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6  
7 IN THE UNITED STATES BANKRUPTCY COURT  
8 FOR THE DISTRICT OF ARIZONA

9 In re: )  
9 9800 WEDDINGS, LLC, ) No. 4:17-bk-01376-BMW  
10 ) Chapter 11  
11 Debtor. ) DEBTOR'S FIRST AMENDED PLAN OF  
12 ) REORGANIZATION DATED  
13 ) October 4, 2017

14 9800 Weddings, LLC,(hereinafter "Debtor"), Debtor-in-possession in the above-captioned  
15 Chapter 11 case, hereby proposes the following Plan of Reorganization pursuant to the provisions of  
16 Chapter 11 of the Bankruptcy Code. All creditors and other parties in interest are encouraged to consult  
17 the First Amended Disclosure Statement prepared by the Debtor, as approved by the Bankruptcy Court,  
18 before voting to accept or reject this Plan of Reorganization. The Disclosure Statement contains a  
19 discussion of the Debtor, its business operations and the disclosure of all other information material to  
20 the approval of this Plan of Reorganization. No solicitation materials, other than the First Amended  
21 Disclosure Statement and related materials transmitted therewith as approved by the Bankruptcy Court,  
22 have been authorized by the Bankruptcy Court for use in soliciting acceptances or rejections of this Plan  
23 of Reorganization.

1 *ARTICLE I*

2 *Definitions*

3 For purposes of this Plan, except as expressly provided otherwise or unless the context otherwise  
4 required, all of the following defined terms will have the following meanings. The terms defined below  
5 will be equally applicable to both singular and plural forms, and to the masculine, feminine, and neuter  
6 forms, of such defined terms.

7  
8 1.1 “Administrative Claim” will refer to and mean every cost or expense of administration  
9 of the reorganization case allowed under Bankruptcy Code §503(b) and referred to in Bankruptcy Code  
10 §507(a)(1), including without limitation: (a) any actual and necessary expense of preserving the estate  
11 as approved the Bankruptcy Court; (b) all allowances, including professional fees and costs approved  
12 by the Bankruptcy Court; (c) any actual and necessary expenses incurred in the operation of the Debtor's  
13 business; and (d) all fees and charges assessed against the Debtor's estate under Chapter 123 of Title 28,  
14 United States Code.

15 1.2 “Allowed Claim” shall mean (a) a claim of a person which has been scheduled by the  
16 Debtor as undisputed, and as to which claim no objection has been made by any other person within the  
17 time allowed for the making of objections; (b) a claim allowed by a final order; (c) a claim as to which  
18 a timely and proper proof of claim or application for payment has been filed, and as to which proof of  
19 claim or application for payment, no objection has been made within the time allowed for the making  
20 of objections; or (d) a claim allowed under the Plan, notwithstanding any objection filed thereto by an  
21 person. Interest accrued after the filing date of the Debtor’s reorganization case shall not be a part of  
22 any allowed claim against such Debtor, except as required or permitted by law.

23 1.3 “Affiliate” shall mean any affiliate that is defined in Section 101(2) of the Bankruptcy  
24 Code.

25 1.4 “Allowed Amount” shall mean with respect to any allowed claim in a particular class  
26 under the Plan, the amount of such claims in such class.

27 1.5 “Allowed Interest” or “Allowed Equity Interest” shall mean (a) an equity interest in the  
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1 Debtor held by a person as of the Effective Date, and as to which interest no objection has been made  
2 by any other person within the time allowed for the making of objections; (b) an interest allowed by a  
3 final order; (c) an interest as to which a timely and proper proof of claim or application for payment no  
4 objection has been made within the time allowed for the making of objections or (d) an interest allowed  
5 under the Plan, notwithstanding any objection filed thereto by any person.

6 1.6 “Assets” shall mean, with respect to the Debtor, all rights, causes of action, all of the  
7 right, title and interest in and to property (real or personal, tangible or intangible) or whatsoever type or  
8 nature, owned by such Debtor as of the Effective Date, together with assets subsequently acquired by  
9 such Debtor, and including, but not limited to, property as defined in Section 541 of the Bankruptcy  
10 Code (each identified item of property being herein sometimes referred to as an asset).

11 1.7 “Ballot” will refer to and mean the ballot for accepting or rejecting the Plan which will  
12 be distributed to holders of claims and classes that are impaired under this Plan are entitled to vote on  
13 this Plan.

14 1.8 “Bankruptcy Code” will refer to and mean Title 11 of the United States Code 11 U.S.C.  
15 §101, *et seq.*, as the same may be amended from time to time.

