

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
Miami Division
www.flsb.uscourts.gov

In re: Case No. 15-14807-BKC-RAM
K.M. VILLAS LLC., Chapter 11
Debtor.

**SECOND AMENDED DISCLOSURE STATEMENT IN SUPPORT OF SECOND
AMENDED PLAN OF REORGANIZATION OF K.M. VILLAS LLC.**

IMPORTANT: THIS SECOND AMENDED DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PROPOSED SECOND AMENDED CHAPTER 11 PLAN. PLEASE READ THIS DOCUMENT WITH CARE.

Submitted on October 18, 2018 by:

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I. INTRODUCTION

This is the Second Amended Disclosure Statement (the “Disclosure Statement”) in the Chapter 11 case of K.M. Villas LLC. (the “Debtor”). This Disclosure Statement contains information about the Debtor and describes the Second Amended Plan of Reorganization (the “Plan”) filed by the Debtor on October 18, 2018. A full copy of the Plan is attached to this Disclosure Statement as Exhibit A. ***Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.***

The proposed distributions under the Plan are discussed below. General unsecured and undersecured creditors are classified in Class 4, and will receive a distribution of 0.8047% of their allowed claims, which is greater than the amount that such creditors would receive in a Chapter 7 liquidation.

A. Purpose of This Document

This Disclosure Statement describes:

- The Debtor and significant events during the bankruptcy case;
- How the Plan proposes to treat claims or equity interests of the type you hold (*i.e.*, what you will receive on your claim or equity interest if the plan is confirmed);
- Who can vote on or object to the Plan;
- What factors the Bankruptcy Court (the “Court”) will consider when deciding whether to confirm the Plan;
- Why the Proponent believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation; and
- The effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

1. *Deadline for Voting to Accept or Reject the Plan*

If you are entitled to vote to accept or reject the Plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to the Clerk of Court, United States Bankruptcy Court, 301 North Miami Avenue, Room 150, Miami, FL 33128. See section IV.A. below for a discussion of voting eligibility requirements.

Your ballot must be received by _____ or it will not be counted. **(Please note: all blanks contained in this Disclosure Statement will be filled in upon approval of the Disclosure Statement, for the version to be mailed to all creditors and interested parties.)**

2. *Deadline for Objecting to the Confirmation of the Plan*

Objections to the confirmation of the Plan must be filed with the Court and served upon Zach B. Shelomith, Counsel for the Debtors, 2699 Stirling Rd # C401, Ft. Lauderdale, FL 33312 by _____.

3. *Identity of Person to Contact for More Information*

If you want additional information about the Plan, you should contact Zach B. Shelomith, Counsel for the Debtors, 2699 Stirling Rd # C401, Ft. Lauderdale, FL 33312.

C. **Disclaimer**

On _____, the Court approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court has approved this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted.

II. **BACKGROUND**

A. **Description and History of the Debtor's Business**

The Debtor is a real estate holding company that owns and manages the real property located at 930 - 934 N Harper Ave, West Hollywood, CA 90046 (the "Real Property"), which consists of four (4) residential units. The real property was originally acquired on or around August 6, 2006, by Lonnie Kevin Hinds, a/k/a Kevin Hinds ("Kevin Hinds" or "Hinds") and Michael Yager ("Yager"), a resident of California. In 2012, a dispute arose between Hinds and Yager regarding the proper ownership of the California Property. As a result of the resolution of that dispute, on or around December 12, 2012, Hinds and Yager recorded a prior deed to the Real Property, dated and signed on December 22, 2006, which transferred ownership of the Real Property to the Debtor.

The Debtor was originally a California limited liability company. On September 16, 2014, it filed Articles of Conversion, which converted the Debtor to a Florida limited liability company. Since all of its members reside in the State of Florida, to reduce the administrative burden that would be placed upon the Debtor by filing the above-referenced bankruptcy proceeding in the State of California, notwithstanding the fact that the Real Property is located in California, this proceeding was filed in the United States Bankruptcy Court for the Southern District of Florida, where venue is proper.

