of unsecured claims includes the following requirement that either: (a) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (b) the holder of any claim or any equity interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or junior equity interest any property.

- Equity Interests. The condition that a plan be "fair and equitable" to a non-accepting class of equity interests includes the requirements that either:

    - the plan provides that each holder of an equity interest in that class receives or retains under the plan on account of that equity interest property of a value, as of the effective date of the plan, equal to the greater of: (a) the allowed amount of any fixed liquidation preference to which such holder is entitled; (b) any fixed redemption price to which such holder is entitled; or (c) the value of such interest; or

    - if the class does not receive the amount required in the paragraph directly above, no class of equity interests junior to the non-accepting class may receive a distribution under the plan.

The Debtor anticipates that it will seek Confirmation of the Plan under section 1129(b) of the Bankruptcy Code. To the extent that any of the Voting Classes vote to reject the Plan, the Debtor, however, reserves the right to seek (a) Confirmation of the Plan under section 1129(b) of the Bankruptcy Code and/or (b) modify the Plan in accordance with Article VIII.B. of the Plan.

The Debtor does not believe that the Plan discriminates unfairly against any Impaired Class of Claims or

Equity Interests. The Debtor believes that the Plan and the treatment of all Classes of Claims and Equity Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation of the Plan.

D. CONSUMMATION OF THE PLAN

The Plan will be consummated on the Effective Date. For a more detailed discussion of the conditions precedent to consummation of the Plan and the impact of failure to meet such conditions, see Article VIII of the Plan.

V. PLAN-RELATED RISK FACTORS

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, ALL HOLDERS OF CLAIMS THAT ARE IMPAIRED SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH HEREIN, AS WELL AS ALL OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT. ALTHOUGH THESE RISK FACTORS ARE MANY, THESE FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS PRESENT IN CONNECTION WITH THE DEBTOR'S BUSINESS OR THE PLAN AND ITS IMPLEMENTATION.

A. CERTAIN BANKRUPTCY LAW CONSIDERATIONS

1. Parties in Interest May Object to the Debtor's Classification of Claims and Equity Interests.

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtor believes that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtor created Classes of Claims and Equity Interests, each encompassing Claims or Equity Interests, as applicable, that are substantially similar to the other Claims and Equity Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

2. The Debtor May Fail to Satisfy the ~~Vote~~ Voting Requirement

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtor intends to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Debtor may seek to accomplish an alternative chapter 11 plan. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to the Holders of Allowed Claims as those proposed in the Plan.

3. The Debtor May Not Be Able to Secure Confirmation of the Plan

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, findings by the bankruptcy court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting Holders of Claims within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting Holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determined that the Disclosure Statement, the balloting procedures and voting results were appropriate, the Bankruptcy Court could still decline to confirm the Plan if it found that any of the statutory requirements for Confirmation had not been met, including the requirement that the terms of the Plan do not "unfairly discriminate" and are "fair and equitable" to non-accepting Classes.

Confirmation of the Plan is also subject to certain conditions as described in Article VIII of the Plan. If the Plan is not confirmed, it is unclear what distributions, if any, Holders of Allowed Claims would receive with respect to their Allowed Claims.

The Debtor, subject to the terms and conditions of the Plan, reserves the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in less favorable treatment of any non-accepting Class, as well as any Classes junior to such non-accepting Class, than the treatment currently provided in the Plan. Such less favorable treatment could include a distribution of property to the Class affected by the modification of a lesser value than currently provided in the Plan or no distribution of property whatsoever under the Plan.

4. Nonconsensual Confirmation of the Plan May be Necessary

In the event that any impaired class of claims or equity interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm such a plan at the proponents' request if at least one impaired class has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired classes. The Debtor believes that the Plan satisfies these requirements and the Debtor may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion.

5. The Debtor May Object to the Amount or Classification of a Claim

Except as otherwise provided in the Plan, the Debtor and Reorganized Debtor reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied on by any Holder of a Claim where such Claim is subject to an objection. Any Holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

6. Risk of Non-Occurrence of the Effective Date

Although the Debtor believes that the Effective Date may occur quickly after the Confirmation Date, there can be no assurance as to such timing, or as to whether the Effective Date will, in fact, occur.

7. Contingencies Will Not Affect Votes of Impaired Classes to Accept or Reject the Plan

The distributions available to Holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including, without limitation, whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims. The occurrence of any and all such contingencies, which could affect distributions available to Holders of Allowed Claims under the Plan, will not affect the validity of the vote taken by the Impaired Classes to accept or reject the Plan or require any sort of revote by the Impaired Classes.

B. RISK FACTORS THAT MAY AFFECT RECOVERIES UNDER THE PLAN

1. The Valuation of the Reorganized Debtor May Not Be Adopted by the Bankruptcy Court

The approximate value of the Debtor is negative due to the Debtor's inability to collect fair value for its assets. Parties in interest in this Chapter 11 Case may oppose Confirmation of the Plan by alleging that the equity value of the Reorganized Debtor is higher than the amounts projected by the Debtor at confirmation and that the Plan thereby improperly limits or extinguishes their rights to recoveries under the Plan. At the Confirmation Hearing, the Bankruptcy Court will hear evidence regarding the views of the Debtor and opposing parties, if any, with respect to the valuation of the Reorganized Debtor and the Purchaser. Based on that evidence, the Bankruptcy Court will determine the appropriate valuation for the Reorganized Debtor for purposes of the Plan.

