

1
2
3
4
5 IN THE UNITED STATES BANKRUPTCY COURT
6 FOR THE DISTRICT OF ARIZONA
7

8 In Re:

9 FRONTERRA VILLAGE, LLC, an Arizona
10 limited liability company,

11 Debtor.

Chapter 11 Proceedings

Case No. 09-bk-03099-SSC

12 MEMORANDUM DECISION ON
DEBTOR'S EMERGENCY MOTION
13 UNDER 11 U.S.C. § 362(d)(3)

14 The Debtor has conceded that this is a single-asset real estate case. Thus, Section
15 362(d)(3) requires a debtor, in such a case, to file a plan of reorganization within 90 days of the
16 order of relief or commence making certain interest payments to its secured creditors. The
17 Debtor's counsel has stated on the record that the Debtor is currently "cash poor." Hence, the
18 Debtor seeks an extension of the 90-day period to file its plan of reorganization for cause.
19 Section 362(d)(3) does not define "cause." The Freeway Limited Partnerships (the "Limited
20 Partnerships") oppose the relief requested by the Debtor.

21 Although the Debtor purports to own 951 acres of unimproved land near
22 Tonopah, Arizona, it states that 751 acres are subject to, and encumbered by, a deed of trust by
23 the Limited Partnerships. The Debtor owns 200 acres of land free and clear of any liens. The
24 difficulty is that the Debtor is unable to maximize the value of its 200 acres unless a water
25 treatment facility is constructed on 6 acres of land and a sewer treatment facility is constructed
26 on 15 acres ("21 acres") which are subject to the deed of trust of the Limited Partnerships. The
27 Debtor has commenced an adversary proceeding because of the Limited Partnerships refusal to
28 release the 21 acres. The Debtor is unable to receive \$357,000 under certain option agreements

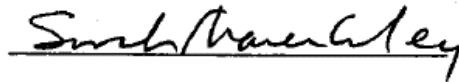
1 it has with Global Water, Inc. unless and until the dispute with the Limited Partnerships is
2 resolved. The matter is further complicated by the fact that the Limited Partnerships allege that
3 the Debtor abandoned all, or a substantial portion, of the 736 and 751 acres to the Limited
4 Partnerships, transferring the subject property outright to the Limited Partnerships.

5 The Debtor also alleges that counsel of the Limited Partnerships also represents
6 Global Water and that counsel is obfuscating the legal and factual issues to cause the Debtor to
7 fail.

8 Although the Court expressed concern about extending the deadline that the
9 Debtor will file its plan to a date 60 days after an appraisal of the Debtor's property is obtained,
10 or 30 days after the resolution of the pending adversary against the Limited Partnerships as to the
11 21 acres, because the deadlines were indefinite and might not occur for a prolonged period of
12 time, the Court concludes, as a matter of fact and law, that the Debtor has shown cause for a
13 brief extension of time. The Debtor has 3 weeks from today, or until June 16, 2009, to file its
14 plan of reorganization. Debtor's counsel shall upload a form of order.

15
16 **IT IS SO ORDERED**

17
18 DATED this 26th day of May, 2009

19
20 

21 Honorable Sarah Sharer Curley
22 United States Bankruptcy Judge
23
24
25
26
27
28