B. **Insiders of the Debtor**

As stated above, the Debtor is a limited liability company. Its members are Lonnie Kevin Hinds, Marcelo Meirelles and Jodie Rasure. All members reside in the State of Florida. Lonnie Kevin Hinds is the managing member. Mr. Hinds received certain compensation in his capacity as a property manager for the Debtor's Real Property, of an unknown amount, during the years 2013, 2014 and 2015. Upon information and belief, Mr. Meirelles and Ms. Rasure did not receive any compensation from the Debtor within the 1 year prior to the Filing Date.

C. Events Leading to Chapter 11 Filing

As stated above, the Debtor is a real estate holding company and owns and manages the Real Property. The Debtor filed this Chapter 11 primarily to reorganize the four (4) secured claims against the Real Property. A foreclosure sale was scheduled by HSBC Bank USA, National Association as Trustee for BCAP Trust LLC 2006-AA2, Mortgage Pass-Through Certificates, Series 2006-AA2 (“HSBC Bank”), the holder of the first deed of trust (mortgage) for March 19, 2015. The rental income that the Debtor derives from the real property was not sufficient to pay the secured claims, taxes and insurance, unless the secured claims are modified. The Debtor anticipates that once these secured claims are modified, the Debtor will be able to generate sufficient rental income to accomplish a successful reorganization.

D. Significant Events During the Bankruptcy Case

This case was on March 16, 2015 (the “Petition Date” or “Filing Date”). The Debtor retained his current counsel, Zach B. Shelomith, Esq., on April 3, 2015, *nunc pro tunc* to the Petition Date. The Debtor retained his accountant, Alan Fyne, on April 3, 2015, *nunc pro tunc* to the Petition Date. The § 341 Meeting of Creditors took place on April 17, 2015.

On April 23, 2015, HSBC Bank filed Claim No. 2 in this bankruptcy proceeding, asserting that it was entitled to a secured claim in the amount of \$2,115,335.04 (the “HSBC Bank Claim”). On May 17, 2015, the Debtor filed a Motion to Value and Determine Secured Status of Liens on Real Property [ECF No. 29] (the “Motion to Value”). In the Motion to Value, the Debtor alleged that the value of the Real Property was \$1,300,000.00, rendering HSBC Bank as partially secured and partially unsecured, and rendering certain junior lienholders as wholly unsecured.

Thereafter, the Court adjudicated numerous issues relating to the Real Property and HSBC Bank’s claim while the Motion to Value remained pending. After these issues were adjudicated by the Court, the Debtor and HSBC Bank engaged in a Mediation on October 4, 2018, in order to attempt to resolve the valuation of the Property and payment terms to HSBC Bank. See ECF No. 252. At the Mediation, the Debtor and HSBC Bank were able to come to an agreement regarding valuation of the Property and payment terms. The Stipulation is attached as Exhibit “A” to the Plan.

E. Projected Recovery of Avoidable Transfers

The Debtor does not believe that there exist any avoidable transfers. If you received a payment or other transfer within 90 days of the bankruptcy, or other transfer avoidable under the United States Bankruptcy Code, the Debtor may seek to avoid such transfer.

F. Claims Objections

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

G. Current and Historical Financial Conditions

The identity and fair market value of the Debtor's assets are listed in Exhibit B. The Debtor's Five-Year Cash Flow Projections and Accountant's Assumptions are set forth in Exhibit C. A Liquidation Analysis is set forth in Exhibit D.

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

A. What is the Purpose of the Plan of Reorganization?

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

B. Unclassified Claims

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has *not* placed the following claims in any class:

1. *Administrative Expenses*

Administrative expenses are costs or expenses of administering the Debtor's Chapter 11 case which are allowed under 11 U.S.C. § 507(a)(2). Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition, if any. The Code requires that all administrative expenses be paid on the Effective Date of the Plan, unless a particular claimant agrees to a different treatment. The Debtor requests that the Court set an administrative claims bar date of fifteen (15) days after the date of confirmation of the Plan.