16 1.9 “Bankruptcy Court or Court” will refer to and mean the United States Bankruptcy Court  
17 for the District of Arizona, or such other court that exercises jurisdiction over all or part of the  
18 reorganization case, including the United States District Court for the District of Arizona, to the extent  
19 the reference of all or part of this reorganization case is withdrawn.

20 1.10 “Bankruptcy Rules” will refer to and mean the Federal Rules of Bankruptcy Procedure,  
21 as amended, promulgated under 28 U.S.C. §2075 and the local rules of the Court, as applicable from  
22 time to time during the reorganization case.

23 1.11 “Business Day” will refer to and mean any day other than a Saturday, Sunday, or federal  
24 holiday recognized by the Federal Courts for the District of Arizona, and Arizona State holidays  
25 recognized by the Federal Courts for the District of Arizona.

26 1.12 “Case” shall mean the Chapter 11 case commenced by the filing with the Court of a  
27 voluntary petition for relief under Chapter 11 of the Code by the Debtor.

1           1.13    “Cash” will refer to and mean cash, cash equivalents, bank deposits, and negotiable  
2 instruments.

3           1.14    “Chapter 11” shall mean Chapter 11 of the Code, 11 U.S.C. Section 1101-46.

4           1.15    “Claim” will refer to and mean every right and remedy encompassed within the statutory  
5 definition set forth in Bankruptcy Code §101(4), 11 U.S.C. §101(4), whether or not such claim is  
6 asserted.

7           1.16    “Class” will refer to and mean each of the categories of claims and interests described  
8 in Article II of this Plan.

9           1.17    “Confirmation Date” will refer to and mean the date on which the Bankruptcy Court  
10 enters the Confirmation Order confirming this Plan.

11          1.18    “Confirmation Hearing” will refer to and mean the hearing regarding the confirmation  
12 of this Plan conducted pursuant to Bankruptcy Code §1128, as adjourned or continued to from time to  
13 time.

14          1.19    “Confirmation Order” will refer to and mean the order confirming this Plan pursuant to  
15 Bankruptcy Code §1129.

16          1.20    “Court” shall mean the United States Bankruptcy Court for the District of Arizona,  
17 Tucson Division.

18          1.21    “Creditor” will refer to and mean every holder of a claim whether or not such claim is  
19 an allowed claim, encompassed within the statutory definition set forth in Bankruptcy Code §101(9),  
20 11 U.S.C. §101(9).

21          1.22    “Debtor” will refer to and mean 9800 Weddings, LLC, in the capacities as the Debtor and  
22 Debtor-In-Possession in the reorganization case with the status and rights conferred by U.S.C. Section  
23 1107.

24          1.23    “Deficiency Claim” shall mean an allowed claim of a creditor, if any, equal to the amount  
25 by which the aggregate allowed claims of such creditor exceed the sum of (a) any setoff rights of the  
26 creditor permitted under Section 553 of the Bankruptcy Code rights of the creditor permitted under  
27 Section 553 of the Bankruptcy Code plus (b) the secured claim of such creditor; provided however, that  
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1 if the holder of a secured claim of the class of which such claim is a member makes the election  
2 provided in Section 1111(b)(2) of the Bankruptcy Code, there shall be no deficiency claim in respect of  
3 such claim.

4 1.24 “Disclosure Statement” will refer to and mean the written statement describing this Plan  
5 which is prepared by the Debtor and distributed in accordance with Bankruptcy Code §§1125, 1126(b),  
6 and 1145 and Bankruptcy Rule 3018, as amended, in its present form or as the same may be altered,  
7 amended, or modified by the Debtor.

8 1.25 “Disputed Claim or Disputed Interests” will refer to and mean every claim; (a) that is  
9 scheduled by the Debtor as disputed, contingent or unliquidated; or (b) proof of which has been filed  
10 with the Bankruptcy Court and an objection to the allowance thereof, in whole or in part, has been  
11 interposed prior to the final date provided under this Plan for the filing of such objections or such other  
12 time as provided by the Bankruptcy Court and which objection has not been withdrawn, settled or  
13 determined by the final order.

14 1.26 “Effective Date” shall mean the later of (a) the first business day following the **60th** day  
15 after entry of the Court of an order confirming this Plan, or (b) the first business day after such order has  
16 become final and unappealable; provided however, no appeal of said order is pending; provided further,  
17 the Debtor may waive the condition that no appeal of the order of confirmation be pending by a writing  
18 duly executed by the Debtor and filed with the Court on or before the date which but for the pendency  
19 of appeal would become the effective date of the Plan, and in the event that said condition is timely  
20 waived by the Debtor, the Plan shall become effective as provided herein notwithstanding the pendency  
21 on said date of an appeal or appeals; in the event that said condition is not timely waived, the Plan shall  
22 become effective on the first business day after an appeal is no longer pending.