2. The Reorganized Debtor May Not Be Able to Achieve Projected Financial Results or Finance All Operating Expenses, Working Capital Needs and Capital Expenditures

The Reorganized Debtor or the Purchaser may not be able to meet its projected financial results or achieve projected revenues and Cash flows assumed in projecting future business performance. To the extent the Reorganized Debtor or the Purchaser does not meet its projected financial results or achieve projected revenues and Cash flows, the Reorganized Debtor or the Purchaser may lack sufficient liquidity to continue operating as planned after the Effective Date, or may not be able to meet its operational needs. Any one of these failures may preclude the Reorganized Debtor or the Purchaser from, among other things, ~~maintaining and growing its business~~paying Holders of Allowed Claims. Further, a failure of the Reorganized Debtor or the Purchaser to meet its projected financial results or achieve projected revenues and Cash flows could lead to Cash flow and working capital constraints, which constraints may require the Reorganized Debtor or the Purchaser to seek additional working capital. The Reorganized Debtor or the Purchaser may not be able to obtain such working capital when it is required. Further, even if the Reorganized Debtor was able to obtain additional working capital, it may only be available on unreasonable terms. For example, the Reorganized Debtor or the Purchaser may be required to take on additional debt, the interest costs of which could adversely affect the results of operations and the financial condition of the Reorganized Debtor or the Purchaser. Although the Debtor's Financial Projections represent management's view based on current known facts and assumptions about the future operations of the Reorganized Debtor, there is no guarantee that the Financial Projections will be realized. Simply put, the Debtor expects that upon confirmation of the Plan, the Reorganized Debtor will be funded with the Homeowners Property, exit financing will be achieved to pay all other Allowed Claims, and upon the closing of the DR Horton Contract, the Payment to Homeowners will be funded. If exit financing is not attainable, or the DR Horton Contract does not close, the Debtor may not be able to fund the Plan.

C. RISK FACTORS THAT COULD NEGATIVELY IMPACT THE DEBTOR'S BUSINESS OR HOMEOWNERS

1. Prolonged Continuation of the Chapter 11 Case is Likely to Harm the Debtor's Asset Values

The prolonged continuation of this Chapter 11 Case is likely to adversely affect the Debtor's asset values~~.~~ ~~S~~, so long as the Chapter 11 Case continues. In addition, so long as the Chapter 11 Case continues, the Debtor will be required to incur costs for professional fees and other expenses associated with the proceedings. The prolonged continuation of the Chapter 11 Case may also require the Debtor to seek additional financing in order to service its obligations outside of the current financing already sought by the Debtor. It may not be possible for the Debtor to obtain additional financing during the pendency of the Chapter 11 Case on commercially favorable terms or at all. If the Debtor was to require additional financing during the Chapter 11 Case and was unable to obtain the financing on favorable terms or at all, it is unlikely the Debtor could successfully liquidate its assets.

2. Certain Tax Implications of the Debtor's Bankruptcy and Reorganization May Increase the Tax Liability of the Reorganized Debtor

Holders of Allowed Claims should carefully review Section VIII herein, "Certain U.S. Federal Tax Consequences of the Plan," to determine how the tax implications of the Plan and this Chapter 11 Case may adversely affect the Reorganized Debtor.

3. Risk to the Debtor and Homeowners in the Event the Case is Dismissed

The Debtor believes that, ~~I~~in the event the case is dismissed, there is risk to both the Debtor and the Homeowners. First, the Property would no longer be protected by the automatic stay of Section 362 of the Bankruptcy Code, and any of the Debtor's lien holders could seek to foreclose on the Property. Second, dismissal of the case would not further the return of golf course operations without a golf course operator and potential purchaser of the Property. If the case is dismissed without a resolution, it is also likely the Property will fall into further disrepair, as it does not have operations, income or reasonable prospects of operations and income in the future. Without operations and income, it is unclear when or if the Property would return to commercial use. Therefore, absent some resolution of this Chapter 11 Case, the value of the Silverstone homes may not increase at levels

enjoyed by other parts of the Las Vegas valley until the Property is put to an appropriate use. The HOA disputes the Debtor's contentions.

D. DISCLOSURE STATEMENT DISCLAIMERS

1. The Information Contained Herein Is for Soliciting Votes Only

The information contained in this Disclosure Statement is for purposes of soliciting acceptances of the Plan and may not be relied upon for any other purpose.

2. This Disclosure Statement Was Not Approved by the Securities and Exchange Commission

This Disclosure Statement has not been filed with the Commission or any state regulatory authority. Neither the Commission nor any state regulatory authority has passed upon the accuracy or adequacy of this Disclosure Statement, or the exhibits or the statements contained herein, and any representation to the contrary is unlawful.

3. The Disclosure Statement Contains Forward Looking Statements

This Disclosure Statement contains "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward looking terminology such as "may," "expect," "anticipate," "estimate" or "continue" or the negative thereof or other variations thereon or comparable terminology. The reader is cautioned that all forward looking statements are necessarily speculative and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward looking statements. The liquidation analysis, distribution projections and other information contained herein and attached hereto are estimates only, and the timing and amount of actual distributions to Holders of Allowed Claims may be affected by many factors that cannot be predicted. Therefore, any analyses, estimates or recovery projections may or may not turn out to be accurate.

4. No Legal or Tax Advice is Provided to You by this Disclosure Statement

This Disclosure Statement is not legal advice to you. The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each Holder of a Claim or an Equity Interest should consult his or her own legal counsel and accountant with regard to any legal, tax and other matters concerning his or her Claim or Equity Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to Confirmation of the Plan.

5. No Admissions Are Made by this Disclosure Statement

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any Entity (including, without limitation, the Debtor) nor (b) be deemed evidence of the tax or other legal effects of the Plan on the Debtor, the Reorganized Debtor, Holders of Allowed Claims or Equity Interest or any other parties in interest.