The following chart lists the Debtor's estimated administrative expenses and their proposed treatment under the Plan:

<u>Type</u>	<u>Estimated Amount Owed</u>	<u>Proposed Treatment</u>
Expenses Arising in the Ordinary Course of Business After the Petition Date (Repairs to Property)	Est. \$23,000.00	Paid in full on the effective date of the Plan, or according to terms of obligation if later
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	\$0.00	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 (consisting of attorneys' fees, accountants' fees and appraisers' fees).	Est. \$39,000.00	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan
Clerk's Office Fees	\$0.00	Paid in full on the effective date of the Plan
Other administrative expenses	\$0.00	Paid in full on the effective date of the Plan or according to separate written agreement
Office of the U.S. Trustee Fees	Unknown	Paid in full on the effective date of the Plan
TOTAL	Est. \$62,000.00	

2. *Priority Tax Claims*

Priority tax claims are unsecured income, employment, and other taxes described by 11 U.S.C. § 507(a)(8). Unless the holder of such an 11 U.S.C. § 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 order of relief. The Debtor does not believe that any § 507(a)(8) priority tax claims exist, except secured ad valorem priority tax claims under 11 U.S.C. § 507(a)(8)(B), which are treated as set forth in the Plan, described below.

3. *United States Trustee Fees*

All fees required to be paid by 28 U.S.C. § 1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Specifically, the Debtor will pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6), through the date of confirmation of the Plan, within fourteen (14) business days of the entry of an order confirming the Plan. Furthermore, the Debtor (as reorganized) will file with the Court post-confirmation Quarterly Operating Reports and pay the U.S. Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) for post-confirmation periods within the time period set forth in 28 U.S.C. § 1930(a)(6), based upon all post-confirmation disbursements, until the earlier of the closing of this case by the issuance of a Final Decree by the Bankruptcy Court, or upon the entry of an Order by the Bankruptcy Court dismissing this case or converting this case to another Chapter under the U.S. Bankruptcy Code.

C. **Classes of Claims and Equity Interests**

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

1. *Classes of Secured Claims and Undersecured (General Unsecured) Claims*

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under 11 U.S.C. § 506. If

the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a general unsecured claim, as set forth below.

The following chart lists all classes containing Debtor's secured prepetition claims and their proposed treatment under the Plan:

Class	Impairment	Treatment
<p>Class 1 – Secured Claim of the Los Angeles County Tax Collector (unpaid real estate taxes on real property) (Claim # 1)</p> <p>Total claim amount: \$25,860.20 (secured = \$25,860.20; unsecured = \$0.00)</p>	Unimpaired	<p>Class 1, the Secured Claim of the Los Angeles County Tax Collector (unpaid real estate taxes on real property), is unimpaired by the Plan. This claim is secured by the real property located at 930 - 934 N Harper Ave, West Hollywood, CA 90046 (Assessor's ID # 5529-011-032-14-000) (the "Real Property") and is comprised of any and all outstanding real estate taxes through 2015 - 2016.</p> <p>Upon information and belief, this secured claim has been paid in full during the pendency of this bankruptcy proceeding. The claimant shall receive no further payments on account of real estate taxes through 2015 – 2016, and the Debtor will be filing an Objection to Claim, based solely on the fact that this claimant has been paid. The Debtor agrees to remain current with any and all real estate taxes owing to the Claimant after the Effective Date.</p>
<p>Class 3 – Secured Claim of HSBC Bank, N.A. (first deed of trust on real property) (Claim # 2)</p> <p>Total claim amount: \$2,115,335.04 (secured = \$1,400,000.00; unsecured = \$715,335.04)</p>	Impaired	<p>Class 3, the Secured Claim of HSBC Bank USA, N.A., as Trustee for BCAP Trust LLC 2006-AA2, Mortgage Pass-Through Certificates, Series 2006-AA2 ("HSBC Bank") (first deed of trust on real property), is impaired by the Plan. This claim is secured by the Real Property located at 930 - 934 N Harper Ave, West Hollywood, CA 90046 (the "Property").</p> <p>The Debtor and HSBC Bank entered into a Mediated Stipulation for Settlement (the "Stipulation"), which is attached to the Plan as Exhibit "A" and incorporated herein by reference in its entirety. Pursuant to the Stipulation, HSBC Bank shall be entitled to an allowed secured claim in the amount of \$1,400,000.00 and an allowed general unsecured claim in the amount of \$715,335.04.</p> <p>HSBC Bank shall not be entitled to any other claim, of any type, in this bankruptcy proceeding, other than as set forth herein. HSBC Bank's "Claim" shall be defined as its Secured Claim plus its Unsecured Claim.</p> <p>HSBC Bank's Secured Claim shall be paid at the rate of 4.25%, over 10 years (120 months), starting on the seventh (7th) day of the month following the entry of a Confirmation Order, and continuing on the seventh (7th) day of the month thereafter, with the payment stream comprised of \$1,100,000.00, with a forty (40) year amortization, with a balloon payment for any and all remaining principal balance of the Secured Claim due at the conclusion of 120 monthly payments. There shall be no prepayment penalty.</p> <p>HSBC Bank has waived any right to an election under 11</p>