23 1.27 “Estate” will refer to and mean the bankruptcy estate of the Debtor created in the  
24 reorganization case under the Bankruptcy Code.

25 1.29 “Equity Contribution” means that money from an equity holder which needs to be  
26 contributed so as to allow them to retain their interest in the Debtor.

27 1.30 “Final Order” shall mean an order of judgment of the Bankruptcy Court which (a) shall  
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1 not have been reversed, stayed, modified or amended and the time to appeal from, or to seek review or  
2 rehearing of, shall have expired and as to which no appeal or petition for review, or rehearing or  
3 certiorari is pending; or (b) if appealed from, shall have been affirmed and no further hearing, appeal or  
4 petition for certiorari can be taken or granted, or as to which no stay has been entered to affect the  
5 operative provisions of such order of judgment.

6 1.31 “Insider” shall refer to and mean all persons who qualify as an "insider" pursuant to 11  
7 U.S.C. §101(31).

8 1.32 “Interest” shall mean any equity interest in the Debtor as of the petition date.

9 1.33 “Interest Holder(s)” shall mean any person or persons owning an equity interest in the  
10 Debtor as of the Effective Date.

11 1.34 “Minimum New Capital Contribution” refers to that sum of money that may be paid in  
12 cash into the escrow account prior to confirmation in order to proceed with confirmation of the Plan, if  
13 necessary. The amounts necessary to be funded by such Effective Date are detailed in the Disclosure  
14 Statement.

15 1.35 “Participating Investors” shall mean those investors selected by the Debtor to make  
16 capital contributions to the Reorganized Debtor in exchange for an interest in the Debtor.

17 1.36 “Person” will refer to and mean any individual, corporation, limited or general  
18 partnership, joint venture, association, joint stock company, trust, unincorporated organization, or  
19 government or any agency or political subdivision thereof.

20 1.37 “Petition Date” shall mean the date that the Debtor filed the voluntary petition under  
21 Chapter 11 of the Bankruptcy Code with this Court.

22 1.38 “Plan” shall mean this Plan of Reorganization as set forth herein, in its entirety, and all  
23 addenda, exhibits, schedules, releases, and other attachments thereto as may be amended or  
24 supplemented from time to time.

25 1.39 “Preference Recovery Amounts” shall mean all sums collected as preferences under §547  
26 of the Code and as set-offs under §553 of the Code.

27 1.40 “Professional Persons” means persons retained or to be compensated pursuant to §§327,  
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1 328, 330 and 503(b) of the Code.

2 1.41 “The Property” means the real and/or personal property of the debtor.

3 1.42 “Proponent” shall mean the Debtor.

4 1.43 “Secured Claim” shall mean (a) a claim secured by a lien on property of the Debtor,  
5 which lien is valid, perfected and enforceable under applicable law and is not subject to avoidance under  
6 the Bankruptcy Code or other applicable non-bankruptcy law, and which is duly established in such  
7 Debtor’s reorganization case, but only to the extent that such claim does not exceed the value of such  
8 Debtor’s assets which the Bankruptcy Court finds are valid security for such claim (except, if the class  
9 of which such claim is a part makes the election provided in Section 1111(b)(2) of the Bankruptcy Code,  
10 the entire amount of the claim shall be a secured claim and (b) a claim allowed under the Plan as a  
11 secured claim.

12 1.44 “Secured Creditors” means persons holding allowed secured claims within the meaning  
13 of Section 506 of the Code.

14 1.45 “Tax Claims” shall mean the claims of any person for the payment of taxes (a) accorded  
15 a priority pursuant to Section 507(a)(1) and (7) of the Bankruptcy Code, but excluding all claims for  
16 post-petition interest and pre-petition and post-petition penalties, all of which interest and penalties shall  
17 be deemed disallowed and discharged on the Effective Date.

18 1.46 “Taxing Authorities” shall mean any legal entity with authority to levy and collect taxes  
19 pursuant to federal, state or local statutes or ordinances.

20 1.47 “Unsecured Claims” shall mean all claims held by creditors of the Debtor, including  
21 deficiency claims, dissolution claims and claims arising out of the rejection of executory contracts, other  
22 than secured claims, administrative claims and tax claims.