6. No Reliance Should be Placed on any Failure to Identify Litigation Claims or Projected Objections

No reliance should be placed on the fact that a particular litigation claim or projected objection to a particular Claim or Equity Interest is, or is not, identified in this Disclosure Statement. The Debtor or the Reorganized Debtor may seek to investigate, File and prosecute Claims and Equity Interest and may object to Claims after the Confirmation or Effective Date of the Plan irrespective of whether the Disclosure Statement identifies such Claims or Objections to Claims.

7. Nothing Herein Constitutes a Waiver of any Rights to Object to Claims or Recover Transfers and Assets

The vote by a Holder of an Allowed Claim for or against the Plan does not constitute a waiver or release of any Claims or rights of the Debtor or the Reorganized Debtor (or any party in interest, as the case may be) to object to that Holder's Allowed Claim, or recover any preferential, fraudulent or other voidable transfer or assets, regardless of whether any Claims or Causes of Action of the Debtor or its Estate are specifically or generally identified herein.

8. The Information Used Herein Was Provided to the Debtor and Was Relied Upon by the Debtor's Advisors

Counsel to the Debtor has relied upon information provided by the Debtor in connection with the preparation of this Disclosure Statement. Although counsel to the Debtor has performed certain limited due diligence in connection with the preparation of this Disclosure Statement, it has not verified independently the information contained herein.

9. The Potential Exists for Inaccuracies, and the Debtor has no Duty to Update

The statements contained in this Disclosure Statement are made by the Debtor as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has not been a change in the information set forth herein since that date. While the Debtor has used its reasonable business judgment to ensure the accuracy of all of the information provided in this Disclosure Statement and in the Plan, the Debtor, nonetheless cannot, and does not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Further, although the Debtor may subsequently update the information in this Disclosure Statement, the Debtor has no affirmative duty to do so unless ordered to do so by the Bankruptcy Court.

10. No Representations Made Outside of the Disclosure Statement Are Authorized

No representations concerning or relating to the Debtor, the Chapter 11 Case or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement, should not be relied upon by you in arriving at your decision. You should promptly report unauthorized representations or inducements to the counsel to the Debtor, and the United States Trustee.

VI. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. Liquidation Under Chapter 7 of the Bankruptcy Code

If no chapter 11 plan can be confirmed, the Chapter 11 Case may be converted to a case under chapter 7 of the Bankruptcy Code in which case, a trustee would be elected or appointed to liquidate the Debtor's assets. A discussion of the effect that a chapter 7 liquidation would have on the recovery of holders of Claims is set forth in Section V.C. herein, titled "Statutory Requirements for Confirmation of the Plan." In performing the liquidation analysis, the Debtor has assumed that all Holders of Claims will be determined to have "claims" that are entitled to share in the proceeds from any such liquidation. The Debtor believes that liquidation under chapter 7 would result in (i) smaller distributions being made to creditors than those provided for in the Plan because of the additional administrative expenses involved in the appointment of a trustee and attorneys and other professionals to assist such trustee, (ii) smaller distributions being made to creditors than those provided in the Plan because the Debtor's only real assets consist of the Receivables and the Medical Services, neither of which have any value in a liquidation, (iii) additional expenses and claims, some of which would be entitled to priority, which would be generated during the liquidation and from the rejection of unexpired leases and executory contracts in connection with the cessation of the Debtor's operations, and (iv) the failure to realize the greater, going-concern value of all of the Debtor's assets.

B. Filing of an Alternative Plan of Reorganization

If the Plan is not confirmed, the Debtor or any other party in interest could attempt to formulate a different plan of reorganization. Such a plan might involve either a reorganization and continuation of the Debtor's business or an orderly liquidation of their assets. During the negotiations prior to the filing of the Plan, the Debtor explored various alternatives to the Plan.

The Debtor believes that the Plan enables the Debtor to emerge from chapter 11 successfully and expeditiously, preserves its business and allows creditors to realize the highest recoveries under the circumstances. In a liquidation under chapter 11 of the Bankruptcy Code, the assets of the Debtor would be sold in an orderly fashion over a more extended period of time than in a liquidation under chapter 7, and a trustee need not be appointed. Although the administrative costs associated with a chapter 11 liquidation are less than the costs associated with a chapter 7 liquidation, the fact still remains that the Debtor does not own any assets that have any value separate and apart from its business. Thus, although creditors would normally receive greater recoveries in a chapter 11 liquidation than in a chapter 7 liquidation, in the present case, creditors would receive little, if any recoveries in either instance. The Debtor believes that a liquidation under chapter 11 is a much less attractive alternative to creditors than the Plan because the Plan provides for a greater return to creditors.

VII. RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall, after the Effective Date, retain such jurisdiction over the Chapter 11 Case and all Entities with respect to all matters related to the Chapter 11 Case, the Debtor and the Plan as legally permissible, including, without limitation, jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim, including, without limitation, the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the allowance or priority of any Claim;

grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan, for periods ending on or before the Confirmation Date;

resolve any matters related to the assumption, assignment or rejection of any Executory Contract or Unexpired Lease to which the Debtor is party or with respect to which the Debtor, the Purchaser or the Reorganized Debtor may be liable and to adjudicate and, if necessary, liquidate, any Claims arising therefrom, including, without limitation, those matters related to any amendment to the Plan after the Effective Date to add Executory Contracts or Unexpired Leases to the list of Executory Contracts and Unexpired Leases to be assumed;

resolve any issues related to any matters adjudicated in the Chapter 11 Case;

ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

decide or resolve any motions, adversary proceedings, contested or litigated matters and any other Causes of Action that are pending as of the Effective Date or that may be commenced in the future, and grant or deny any applications involving the Debtor that may be pending on the Effective Date or instituted by the Purchaser or the Reorganized Debtor after the Effective Date, *provided* that the Purchaser or the Reorganized Debtor or creditors such as the Class 2 secured creditor, as applicable, shall reserve the right to commence actions in all appropriate forums and jurisdictions;

enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all other contracts, instruments, releases, indentures and other agreements or documents adopted in connection with the Plan, the Plan Supplement or the Disclosure Statement;

resolve any cases, controversies, suits or disputes that may arise in connection with the Consummation, interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

hear and determine all Causes of Action that are pending as of the Effective Date or that may be commenced in the future;

issue injunctions and enforce them, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan, except as otherwise provided in the Plan;

enforce Article X.A. and X.B. of the Plan;

resolve any cases, controversies, suits or disputes with respect to the Exculpation and other provisions contained in Article IX of the Plan and enter such orders or take such others actions as may be necessary or appropriate to implement or enforce all such injunctions and other provisions;

enter and implement such orders or take such others actions as may be necessary or appropriate if the Confirmation Order is modified, stayed, reversed, revoked or vacated;

resolve any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document adopted in connection with the Plan or the Disclosure Statement; and

enter an order concluding the Chapter 11 Case.

VIII. CERTAIN NEVADA AND U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The sale of the Redevelopment Property to DR Horton will cause tax consequences under Nevada law. The assessment below is simply an assessment of the possible tax consequences of the sale of the Redevelopment Property to DR Horton and conversion from golf course use to residential use. The actual taxable valuations, assessments, tax rates and computation of tax will be determined by the Clark County Taxing Authority (the "**CCTA**") after the actual conversion of use of the Residential Property. **ACCORDINGLY, THE TAX CALCULATIONS BELOW ARE ESTIMATES ONLY, AND ARE ONLY PROVIDED TO DISCLOSE INFORMATION AND POTENTIAL TAX CONSEQUENCES WITH RESPECT TO THE DEBTOR'S PLAN, AND SHALL NOT BE CONSTRUED TO BE AN ADMISSION OF TAX LIABILITY OR WAIVER OF RIGHTS.**

In Nevada, land designated for agricultural use, open space or golf course use enjoys the privilege of paying lower real property taxes, where the actual property tax is deferred. Under Nevada law, land used as a golf course cannot have an assessed value of more than $2,860 per acre multiplied by 1 plus the percentage change in the Consumer Price Index for July 1 of the current year as compared to July 1, 2004. See NRS 361A.225. As set forth in the proof of claim for the CCTA, Claim No. 38, for the fiscal year 2015-2016, the CCTA assigned each acre of the Property an assessed value of $3,500 per acre, and a taxable value of $10,000 per acre. For example, for Assessor's Parcel No. 125-10-110-009, which consists of 19.20 acres of the Property, the CCTA assigned an assessed valuation of $67,200, or $3,500 per acre ($67,200/19.20 = $3,500), resulting in a total fiscal year tax of $2,202.95, or $114.74 per acre ($2,202.95/19.2 = $114.74). See Claim No. 38, Part 2.

Under Nevada law, when golf course property is converted to a higher and better use, taxes are assessed against those portions of the property converted to the higher use for the following fiscal year, plus deferred taxes must be paid for the previous 6 years at the higher taxable value. Specifically, NRS 261A.280 states as follows:

NRS 361A.280 **Payment of deferred tax when property converted to higher use.** If the county assessor is notified or otherwise becomes aware that a parcel or any portion of a parcel of real property which has received agricultural or open-space use assessment has been converted to a higher use, the county assessor shall add to the tax extended against that portion of the property on the next property tax statement the deferred tax, which is the difference between the taxes that would have been paid or payable on the basis of the agricultural or open-space use valuation and the taxes which would have been paid or payable on the basis of the taxable value calculated pursuant to ~~NRS 361A.277~~NRS 361A.277 for each year in which agricultural or open-space use assessment was in effect for the property during the fiscal year in which the property ceased to be used exclusively for agricultural use or

approved open-space use and the preceding 6 fiscal years. The county assessor shall assess the property pursuant to ~~NRS 361.227~~NRS 361.227 for the next fiscal year following the date of conversion to a higher use.

As a result, the sale of the Redevelopment Property to DR Horton may result in additional tax liability from the CCTA, requiring the payment of deferred tax of the difference between the lower taxes paid per acre over the previous 6 years and the higher taxable value of the Redevelopment Property. While the CCTA has not determined the higher taxable value for the Redevelopment Property, if the CCTA uses the actual sale price per acre as the taxable value, or $267,969 per acre ($17,150,000/64), the new assessed value per acre (per NRS 361.225 assessed value is 35% of taxable value) will be $93,789.15 ($267,966 x 0.35). Using the tax rate in CCTA's proof of claim, or 3.2782%, the annual tax per acre will be $3,074.60 ($93,789.15 x. 032782).

Accordingly, this difference of annual tax per acre for the Redevelopment Property is $2,959.86 ($3,074.60 less $114.74). As the Redevelopment Property is 64 acres, the deferred taxes per year may be approximately $189,431.04 ($2,959.86 x 64), resulting in a possible tax liability $1,136,586.20 of deferred tax from the previous 6 years ($189,431.04 x 6) as required by NRS 361A.280.

