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IN THE UNITED STATES BANKRUPTCY COURT

DISTRICT OF ARIZONA

In re: ) Case No.: 2-16-bk-06224-MCW  
) In Proceedings Under Chapter 11  
FIVE LOTS, LLC, )  
) **FIRST AMENDED CHAPTER 11 PLAN**  
Debtor(s)-in-Possession. ) **OF REORGANIZATION**  
)  
)

Dated: September 18, 2017

Filed by: 5 Lots, LLC

DEBTOR(S) IN POSSESSION

The Debtor(s)-in-Possession named above, pursuant to United States Code, Title 11, Section 1121, file this Chapter 11 Plan of Reorganization.

Article I

Definitions

The following terms, when used in this Chapter Eleven Plan of Reorganization shall have the following meanings:

1.01 “Administrative Claimant”. Any person entitled to payment under 11 U.S.C. § 507(A)(1);

1.02 “Bankruptcy Proceeding”. That certain proceeding under Chapter 11 of Title 11, United States Code, captioned 5 Lots, LLC, case no. 2-16-bk-06224-MCW, now pending in the United States Bankruptcy Court for the District of

1 Arizona, Phoenix Division;

2 1.03 “Confirmation”. The entry of an Order by the Court confirming the  
3 Plan, as provided in United States Code, Title 11, § 1129, and the expiration of any  
4 appeal period other than AZ-16-1263 with no appeal having been filed;

5 1.04 “Court”. The United States Bankruptcy Court for the District of  
6 Arizona, Phoenix Division, presiding over this Bankruptcy proceeding;

7 1.05 “Debtor” or “Debtor-in-Possession” means 5 Lots, LLC as it reorganizes in  
8 this bankruptcy proceeding;

9 1.06 “Effective Date” means the latter of (1) the first business day following  
10 fourteen (14) judicial days after entry of the Order of the Court confirming the Plan or  
11 (2) thirty-one judicial days subsequent to the entry of a final order of the Court of  
12 competent jurisdiction vacating any Order staying the efficacy of the Order of  
13 Confirmation, provided however that in any event, all appeals other than AZ-16-1263,  
14 shall have been resolved prior to there being any effective date.

15 1.07 “Plan”. This current Plan of Reorganization;

16 1.08 “Plan Distribution Date”. Date upon which distributions to be  
17 made under the Plan will be effected. Said date will be thirty (30) days following the  
18 Effective Date of this Plan as defined above;

## 19 Article II

### 20 Classification of Claims and Interests; Impairment.

21 2.01 For the purpose of this plan, the claims and interests in and  
22 against the Debtor(s)-in-Possession are classified as follows:

23 CLASS I – Holders of claims entitled to priority under 11 U.S.C. § 507(A)(1),  
24 including costs and expenses of administration.

25 CLASS II – This class consists of the unimpaired secured claim of the *Maricopa  
County Treasurer*.

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1 CLASS III – This class consists of the impaired secured claim of *Abbott*  
2 *Properties, LLC*.

3 CLASS IV – This class consists of the impaired unsecured claims.

4 CLASS V – This class consists of the equity interest of the Debtor(s).

5 2.02 Classes I, II, and V are unimpaired under the Plan. All remaining  
6 classes are impaired.

7 Article III

8 Treatment of Claims

9 3.01 The treatment of each class of creditors in this proceeding is as follows:

10 **CLASS I** – Unimpaired administrative claims for the administration of this  
11 bankruptcy estate.

12 I(A). U.S. Trustee Quarterly Fees.

13 This class includes all pre-confirmation quarterly fees due the United  
14 States Trustee. The aforementioned fees shall be timely paid by the Effective Date.

15 The debtor(s)-in-possession shall ensure that all quarterly fees due the United  
16 States Trustee and imposed by 28 U.S.C. § 1930(a)(6) will be paid in a timely fashion  
17 through the date this case is dismissed, converted, or officially closed. The debtor(s) as  
18 reorganized, shall timely complete and file quarterly reports in a form acceptable to the  
19 United States Trustee with the Court and provide copies thereof to the United States  
20 Trustee until entry of a final decree closing this proceeding.

21 I(B). Administrative Expenses For Representation of 5 Lots.

22 Currently the sole member and manager of 5 Lots, Judith V. Brown, has paid  
23 legal counsel for 5 Lots subject to periodic fee applications and notice of the same as  
24 ordered by the U.S. Bankruptcy Court on July 28, 2016.  
25

1 Legal counsel for 5 Lots will seek periodic compensation from this estate  
2 pursuant to 11 U.S.C. §§329, 330, 331 and LRBP 9013-1(k)(3).

3 **CLASS II – Unimpaired Secured Claim.**

4 Creditor: *Maricopa County Treasurer*  
5 Nature of debt: Statutory first lien position  
6 Collateral: Three Lots (all estate assets)  
7 Amount due: \$ 7,260.73  
8 Treatment: Paid in full, with statutory rate of  
9 interest, within 36 months of the  
10 Effective Date. No periodic payments  
11 proposed to this Class.