23 1.48 “Unsecured Creditors” shall mean persons holding allowed unsecured claims against the  
24 Debtor for which there are no assets of the Debtor serving as security (excluding undersecured mortgage  
25 deficiency creditors), but not including priority claims.

26 All terms not specifically defined by this Plan shall have the meaning designated in the  
27 Bankruptcy Code, or if not defined therein, their ordinary meanings.

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**ARTICLE II**

*General Terms and Conditions*

2.1 Class of Claims and Payment: Various classes of claims and interests are defined in this Plan. This Plan is intended to deal with all claims against the Debtor of whatever character, whether or not contingent or liquidated, and whether or not allowed by the Court pursuant to Section 502(h) of the Code. However, only those claims allowed pursuant to Section 502(a) of the Code will receive payment under this Plan.

2.2 Preserved Liens: To the extent required under Section 1124(2) of the Code, to preserve the rights of a creditor having a secured claim addressed pursuant to that Section, the lien or encumbrance of that creditor shall, to the extent valid, be preserved.

2.3 Time for Filing of Claims: The list of creditors filed in these proceedings by the Debtor shall constitute the filing of a claim by each creditor which is not listed as disputed, contingent or unliquidated as to amount. The Debtor reserves the right to object to any such claim where it appears that the amount scheduled by the Debtor is improper or where there is some dispute with regard to that claim. All other creditors, or creditors who disagree with the amounts as scheduled by the Debtor must file prior to the date set for the hearing on the Disclosure Statement, a proof of claim or proof of interest. Failure to timely file a proof of claim or file a proof of interest, if not listed on the Debtor's schedules as non-contingent, liquidated and undisputed, will result in a disallowance of the proof of claim or proof of interest.

**ARTICLE III**

*Classification and Treatment of Claims and Interests*

For purposes of the plan, claims are classified and treated as follows:

1. *Claim Amounts*: Because certain claims against the Debtor may be unknown or of undetermined amounts, the amounts of claims specified in this Disclosure Statement reflect only the Debtor's best estimate at this time of the amount due. In addition, the amounts of the claims specified in this Disclosure Statement do not include, for example, claims arising from the rejection of certain executory contracts and other contingent or unliquidated claims arising against the debtor.



1           2.       *Effective Date of the Plan:* The “Effective Date” of the Plan is important in determining  
2 when performance of many of the Debtor’s obligations under the Plan is due. The Effective Date is  
3 defined in the Plan as the first business day following the later of the following day;

4                   (i) the date on which the Order confirming the Plan (the “Confirmation Order”) becomes  
5 final and non-appealable with no appeal then pending; or

6                   (ii) 60 days after the date of the Confirmation Order for unsecured claims; and

7                   (iii) 30 days after the date of the Confirmation Order for secured claims.

8           3.       *Classification:* The Plan divides claims against the Debtor into multiple separate classes  
9 that the Debtor asserts are in accordance with the Bankruptcy Code. Unless otherwise expressly stated  
10 in the Plan, distributions to holders of allowed claims are in full satisfaction of their allowed claims. All  
11 claims against the Debtor arising prior to confirmation will be discharged by performance of the Plan  
12 on the Effective Date to the extent that such claims are dischargeable under the Bankruptcy Code Section  
13 1141(d). For the purposes of the Plan, claims are classified and treated as follows:

14           3.1       Class One - Administrative Claims.

15                   A.       Classification: Class One consists of all claims for the cost of administration of  
16 the Debtor’s bankruptcy estate. Included in this class are all claims for administrative expenses  
17 entitled to priority under Bankruptcy Code §507(A)(1), such as professional fees and costs, as approved  
18 by the Bankruptcy Court of the attorneys, accountants, and other professional persons employed by the  
19 Debtor, and all actual and necessary expenses of operating the Debtor’s business pursuant to Bankruptcy  
20 Code §503(b), including without limitation, all fees charged against the Debtor’s business pursuant to  
21 Chapter 123 of Title 28, United States Code. Debtor believes claims in this class will exceed \$20,000.00.

22                   B.       Impairment: Not impaired.

23                   C.       Treatment: The Plan provides for the payment in cash, in full, of all allowed  
24 Administrative Claims on the later of the Effective Date or the date upon which such Claims become  
25 Allowed Claims, or as otherwise ordered by the Bankruptcy Court or agreed to by Claimant and Debtor.  
26 Class 1 claims will be paid from assets of the estate or from principals of the debtor. The Debtor  
27 currently estimates that the Class 1 claims will exceed \$20,000.00 and may include post-petition  
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1 administrative expenses. Such payments will reduce the amount of administrative expenses due on the  
2 Effective Date of the Plan unless otherwise provided for. Debtor's counsel has estimated its fees in the  
3 amount of \$20,000.00 and will submit a fee application with the Court after confirmation.