IRS CIRCULAR 230 DISCLOSURE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS, ANY TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE IRC. TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THE DISCLOSURE STATEMENT. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A. Certain Federal Income Tax Consequences of the Plan

The following discussion is a summary of certain U.S. federal income tax consequences of the consummation of the Plan to Holders of Allowed Claims. This summary is based on the Internal Revenue Code (the "**IRC**"), the U.S. Treasury Regulations promulgated thereunder, judicial authorities, published administrative positions of the Internal Revenue Service (the "**IRS**") and other applicable authorities, all as in effect on the date of this Disclosure Statement and all of which are subject to change or differing interpretations, possibly with retroactive effect. No rulings or determinations of the IRS or any other taxing authorities have been sought or obtained with respect to the tax consequences discussed herein, and the discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This discussion is for general information only and does not purport to address all aspects of U.S. federal income taxation that may be relevant to Holders of Claims in light of their personal circumstances, nor does the discussion deal with tax issues with respect to taxpayers subject to special treatment under the U.S. federal income tax laws (including, for example, banks, governmental authorities or agencies, pass-through entities, brokers and dealers in securities, insurance companies, financial institutions, tax-exempt organizations, small business investment companies or regulated investment companies). This discussion only addresses the tax consequences to Holders of Claims who have held such Claims as capital assets within the meaning of the IRC. No aspect of foreign, state, local or estate and gift taxation is addressed.

Importantly, the Debtor anticipates that the Restructuring Transactions will be exempt from taxation pursuant to Section 1146 of the Bankruptcy Code. Accordingly, except as indicated above, little or no tax liability will accrue if the Plan is confirmed. The HOA disputes the Debtor's contentions and believes capital gains taxes, which turn on the profitability of the underlying transaction, are not included in Section 1146(a) of the Bankruptcy Code. As a result, the HOA believes that there will be significant capital gains liability owed by the Reorganized Debtor upon a transfer of the Property to the Purchaser.

THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX

CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF AN ALLOWED CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL AND NON-UNITED STATES TAX CONSEQUENCES OF THE PLAN.

B. In General

The U.S. federal income tax consequences of the distributions contemplated by the Plan to Holders of Claims will depend upon a number of factors. The character and amount of income, gain or loss recognized as a consequence of the Plan and the distributions provided thereby will depend upon, among other things, (i) the manner in which a Holder acquired a Claim, (ii) the length of time the Claim has been Held, (iii) whether the Claim was acquired at a discount, (iv) whether the Holder has taken a bad debt deduction with respect to the Claim (or any portion thereof) in the current or prior years, (v) whether the Holder has previously included in income accrued but unpaid interest with respect to the Claim (vi) the method of tax accounting of the Holder, and (vii) whether the Claim is an installment obligation for U.S. federal income tax purposes.

For purposes of the following discussion, a "U.S. Holder" is any person (i) who is a citizen resident of the United States; (ii) that is a corporation or partnership created or organized in or under the laws of the United States or any state thereof of the District of Columbia; (iii) that is an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) that is a trust (a) the administration over which a United States person can exercise primary supervision and all of the substantial decisions of which one or more United States persons have the authority to control or (b) that has elected to continue to be treated as United States person for U.S. federal income tax purposes. A "Non-U.S. Holder" is any person that is not U.S. Holder. In the case of a partnership, the tax treatment of its partners will depend on the status of the partner and the activities of the partnership. Holders who are partnerships or partners in a partnership should consult their tax advisors.

Certain Holders of Claims (such as foreign persons, S corporations, regulated investment companies, insurance companies, financial institutions, small business investment companies, broker-dealers, and tax exempt organizations) may be subject to special rules not addressed in this summary of the U.S. federal tax consequences. There also may be state, local and/or foreign income or other tax considerations or U.S. federal estate and gift tax consideration applicable to Holders of Claims, which are not addressed herein. EACH HOLDER OF A CLAIM OR EQUITY INTEREST AFFECTED BY THE PLAN IS STRONGLY URGED TO CONSULT ITS TAX ADVISOR WITH RESPECT TO DISTRIBUTIONS RECEIVED UNDER THE PLAN.

C. U.S. Holders of Claims

A U.S. Holder should generally recognize capital gain or loss for U.S. income tax purposes in an amount equal to the difference between the amount of Cash (and other consideration received) under the Plan in respect of such Holder's Claim and the Holder's adjusted tax basis in the Claim. However, to the extent a U.S. Holder received any Cash (or other consideration) in satisfaction of any accrued and unpaid interest, such Holder may recognize ordinary income or loss to the extent that such Cash (or other consideration) is allocable to the accrued and unpaid interest, unless such Holder has previously included the accrued interest in such Holder's taxable income.

D. Non-U.S. Holders of Claims

A Non-U.S. Holder of a Claim generally will not be subject to the U.S. federal income tax with respect to any income or gain recognized upon the exchange of such Holder's Claim with Cash (or other property) pursuant to the Plan, unless (i) such Holder is engaged in a trade or business in the United States to which income, gain from the exchange is "effective connected" for U.S. federal income tax purposes, or (ii) if such Holder is an individual, such Holder is present in the United States for 183 days or more during the taxable year of the exchange and certain other requirements are met. To the extent any cash (or other consideration) is distributed for accrued and unpaid interest, however, a Non-U.S. Holder may be subject to U.S. withholding taxes at (30%) unless such Holder is qualified for the so-called "portfolio interest exemption" or eligible to claim a reduction or exemption under any applicable treaty and complies with certain required certification procedures.

E. Importance of Obtaining Professional Tax Assistance

The U.S. federal income tax consequences to a Holder other than a Holder receiving Cash (or other property) in satisfaction of such Holder's Claim may be different from the tax consequences described above. Holders of each such Claim should consult their tax advisers regarding potential federal income tax consequences.