12 **CLASS III – Impaired Secured Claim.**

13 Creditor: *Abbott Properties, LLC*  
14 Nature of debt: First Deed of Trust position  
15 Collateral: 3 Parcels of Real Property:  
16 (1) 1007 E. Carefree Hwy.  
17 Phoenix, AZ 85085  
18 APN 211-74-102  
19 (2) 28588 N. Scottsdale Rd.,  
20 Scottsdale, AZ 85266  
21 APN 216-68-077  
22 (3) 52<sup>nd</sup> Street and Carefree Hwy.,  
23 Carefree, AZ 85331  
24 APN 211-46-034B  
25 Amount due: \$7,649.52 plus post-petition attorneys' fees and  
costs.  
Treatment: Abbott's Allowed Claim shall be \$28,825, accruing  
interest at a rate of five percent (5%) per annum, and  
shall be secured by 1007 E. Carefree Hwy., Phoenix,  
AZ 85085 (APN 211-74-102).  
The entire unpaid amount of Abbott's Allowed Claim  
shall be due and owing in full within twenty-four (24)  
months after the Effective Date. No periodic  
payments are required during the twenty-four (24)  
months after the Effective Date, there shall be no  
prepayment penalty and payment shall be made  
through the sale of the  
collateral, refinancing, payment from an  
insider, or from the sale of other estate assets. If the  
reorganized debtor fails to make  
full payment within twenty-four (24) months after the  
Effective Date, then Abbott Properties, LLC may  
foreclose on its Allowed Claim, and Abbott  
Properties, LLC shall be entitled to recover  
attorneys' fees and costs related to such foreclosure

1 in the agreed amount of \$3,500.00 for an  
2 uncontested foreclosure.

3 *Abbott Properties, LLC* shall release  
4 its lien on Parcels 2 and 3 listed above on the  
5 Effective Date. The allowed claim of *Abbott*  
6 *Properties, LLC* does not include or provide for future  
7 attorney fees or costs associated with  
8 its claim other than as set forth above. However, if  
9 the reorganized debtor fails to make full payment of  
10 the Allowed Claim of *Abbott Properties, LLC* within  
11 twenty-four (24) months after the Effective Date,  
12 then *Abbott Properties, LLC* may commence  
13 foreclosure proceedings, in which case *Abbott*  
14 *Properties, LLC* is entitled to recover its Allowed  
15 Claim plus attorneys' fees and costs related to such  
16 foreclosure in the agreed amount of \$3,500.00.

17 **CLASS IV - Impaired Unsecured Claims.**

18 Creditor:	<i>Blair Irish Hubbard &amp; Erhart, PLC</i>
19 Nature of debt:	Legal fees
20 Amount due:	\$17,300.00
21 Treatment:	Paid in full, without interest, within 22 36 months of the Effective Date. 23 No periodic payments proposed to 24 this Class.

25 No other claim is provided for by this Amended Plan of Reorganization.

**CLASS V - Equity Interests of the Debtor(s)-in-Possession.**

The Debtor(s)-in-Possession will retain their equity interests in all property owned by them, upon completion of all payments to classes Two (II), Three (III), and Four (IV), as set forth above. The right of Class Three (III) and Four (IV) to bid higher for the Debtor(s)-in-Possessions' equity interest than the amount they propose to pay to said claimants, as well as file an alternate plan of reorganization, is expressly recognized by the Plan.

3.02 The equity interests of the Debtor(s) cannot be retained unless one class of impaired creditors accepts the proposed Plan of Reorganization. 11 U.S.C. §1129(a)(10).





1 Article IX

2 Discharge

3 Pursuant to § 1141(D)(1) of the Bankruptcy Code, upon Confirmation of the  
4 Plan, the Debtor(s)-in-Possession will be discharged of all debts listed in the schedules  
5 and of claims filed in this proceeding.

6 Article X

7 Disputed Claims

8 The Debtor(s)-in-Possession reserve the right to verify and object to any proof of  
9 claim filed in this proceeding. Payment to disputed claims shall be made pursuant to  
10 a court approved stipulation between the Debtor(s)-in-Possession and the disputed  
11 creditor(s) or upon order of the Court.

12 Article XI

13 No Admissions

14 Nothing contained in this Plan shall constitute an admission of fact or law by  
15 the Debtor(s)-in-Possession and shall not be admissible in any proceeding for  
16 purposes of proving the validity or the invalidity of any claims or defenses which may  
17 in any way affect or benefit the Debtor(s)-in-Possession. The Debtor(s)-in-Possession  
18 may withdraw the Plan at any time prior to confirmation and upon doing so, nothing  
19 contained therein shall be deemed to preclude the litigation of any issue nor shall the  
20 Debtor(s)-in-Possession be collaterally estopped from asserting any right or claim that  
21 may be in the Debtor(s)-in-Possession's best interests.

22 Article XI

23 Representations

24 No representations concerning the Debtor(s)-in-Possession are authorized by  
25 the Debtor(s)-in-Possession other than as set forth in this plan of reorganization. Any

1 representations or inducements made to secure acceptance, other than those  
2 contained in this plan of reorganization, should not be relied upon in arriving at a  
3 decision, and such representation and inducements shall be reported to counsel for  
4 the Debtor(s)-in-Possession, who in turn will deliver such information to the  
5 Bankruptcy Court for such action as may be deemed appropriate.

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7 The foregoing proposed Plan of Reorganization is respectfully  
8 submitted this 18th day of September, 2017.

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11 Judith V. Brown as  
12 manager of the  
13 Debtor-in-Possession

14 /s/ David Allegrucci  
15 Attorney for the Debtor(s)-in-  
16 Possession  
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