4 3.2 Class Two - Claims of Governmental Units

5 A. Classification: Class Two claims consists of all allowed claims of the United  
6 States Internal Revenue Service ("IRS") and/or State of Arizona, Department of Revenue ("DOR")  
7 and/or the Department of Economic Security ("DES"), City of Tucson or other government agency  
8 which are entitled to priority pursuant to Section 507(a)(8) of the Bankruptcy Code except ad  
9 valorem taxes. Debtor is aware of a Proof of Claim filed by the Arizona Department of Revenue in the  
10 amount of \$6,002.00.

11 B. Impairment: Class 2 is impaired.

12 C. Treatment: Each holder of a Class Two allowed claim shall retain its lien or claim,  
13 in accordance with Section 1129 of the Bankruptcy Code. The claim shall bear simple interest at a fixed  
14 rate equal to that rate which would be required to be paid as of the Effective Date under Section 6621  
15 and/or 6622 of the Internal Revenue Code, or such other interest rate as the Bankruptcy Court determines  
16 is sufficient to confer upon the tax claim a value as of the Effective Date equal to the principal amount  
17 of such claim. The allowed claim shall be payable in 60 equal monthly installments of principal, along  
18 with accrued interest, in deferred cash payments over a period not to exceed five years from date of  
19 petition. The first payment shall commence on the first day of the month immediately following the  
20 month of the Effective Date. The claim is subject to prepayment at any time without penalty or premium  
21 and shall have such other terms as are usual and customary.

22 3.3 Class Three - Secured Ad Valorem Real Property Tax Claims

23 A. Classification: Class Three shall consist of pre-petition allowed Ad Valorem Real  
24 Property Tax Claims of Pima County, AZ which are secured by liens on real property. Debtor is aware  
25 of Proof of Claims filed by Pima County in the amount of \$36,311.70, and a estimated claim in the  
26 amount of \$17,813.00.

27 B. Impairment: Class 3 is impaired.

1 C. Treatment: Each holder of a Class Three allowed claim shall retain its lien having  
2 an aggregate principal amount sufficient to satisfy, in accordance with Section 1129 of the Bankruptcy  
3 Code, the allowed claim. Such claim shall bear simple interest at a statutory rate  
4 required to be paid as of the Effective Date, or such other interest rate as the Bankruptcy Court  
5 determines is sufficient to confer upon the tax claim a value as of the Effective Date equal to the  
6 principal amount of such claim charged by Pima County or the statutory rate of interest. Payments  
7 shall be made in equal monthly installments of principal, along with accrued interest, in deferred  
8 cash payments over a period not to exceed five years from date of petition. The claim is subject to  
9 prepayment at any time without penalty or premium and shall have such other terms as are usual and  
10 customary for promissory notes.

11 3.4 Class Four - Secured Claim of Bank of the West ("BOTW")

12 A. Classification: Class 4 shall consist of the allowed secured claim of  
13 which extended a Loan to the Debtor and which is governed by a Business Loan Agreement dated  
14 June 8, 2015 ("Loan") and is further evidenced by a Promissory Note dated June 8, 2015, in the  
15 original principal amount of \$780,000.00 ("Note"). The Loan and Note are secured by, among other  
16 things, a Deed of Trust, recorded on June 9, 2015 at Document No. 20151600546, Official Records  
17 of the Pima County Recorder ("Deed of Trust"). The Deed of Trust encumbers real property owned  
18 by the Debtor and located at 9800 N. Oracle Rd., Tucson, Arizona 85704 ("Trust Property"). BOTW  
19 also holds an Assignment of Rents ("Assignment of Rents"), including any and all rents, revenues,  
20 income, receipts, issues, deposits, and profits arising out of the Trust Property ("Rents") as security  
21 for repayment of the Note. Collectively, the Loan, Note, Deed of Trust and the Assignment of Rents  
22 are referred to as "Loan Documents." BOTW claims that all Rents and proceeds generated by the  
23 Trust Property constitute BOTW's cash collateral (collectively, the "Cash Collateral").

24 B. Collateral: BOTW has a properly perfected, first priority interest in the Trust  
25 Property by virtue of the Deed of Trust and maintains an interest in the Cash Collateral.