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN INCOME TAX CONSEQUENCES OF THE PLAN AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A CLAIM HOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, CLAIM HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE U.S., STATE AND LOCAL, AND APPLICABLE FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

IX. Glossary of Defined Terms

For purposes herein: (a) in the appropriate context, each term, whether stated in the singular or the plural, will include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender will include the masculine, feminine and the neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document will be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document or exhibit having been filed or to be filed will mean that document or exhibit, as it may thereafter be amended, modified or supplemented; (d) unless otherwise specified, all references herein to "Sections" are references to Sections hereof or hereto; (e) unless otherwise stated, the words ''herein,'' "hereof" and ''hereto'' refer to the Disclosure Statement in its entirety rather than to a particular portion of the Disclosure Statement; (f) captions and headings to Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (g) the rules of construction set forth in section 102 of the Bankruptcy Code will apply; and (h) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules will have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

Unless the context otherwise requires, the following terms will have the following meanings when used in capitalized form herein:

2. "*Accrued Professional Compensation*" means, at any given moment, all accrued, contingent and/or unpaid fees and expenses (including, without limitation, success fees and Allowed Professional Compensation) for legal, financial advisory, accounting and other services and reimbursement of expenses that are awardable and allowable under sections 328, 330(a) or 331 of the Bankruptcy Code or otherwise rendered allowable prior to the Confirmation Date by any Retained Professionals in the Chapter 11 Case, that the Bankruptcy Court has not denied by a Final Order, to the extent that any such fees and expenses have not been previously paid regardless of whether a fee application has been Filed for any such amount. To the extent that the Bankruptcy Court or any higher court denies or reduces by a Final Order any amount of a Retained Professional's fees, then those reduced or denied amounts shall no longer constitute Accrued Professional Compensation.

"*Administrative Claim*" means any Claim for costs and expenses of administration of the Estate under sections 503(b), 507(b) or 1114(e)(2) of the Bankruptcy Code (excluding claims under section 503(b)(9) of the Bankruptcy Code), including, without limitation: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estate and operating the business of the Debtor; (b) Allowed Professional Compensation; and (c) all fees and charges assessed against the Estate under chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1911-1930. Administrative Claims do not include Secured Claims, which are separately treated under the Plan.

"*Affiliate*" has the meaning set forth at section 101(2) of the Bankruptcy Code.

"*Allowed*" means, with respect to Claims: (a) any Claim, proof of which is timely Filed by the applicable Claims Bar Date (or which by the Bankruptcy Code or Final Order is not or shall not be required to be Filed);

(b) any Claim that is listed in the Schedules as of the Effective Date as not contingent, not unliquidated and not disputed, and for which no Proof of Claim has been timely Filed; or (c) any Claim Allowed pursuant to the Plan; provided, however, that with respect to any Claim described in clause (a) above, such Claim shall be considered Allowed only if and to the extent that with respect to any Claim no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court or such an objection is so interposed and the Claim shall have been Allowed for distribution purposes only by a Final Order. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated or disputed, and for which no Proof of Claim has been timely Filed, is not considered Allowed and shall be expunged without further action by the Debtor or the Reorganized Debtor and without any further notice to or action, order or approval of the Bankruptcy Court.

"*Allowed Professional Compensation*" means all Accrued Professional Compensation allowed or awarded by a Final Order of the Bankruptcy Court or any other court of competent jurisdiction.

"*Assets*" means all of the Debtor's right, title and interest of any nature in property, wherever located, as specified in section 541 of the Bankruptcy Code, and as may be listed (or amended) in the Schedules of Assets filed by the Debtor.

"*Avoidance Actions*" means any and all claims and causes of action which the Debtor, the debtor in possession, the Estate, or other appropriate party in interest has asserted or may assert under sections 502, 510, 542, 544, 545, or 547 through 553 of the Bankruptcy Code or under similar or related state or federal statutes and common law, including fraudulent transfer laws.

"*Ballots*" means the ballots accompanying the Disclosure Statement upon which certain Holders of Impaired Claims (modified, as necessary, based on voting party in accordance with the Disclosure Statement Order) entitled to vote shall, among other things, indicate their acceptance or rejection of the Plan in accordance with the Plan and the procedures governing the solicitation process, and which must be actually received on or before the Voting Deadline.

"*Bankruptcy Code*" means Chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101-1532, as amended and applicable to the Chapter 11 Case.

"*Bankruptcy Court*" means the United States Bankruptcy Court for the District of Nevada, having jurisdiction over the Chapter 11 Case and, to the extent of the withdrawal of any reference under section 157 of title 28 of the United States Code and/or the Order of the United States District Court for the District of Nevada pursuant to section 157(a) of title 28 of the United States Code, the United States District Court for the District of Nevada.

"*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Case, promulgated under 28 U.S.C. § 2075 and the general, local and chambers rules of the Bankruptcy Court.

"*Business Day*" means any day, other than a Saturday, Sunday or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

"*Cash*" means the legal tender of the United States of America or the equivalent thereof.

"*Causes of Action*" means all actions, causes of action (including Avoidance Actions), Claims, liabilities, obligations, rights, suits, debts, damages, judgments, remedies, demands, setoffs, defenses, recoupments, cross claims, counterclaims, third-party claims, indemnity claims, contribution claims or any other claims disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Chapter 11 Case, including through the Effective Date.

"*Chapter 11 Case*" means the Chapter 11 case pending for the Debtor under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court.

"*Claim*" means any claim against a Debtor as defined in section 101(5) of the Bankruptcy Code.

"*Claims Bar Date*" means, as applicable, (a) July 27, 2016, (b) the Governmental Bar Date or (c) such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court for Filing such Claims.

"*Claims Objection Bar Date*" means, for each Claim, the later of (a) 180 days after the Effective Date and (b) such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court for objecting to such Claims; *provided, however*, that in no event shall the Claims Objection Bar Date be greater than 120 days after the Effective Date with respect to any General Unsecured Claim in Class 5.

"*Claims Register*" means the official register of Claims maintained by Bankruptcy Court.