		<p>U.S.C. § 1111(b). The Debtor shall continue to make adequate protection payments [see ECF No. 71] through the date of the entry of a Confirmation Order. The Debtor shall not receive any credit(s) for any adequate protection payments made during the pendency of this bankruptcy proceeding.</p> <p>Starting on the seventh (7th) day of the month following the entry of a Confirmation Order, and continuing on the seventh (7th) day of the month thereafter, the Debtor shall make post-confirmation escrow payments to HSBC Bank, in an amount sufficient to pay real estate taxes and hazard insurance on the Property. No other escrow (or other) payments shall be required, and there shall be no other additional insurance or escrow requirements.</p> <p>Upon any default and expiration of any applicable cure period(s) under the terms of the Note and Deed of Trust, HSBC Bank shall be entitled to the entire amount of its Claim. Upon Confirmation, HSBC Bank shall send the Debtor monthly statements, indicating the correct amount of the Allowed Secured Claim, in the amount of \$1,400,000.00.</p> <p>Unless otherwise modified by the terms of the Stipulation and the Plan, all of the provisions of the underlying Note and Deed of Trust shall apply. ¶ 4.02 below shall not apply to HSBC Bank. The Property shall remain in name of the Debtor and the Debtor shall be the responsible party for payments under the Plan.</p> <p>HSBC Bank will retain its lien on the Property during the time that payments are made. Payments shall be made to the address listed on HSBC Bank's Proof of Claim, or such other address provided by HSBC Bank to the Debtor. The allowed general unsecured claim in the amount of \$715,335.04 shall be classified in Class 4 below. However, the Debtor shall not be obligated to and shall not make any payments to HSBC Bank on account of its Class 4 general unsecured claim.</p>
<p>Class 5 – Secured Claim of Jonathan Cole (lien on vehicle)</p> <p>Total secured claim amount: \$3,100.00</p>	<p>Unimpaired</p>	<p>Class 5, the Secured Claim of Jonathan Cole, is unimpaired by the Plan. This claim was secured by a 1998 Ford F 150 (VIN # 1FTZF0728WKB93119). This secured claim has been paid in full during the pendency of this bankruptcy proceeding. The claimant shall receive no further payments and shall issue a satisfaction of his security interest, if not already completed.</p>

2. *Classes of Priority Unsecured Claims*

Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Code are required to be placed in classes. The Code requires that each holder of such a claim receive cash on the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment.

The following chart sets forth the Plan's proposed treatment of classes of priority unsecured claims:

Class	Impairment	Treatment
Class 2 – Other Priority Claims	Unimpaired	Other than set forth herein, no other priority claims have been scheduled by the Debtor and the Debtor does not believe that any other priority claims exist. However, in the event that it is determined by the Court that any additional priority claims do exist, then each holder of a Class 2 Priority Claim will be paid in full, over 60 months from the Effective Date, in 20 equal quarterly payments, which will begin on the first day of the month following the Effective Date of the Plan, and continue on the first day of every quarter thereafter.
Class 6 – Priority Unsecured Claims of Real Property Tenants Total priority unsecured claims: \$5,200.00	Unimpaired	Class 6 consists of all allowed priority unsecured claims of Real Property Tenants who are owed security deposits. Upon the expiration of the unexpired leases described herein, the Debtor may become obligated to repay its tenants their security deposits, pursuant to applicable law. The security deposits are: (a) Unit 930 (\$900.00); (b) Unit 930 ½ (\$600.00); and (c) Unit 932 (\$3,700.00). Upon such time that the Debtor becomes obligated to pay its tenants these security deposits, such security deposits will be repaid in full. The Debtor shall set aside a reserve for Class 6 Creditors, so that these amounts can be paid on a timely basis upon such expiration of the leases described above.