26 C. Claim Amount: BOTW has filed a claim in the amount of \$791,628.37.

27 D. Impairment: Class 4 is impaired.

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1 E. Claim Treatment: Debtor and BOTW have entered into an agreement, as  
2 follows:

3 a. Debtor shall pay \$7,000.00 per month to BOTW. The payments shall  
4 be credited against the balances due under the Loan Documents and in accordance with terms set  
5 forth in the Loan Documents. The balance of Rent generated from the use of the Trust Property shall  
6 be retained as Cash Collateral in a segregated cash collateral account (the "Cash Collateral  
7 Account"). The Debtor may withdraw funds from the Cash Collateral Account as are necessary to  
8 pay the Approved Expenses in accordance with the provisions of a confirmed Plan of  
9 Reorganization. Debtor shall additionally provide BOTW with: (i) proof of insurance on real  
10 property and its contents which belong to the Debtor naming BOTW as the mortgagee and loss  
11 payee; and (ii) accumulate all excess Cash Collateral in the Cash Collateral Account.

12 b. Without the written consent of BOTW, the Debtor shall only pay those  
13 amounts set forth in the Budget for use of Cash Collateral attached as Exhibit "A" to the Stipulated  
14 Interim Order Authorizing Use of Cash Collateral dated July 28, 2017.

15 c. BOTW shall have the right to inspect or otherwise examine the books,  
16 records and premises of the Debtor as such are relevant to the rights of BOTW under the Loan  
17 Documents. BOTW shall have full and complete access at reasonable times and after reasonable  
18 notice to all financial records as may be necessary to ensure the Debtor's compliance with the terms  
19 of the Loan and Note. Further, Debtor shall transmit to BOTW copies of reports, financial or  
20 otherwise, including monthly operating reports in accordance with the terms of the Loan Documents.

21 d. During the pendency of this case, the Debtor shall not engage in: (i) any  
22 borrowings or use of Cash Collateral other than as permitted herein or agreed to in writing between  
23 BOTW and the Debtor; (ii) any use, sale or lease of the Trust Property other than in the ordinary  
24 course of the Debtor's business without the prior written consent of BOTW or order of the Court  
25 after notice to BOTW and a hearing.

26 e. BOTW retains all rights and remedies that it may have at law, in equity,  
27 by statute, and in the Loan Documents.

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1 f. BOTW is granted a replacement lien and security interest in the Cash  
2 Collateral and Rents to secure the debt owed to BOTW under the Loan Documents for money used  
3 by the Debtor.

4 g. BOTW is granted, as adequate protection, an administrative claim  
5 against the estate for every dollar of Cash Collateral expended by the Debtor after the Petition Date.  
6 Such post-petition security interests and liens shall be deemed effective and automatically perfected  
7 as of the Petition Date without the necessity of BOTW taking any further action, recording any  
8 document or filing any financing statement or other documents.

9 h. BOTW reserves any rights it may have against any other party for any  
10 funds from the operation of the Trust Property that were improperly used, withheld or not paid as  
11 Rents, whether such payment was due before or after February 15, 2017, the date Debtor filed its  
12 petition for relief. Any recovery of such funds by Debtor shall constitute Cash Collateral of BOTW.

13 3.5 Class Five - Unsecured Deficiency Claims and Unsecured Claims.

14 A. Classification: Class 5 consists of all unsecured deficiency claims and  
15 unsecured claims against the debtor. Debtor estimated unsecured claims in this class in the amount  
16 of \$598,003.00, which does not include any deficiency amounts for secured creditors.

17 B. Impairment: Class 5 is impaired.

18 C. Treatment: The Class 5 Creditor is the primary principal of the debtor and will  
19 receive no distribution under the Plan.

20 3.6 Class Six - Contingent, Unliquidated and Disputed Claims.

21 A. Classification: Class 6 consists of all contingent, unliquidated and disputed  
22 claims. Debtor disputed claims at the time of filing: None.

23 B. Impairment: Class 6 is impaired.

24 C. Treatment: Class 6 creditors shall receive no distribution under the Plan as  
25 disputed claims.

26 3.7 Class Seven - Claims of Participating Investors.

27 A. Classification: Class 7 consists of the claims of participating investors.

- 1                   B.     Impairment: Class 7 is impaired.
- 2                   C.     Treatment: Unless participating investors contribute substantial capital
- 3 required to fund this Plan and/or make capital improvements to the subject property they will receive
- 4 no percentage of the equity interest of the reorganized debtor and no distribution under the Plan. At
- 5 this time there is only one participating investor.

6           3.8     Class Eight - Interest of Equity Holders.