"*Class*" means a category of Holders of Claims or Equity Interests as set forth in Article III hereof pursuant to section 1122(a) of the Bankruptcy Code.

"*Commencement Date*" means December 18, 2015, the date on which the Debtor commenced the Chapter 11 Case.

"*Commission*" means the U.S. Securities and Exchange Commission.

"*Confirmation*" means the entry of the Confirmation Order on the docket of the Chapter 11 Case, subject to all conditions specified in Article VIII of the Plan having been: (a) satisfied; or (b) waived pursuant to Article VIII of the Plan.

"*Confirmation Date*" means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Case, within the meaning of Bankruptcy Rules 5003 and 9021.

"*Confirmation Hearing*" means the hearing held by the Bankruptcy Court on Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be continued from time to time.

"*Confirmation Hearing Notice*" means that certain notice of Confirmation Hearing approved by the Disclosure Statement Order.

"*Confirmation Order*" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

"*Consummation*" means the occurrence of the Effective Date.

"*Creditor*" means a Holder of a Claim.

"*Cure Claim*" means a Claim based upon the Debtor's defaults on an Executory Contract or Unexpired Lease at the time such contract or lease is assumed by the Debtor under sections 365 or 1123 of the Bankruptcy Code.

"*Debtor*" means Stoneridge Parkway, LLC, in its individual capacity as a debtor in this Chapter 11 Case.

"*Debtor in Possession*" means the Debtor, as debtor in possession in this Chapter 11 Case.

"*Disclosure Statement*" means the *Disclosure Statement for the Plan of Reorganization of Stoneridge Parkway, LLC Under Chapter 11 of the Bankruptcy Code*, as amended, supplemented or modified from time to time, including all exhibits and schedules thereto and references therein that relate to the Plan, that is prepared and distributed in accordance with the Bankruptcy Code, Bankruptcy Rules and any other applicable law.

"*Disclosure Statement Motion*" means that certain *Motion for Order (A) Approving the Disclosure Statement, (B) Establishing the Record Date, Voting Deadline, and Other Dates, (C) Approving Procedures for*

Soliciting, Receiving and Tabulating Votes on the Plan and for Filing Objections to the Plan and (D) Approving the Manner and Forms of Notice and Other Related Documents, filed with the Bankruptcy Court on _________, 2016, as the Motion may be amended from time to time.

"*Disclosure Statement Order*" means that certain *Order (A) Approving the Disclosure Statement, (B) Establishing the Record Date, Voting Deadline, and Other Dates, (C) Approving Procedures for Soliciting, Receiving and Tabulating Votes on the Plan and for Filing Objections to the Plan and (D) Approving the Manner and Forms of Notice and Other Related Documents,* approved by the Bankruptcy Court on ________, 2016, as the order may be amended from time to time.

"*Disputed Claim*" means, with respect to any Claim, any Claim that is not yet Allowed.

"*Distribution Agent*" means the Debtor any distribution agent to be approved and retained by the Debtor.

"*Distribution Record Date*" means the date for determining which Holders of Claims are eligible to receive distributions hereunder and shall be the Voting Deadline or such other date as designated in an order of the Bankruptcy Court.

"*Effective Date*" means the day that is the first Business Day after the Confirmation Date on which: (a) no stay of the Confirmation Order is in effect; and (b) all conditions specified in Article IX of the Plan have been: (i) satisfied; or (ii) waived pursuant to Article IX of the Plan.

"*Entity*" means an entity as defined in section 101(15) of the Bankruptcy Code.

"*Equity Interest*" means any membership interest or other instrument evidencing an ownership interest in the Debtor, whether or not transferable, and any option, warrant or right, contractual or otherwise, to acquire any such interest in the Debtor that existed immediately prior to the Effective Date.

"*Estate*" means the estate created for the Debtor in the Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

"*Exchange Act*" means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, or any similar federal, state or local law.

"*Executory Contract*" means a contract to which the Debtor is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

"*Fee Claim*" means a Claim under sections 328, 330(a), 331, 363, 503 or 1103 of the Bankruptcy Code for Accrued Professional Compensation.

"*File*" or "*Filed*" means file, filed or filing with the Bankruptcy Court or its authorized designee in this Chapter 11 Case.

"*Final Order*" means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction with respect to the subject matter, as entered on the docket in the Chapter 11 Case or the docket of any court of competent jurisdiction, that has not been reversed, stayed, modified or amended, and as to which the time to appeal, or seek certiorari or move for a new trial, reargument or rehearing has expired and no appeal or petition for certiorari or other proceedings for a new trial, reargument or rehearing been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been timely Filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument or rehearing shall have been denied, resulted in no modification of such order or has otherwise been dismissed with prejudice.

"*General Unsecured Claim*" means: (i) a Class ~~5~~ 7 General Unsecured Claim; and (ii) any unsecured Claim against any Debtor that is not: (a) an Administrative Claim, (b) a Priority Tax Claim, (c) a Priority Non-Tax Claim, or (d) a Secured Claim.

"*Governmental Bar Date*" means June 15, 2016.

"*Holder*" means an Entity holding a Claim or an Equity Interest.

"*Impaired*" means any Claims in an Impaired Class.

"*Impaired Class*" means an impaired Class within the meaning of section 1124 of the Bankruptcy Code.

"*Initial Distribution Date*" means the date that is as soon as practicable after the Effective Date, but no later than thirty (30) days after the Effective Date, when distributions under the Plan shall commence.

"*New Equity Interests*" means the equity in Reorganized Debtor to be authorized, issued or reserved on the Effective Date pursuant to the Plan, which shall constitute all of the direct or indirect equity of the Reorganized Debtor.