3. *Class of General Unsecured and Undersecured Claims*

General unsecured and undersecured claims (not already set forth above) are not secured by property of the estate and are not entitled to priority under 11 U.S.C. § 507(a). The following chart identifies the Plan's proposed treatment of Class 4 (General Unsecured and Undersecured Creditors), which contains other general unsecured claims against the Debtor:

Class	Impairment	Treatment
Class 4 – General Unsecured and Undersecured Claims Total amount of claims in Class 4: \$621,327.11 (excluding general unsecured claim of HSBC Bank)	Impaired	Class 4 consists of all allowed general unsecured and undersecured claims. The Class 4 Creditors shall share <i>pro rata</i> in a total distribution in the amount of \$5,000.00, which shall be paid in one lump sum on the Effective Date of the Plan. This payment will be made by Lonnie Kevin Hinds. The specific creditors to be paid under the Plan (as well as the amount to be distributed) are set forth in the attached Exhibit "B". The Class 4 Creditors will be receiving a distribution of approximately 0.8047% of their allowed general unsecured and undersecured claim(s). Upon the payment referenced herein to Class 4 General Undersecured Creditors, as to the Property (specifically the undersecured claims of Countrywide Home Loans, Inc., Atwood Grandberry and Infinity East, LLC), such secured claims/liens against the Property shall be deemed void and

		<p>shall be extinguished upon entry of the Final Decree in this bankruptcy proceeding.</p> <p>As stated above, although HSBC Bank is entitled to a general unsecured claim in the amount of \$715,335.04, pursuant to the Stipulation, the Debtor shall not make any payments to HSBC Bank on account of its Class 4 general unsecured claim.</p>
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The Debtor's scheduled undersecured and unsecured claims are set forth in its Schedules D and F [ECF No. 1]. Attached as Exhibit A to the Plan (which itself is attached hereto as Exhibit A) is a list of all general unsecured claims to be paid under the Plan, including the proposed distribution.

Holders of allowed general unsecured claims will receive a distribution of 0.8047%. This distribution is higher than what holders of allowed general unsecured claims would receive in a hypothetical Chapter 7, in which case the Debtor estimates that such claimants would receive a distribution of 0.00%.

4. *Class of Equity Interest Holders*

Equity interest holders are parties who hold an ownership interest (*i.e.*, equity interest) in the Debtor. 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 ("LLC"), the equity interest holders are the members. Finally, with respect to an individual who is a debtor, the Debtor is the equity interest holder.

The following chart sets forth the Plan's proposed treatment of the class of equity interest holders:

Class	Impairment	Treatment
Class 7 - Equity Security Holders of the Debtor	Impaired	<p>Class 7 consists of all allowed equity interests in the Debtor, which includes membership interest(s) in the Debtor, belonging to Lonnie Kevin Hinds (1/3 interest), Marcelo Meirelles (1/3 interest) and Jodie Rasure (1/3 interest). The Debtor is canceling any and all stock and/or membership interests in the Debtor, and reissuing such stock and/or membership interest(s) as follows: Lonnie Kevin Hinds (1/3 interest), Marcelo Meirelles (1/3 interest) and Jodie Rasure (1/3 interest), in the Reorganized Debtor.</p> <p>Lonnie Kevin Hinds, on behalf of himself, as well as on behalf of Marcelo Meirelles and Jodie Rasure, shall, in exchange, provide the following new value: (a) a new value payment in the amount of \$5,000.00, to pay the Class 4 General Unsecured and Undersecured Creditors referenced above; (b) providing any and all capital infusions that are necessary to meet cash flow needs; (c) providing any and all capital infusions that are necessary to complete necessary repairs of the Property; and (d) other good and valuable consideration. Other than receiving a new Equity Interest in the Reorganized Debtor, the Equity Security Holders of the Debtor shall not be</p>

		entitled to receive any distribution under the Plan on account of such Equity Interest(s).
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D. Means of Implementing the Plan

1. Source of Payments

The Plan will be funded primarily from cash flow from the operation of the Debtor's real estate business, specifically, the rental income as referenced above. The Debtor will be able to generate sufficient net income on a monthly basis to pay all of the obligations set forth in the Plan. Furthermore, the Plan will also be partially funded through infusions of capital from the Debtor's principal, Lonnie Kevin Hinds, as more specifically set forth above.