- 7                   A.     Classification: Class 8 consists of the interest of the debtor.
- 8                   B.     Impairment: Class 8 is not impaired.
- 9                   C.     Treatment: The debtor shall be allowed to retain its current percentage of
- 10 interest or a percentage thereof unless participating investors contribute substantial capital required
- 11 to fund this Plan. E. Joe May will make a capital contribution at confirmation of the plan as
- 12 projected in Exhibit "D".

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*ARTICLE IV*

16

*General Provisions*

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4.1. Notwithstanding any other provision of this Plan, each claim shall be paid only after it

18 has been allowed in accordance with the Code.

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4.2 At the option of the Debtor, this Plan may be withdrawn at any time prior to the

20 Effective Date of the Plan. Such option shall be exercised by the filing in the case of a notice of

21 withdrawal and mailing a copy of such notice to all creditors, equity security holders and persons

22 specially requesting all notices in this case. If such option is timely and properly exercised, the case

23 shall continue and be administered as if the Plan has been withdrawn prior to the confirmation.

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4.3 Pursuant to Section 1123(b)(3)(B) of the Code, the Debtor shall retain each and every

25 claim, demand or cause of action whatsoever, which the Debtor had or had power to assert

26 immediately prior to confirmation of the Plan, including without limitation, actions for the avoidance

27 and recovery pursuant to Section 550 of the Code or transfers avoidable by reason of Sections 544,

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1 545, 548, 549 or 553(b) of the Code, and may commence or continue in any appropriate court or  
2 tribunal and suit or other proceeding for the enforcement of same.

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4 **ARTICLE V**

5 *Means for Execution of the Plan*

6 5.1 Continuation of the Debtor's Business: The Debtor, as reorganized, will retain all  
7 property of the estate, excepting property which is to be sold or otherwise disposed of as provided  
8 for herein (if applicable), executory contracts which are assumed pursuant to this Plan, and property  
9 transferred to creditors of the Debtor pursuant to the express terms hereof. The retained property  
10 shall be used and employed by the Debtor in the continuance of its business. (Further details  
11 concerning the nature and scope of the Debtor's future business operations may be found in the  
12 Disclosure Statement which accompanies the Plan.)

13 5.2 Raising Additional Capital: The Plan may be implemented by current owners and/or  
14 new Participating Investors making capital contributions in the Reorganized Debtor if required.

15  
16 **ARTICLE VI**

17 *Provisions for the Assumption or Rejection of*  
18 *Executory Contracts and Unexpired Leases*

19 The Debtor assumes all executory contracts or unexpired leases to which they are a party,  
20 except any specifically provided for prior to the hearing on the Disclosure Statement.

21  
22 **ARTICLE VII**

23 *Retention of Jurisdiction*

24 The Bankruptcy Court will retain jurisdiction over this case for purposes of determining the  
25 allowance of claims or interests or obligations thereto and for any other purpose which is  
26 contemplated in the Plan or which will otherwise assist in the consummation of the Plan. The Court  
27 also will retain jurisdiction for purposes of determining the allowance of any payment of any other  
28

1 claims or administrative expenses. The Court shall retain jurisdiction for purposes of determining  
2 any dispute arising from the interpretation, implementation or consummation of the Plan. In addition,  
3 the Court shall retain jurisdiction for the following purposes:

4 a) the classification of any claim or interest, the determination of such objections  
5 as may be filed to claims, or interest, and the re-examination of the allowance of any claim or  
6 interest;

7 b) the correction of any defect, the curing of any omission, or the reconciliation  
8 of any inconsistency in the Plan or the order of confirmation as may be necessary to carry out the  
9 purposes and intent of this Plan;

10 c) to enforce and interpret the terms and conditions of this Plan;

11 d) entry of any order, including injunctions, necessary to enforce the title, rights  
12 and powers of the Debtor and to impose such limitations and terms of such title, rights and powers as  
13 the Court may deem necessary;

14 e) determination of any claims asserted by the Debtor against any other person or  
15 entity, including but not limited to any right of the Debtor to recover assets pursuant to the  
16 provisions of Title 11, if such claim is pursued in the Court prior to the closing of the case;

17 f) determination of all questions and disputes concerning the sale, lease,  
18 encumbrancing or other transfer of the property of the Debtor; and

19 g) entry of a final decree closing this case.

20 Notwithstanding anything to the contrary contained herein, the Debtor shall not be bound by  
21 estoppel, the principal of res judicata or collateral estoppel with respect to any term or provisions  
22 contained herein in the event the plan is not confirmed as set forth herein.