"*Periodic Distribution Date*" means the first Business Day that is as soon as reasonably practicable occurring no later than thirty (30) days after the Initial Distribution Date, and for the first eight (8) months thereafter, the first Business Day that is as soon as reasonably practicable occurring no later than thirty (30) days after the immediately preceding Periodic Distribution Date. After eight (8) months thereafter, the Periodic Distribution Date will occur on the first Business Day that is as soon as reasonably practicable occurring approximately sixty (60) days after the immediately preceding Periodic Distribution Date.

"*Person*" means a person as defined in section 101(41) of the Bankruptcy Code.

"*Petition Date*" means December 18, 2015, the date on which the Debtor commenced the Chapter 11 Case.

"*Plan*" means the ~~*First*~~ *Fourth Amended Plan of Reorganization of Stoneridge Parkway, LLC Under Chapter 11 of the Bankruptcy Code* dated June 22, 2016, as amended, supplemented or modified from time to time, including, without limitation, the Plan Supplement, which is incorporated therein by reference.

"*Plan Supplement*" means, collectively, the compilation of documents and forms of documents, and all exhibits, attachments, schedules, agreements, documents and instruments referred to therein, ancillary or otherwise, all of which are incorporated by reference into, and are an integral part of, the Plan, as all of the same may be amended, modified, replaced and/or supplemented from time to time in accordance with the terms hereof and the Bankruptcy Code and the Bankruptcy Rules. Examples of documents referenced in this definition include amendments, modifications or changes to the DR Horton Contract, its related site plan, the Development Property, Homeowners Property, the Homeowners Payment, financial data made available to the Debtor, or other similar information. The Debtor intends to make all documents added to the Plan Supplement available to all parties-in-interest electronically, as soon as the same are available.

"*Priority Non-Tax Claim*" means any Claim accorded priority in right of payment pursuant to section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim or an Administrative Claim.

"*Priority Tax Claim*" means any Claim of a governmental unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

"*Proof of Claim*" means a proof of Claim Filed against the Debtor in the Chapter 11 Case.

"*Proof of Interest*" means proof of Equity Interest filed against the Debtor in the Chapter 11 Case.

"*Pro Rata*" means the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class, or the proportion that Allowed Claims in a particular Class bear to the aggregate amount of Allowed Claims in a particular Class and other Classes entitled to share in the same recovery as such Allowed Claim under the Plan.

"*Record Date*" means the close of business on July 27, 2016, the date of the Governmental Bar Date.

"*Reorganized Debtor* means the Debtor, or any successor thereto, by merger, consolidation or otherwise, on or after the Effective Date.

"*Retained Professional*" means any Entity: (a) employed in this Chapter 11 Case pursuant to a Final Order in accordance with sections 327 and 1103 of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date, pursuant to sections 327, 328, 329, 330 or 331 of the Bankruptcy Code; or (b) for which compensation and reimbursement has been allowed by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

"*Schedules*" mean, collectively, the schedules of assets and liabilities and statements of financial affairs Filed by the Debtor pursuant to section 521 of the Bankruptcy Code and in substantial accordance with the Official Bankruptcy Forms, as the same may have been amended, modified or supplemented from time to time.

"*Securities Act*" means the United States Securities Act of 1933, as amended.

"*SF*" means Schwartz Flansburg PLLC.

"*Solicitation Deadline*" means the close of business on _______, 2017.

"*Solicitation Package*" means the Disclosure Statement, the Plan, all exhibits thereto, Ballots and the Confirmation Hearing Notice.

"*Tort Claim*" means any Claim that has not been settled, compromised or otherwise resolved that: (a) arises out of allegations of personal injury, wrongful death, property damage, products liability or similar legal theories of recovery; or (b) arises under any federal, state or local statute, rule, regulation or ordinance governing, regulating or relating to protection of human health, safety or the environment.

"*Unexpired Lease*" means a lease to which the Debtor is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

"*Unimpaired*" means, with respect to a Class of Claims or Equity Interests, a Claim or an Equity Interest that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

"*Unimpaired Class*" means an unimpaired Class within the meaning of section 1124 of the Bankruptcy Code.

"*Voting Classes*" means Classes 1, 2, 3, 4, 5, 6 and 7, if applicable.

"*Voting Deadline*" means ___________, 2017 at 5:00 p.m. prevailing Pacific Time for all Holders of Claims, which is the date and time by which all Ballots must be received SF in accordance with the Disclosure Statement Order, or such other date and time as may be established by the Bankruptcy Court with respect to any Voting Class.

X. RECOMMENDATION

In the opinion of the Debtor, the Plan is preferable to the alternatives described in this Disclosure Statement because it provides for a larger distribution to the Debtor's creditors than would otherwise result in a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative other than Confirmation of the Plan

could result in extensive delays and increased administrative expenses resulting in smaller distributions to Holders of Allowed Claims than that which is proposed under the Plan. Accordingly, the Debtor recommends that Holders of Claims entitled to vote on the Plan support Confirmation of the Plan and vote to accept the Plan.

Respectfully submitted,

Stoneridge Parkway, LLC

By: /s/Danny Modab
Danny Modab,
Its Managing Member

/s/Samuel A. Schwartz, Esq.
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EXHIBITS

Exhibit A – Copy of Proposed Plan of Reorganization

Exhibit B – An Evaluation of Future Options for Silverstone Golf Club

Exhibit C – Land Use Yield Exhibit

Exhibit D – Drawings and Development Plan

Exhibit E - Liquidation Analysis

Exhibit F – December 2015 Purchase Agreement

Exhibit G – Copy of NRS 116.21175

Exhibit H – Copy of All Available Financial Data

Exhbit I – Draft Complaint Under NRS 116.21175