23

24

### ***ARTICLE VIII***

25

#### ***Modification of the Plan***

26

27

This Plan may be modified in accordance with the provisions of the Bankruptcy Code and  
Chapter 11. In this regard:

28



1 a) in accordance with Section 1127(a) of the Bankruptcy Code and Chapter 11,  
2 11 U.S.C. Section 1127(a), modification(s) of the Plan may be proposed in writing by the Debtor at  
3 any time before its confirmation, provided that the Plan, as thus modified meets the requirements of  
4 Sections 1122 and 1123 of the Bankruptcy Code and Chapter 11, 11 U.S.C. Section 1122 and 1123;  
5 and provided further that the circumstances then existing justify such modification(s), and the  
6 Bankruptcy Court confirms the Plan as thus modified, under Section 1129 of the Bankruptcy Code  
7 and Chapter 11, 11 U.S.C. Section 1129;

8 b) any holder(s) of a claim or equity interest(s) that has accepted or rejected the  
9 Plan will be deemed to have accepted or rejected, as the case may be, the Plan as modified unless,  
10 within the time fixed by the Bankruptcy Court for doing so, such holder(s) changes its previous  
11 acceptance or rejection; and

12 c) every modification of the Plan will supersede the previous version(s) of the  
13 Plan as and whenever each such modification is effective provided in this Article. When superseded,  
14 the previous version(s) of the Plans will be in the nature of a withdrawn or rejected settlement  
15 proposal(s), and will be null, void and unusable by the Debtor or any other party for any purpose(s)  
16 whatsoever with respect to any of the contents of such version(s) of the Plan.

## 17 *ARTICLE IX*

### 18 *Miscellaneous Provisions*

19  
20 9.1 Securities Law: Any satisfaction or exchange provided to any creditor pursuant to this  
21 Plan which may be deemed to be a security is exempt from registration under certain state and  
22 federal securities laws pursuant to Section 1145 of the Code. Absent registration or another  
23 exemption from the requirements of registration pursuant to the Securities Act of 1933, as amended,  
24 and any applicable state securities laws, the subsequent transfer of any such securities is not so  
25 exempt.

26 9.2 Title to Property: Upon confirmation, all assets of the Debtor will be reinvested in the  
27 Debtor.

1           9.3    Curing of Defaults: The confirmation of a plan shall result in the curing of any default  
2 to the holder of a claim or interest according to the terms and conditions of the Plan.

3  
4  
5   ***ARTICLE X***

6   *Closing of the Case*

7           At such time as the case has been fully administered, that is, when all things requiring action  
8 by the Court have been done, and the Plan has been substantially consummated, this case shall be  
9 closed. To close the case the Debtor shall file an application for final decree showing that the case  
10 has been fully administered and that the Plan has been substantially consummated. The Court shall  
11 conduct a hearing upon the application after notice to all creditors, equity security holders and  
12 persons specially requesting notice, after which an order approving the Debtor's report and closing  
13 the case (final decree) may be entered.

14           In the period after confirmation but before closing of the case, the Debtor may continue to  
15 avail itself of the services of professional persons whose employment was approved at or prior to  
16 confirmation in completing administration of the case and in the consummation and performance of  
17 the Plan, and, if necessary, with approval of the Court employ additional professional persons to  
18 render services in and in connection with this case. With respect to services rendered and expenses  
19 incurred in or in connection with the case by any professional person during such period, the  
20 professional person may render periodic billings therefore to the Debtor which shall promptly pay  
21 the same, but each such payment shall be subject to review and approval by the Court as to  
22 reasonableness thereof, as set forth herein below.

23           In its application for final decree, the Debtor shall detail all amounts paid during such period  
24 to professional persons as compensation for services rendered or reimbursement of expenses  
25 incurred, and with respect to which no prior allowance thereof has been made by the Court. At the  
26 hearing on the Debtor's application for final decree the Court shall consider and determine whether  
27 or not such payments shall be approved as reasonable.

1 Confirmation of this Plan shall constitute a discharge of any debt that arose prior to  
2 confirmation and any debt of any kind specified in Bankruptcy Code Section 502(g), (h) and (i),  
3 other than those liabilities expressly to be assumed hereby by the Reorganized Debtor.

4  
5 **CONCLUSION**

6 The materials provided in the Disclosure Statement and Plan are intended to assist you in  
7 voting on the Plan in an informed fashion. If the Plan is confirmed, you will be bound by its terms;  
8 therefore, you are urged to review this material and to make such informed vote on the Plan.

9 DATED: October 4, 2017

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