The Debtor shall, and believes it can, generate sufficient income to the amount necessary to enable it to make all payments due under the Plan. The Debtor's net income is described in detail in its Five-Year Cash Flow Projections, attached hereto as Exhibit C, demonstrating that the plan payments are feasible. The cash on hand necessary as of the Effective Date of the Plan is \$49,919.82, as set forth in Exhibit C.

The Debtor, as reorganized, will retain and will be re-vested in all property of the Estate, excepting property which is to be sold or otherwise disposed of as provided herein, executory contracts which are rejected pursuant to the Plan and property transferred to Creditors of the Debtor pursuant to the expressed terms hereof. The retained property shall be used by the Debtor in the ordinary course of its business.

2. Post-confirmation Management

The Post-Confirmation Manager of the Debtor, and his compensation, shall be as follows:

Name	Insider (yes or no)?	Position	Compensation
Lonnie Kevin Hinds	Yes	Managing Member	None

E. Risk Factors

The proposed Plan has the following risks:

- The Debtor's projections as to its income are speculative and based on historical data and projected transactions. There is no guarantee that the projected income will remain as proposed for the next 5 years. The Debtor has provided its best estimate, based on historical income and current factors.
- Failure to Satisfy Vote Requirement - the Debtor is seeking the affirmative vote of at least one class of creditors. If the Plan does not receive sufficient votes for confirmation pursuant to 11 U.S.C. § 1129(a), then the Plan cannot be confirmed.
- Natural hazards, such as earthquakes, which could cause severe damage to the

Debtor's Real Property, in which the Debtor derives its sole revenue, and which could have an impact on the Debtor's ability to maintain the cash flow projected in Exhibit C.

- The Plan May Not Be Accepted or Confirmed – while the Debtor believes that the Plan is confirmable under the standards set forth in 11 U.S.C. § 1129, there is no assurance that the Bankruptcy Court will find the Plan to be confirmable. If the Plan is not confirmed, it is possible that an alternative plan can be negotiated and presented to the Bankruptcy Court for approval, but there is also no assurance that an alternative plan would be confirmed, that the case will not be converted to a Chapter 7 proceeding, or that any alternative plan of reorganization could or would be formulated on terms as favorable to the creditors and the Debtor as the terms of the Plan.

F. Executory Contracts and Unexpired Leases

The Debtor assumes the following executory contracts and/or unexpired leases effective upon the Effective Date of the Plan:

Name of Lessee	Address	Monthly Payment	Date Lease Expires
John Finnigan	930 N Harper Ave, West Hollywood, CA 90046	\$995.00	Month to Month
Richard Dent	930 ½ N Harper Ave, West Hollywood, CA 90046	\$695.00	Month to Month
Stuart T. Marks	932 N Harper Ave, West Hollywood, CA 90046	\$3,700.00	8/31/2015

The Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed above, or before the date of the order confirming the Plan, upon the Effective Date of the Plan. If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

The Deadline for Filing a Proof of Claim Based on a Claim Arising from the Rejection of a Lease or Contract will be set by the Court at the Confirmation Hearing. Any claim based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless the Court orders otherwise.

G. Tax Consequences of Plan

Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, and/or Advisors.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code. These include the requirements that: the Plan must be proposed in good faith; at least one impaired class of claims must accept the plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity

interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

A. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that Classes 3, 4 and 7 are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that Classes 1, 2, 5 and 6 are unimpaired and that holders of claims in these classes, therefore, do not have the right to vote to accept or reject the Plan.

1. *What Is an Allowed Claim or an Allowed Equity Interest?*

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in this case is July 16, 2015.

2. *What Is an Impaired Claim or Impaired Equity Interest?*

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is *impaired* under the Plan. As provided in 11 U.S.C. § 1124, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

3. *Who is **Not** Entitled to Vote*

The holders of the following five types of claims and equity interests are *not* entitled to vote:

- holders of claims and equity interests that have been disallowed by an order of the Court;
- holders of other claims or equity interests that are not "allowed claims" or "allowed equity interests" (as discussed above), unless they have been "allowed" for voting purposes.

- holders of claims or equity interests in unimpaired classes;
- holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Code; and
- holders of claims or equity interests in classes that do not receive or retain any value under the Plan; and
- administrative expenses.

Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan and to the Adequacy of the Disclosure Statement.

4. *Who Can Vote in More Than One Class*

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

B. Votes Necessary to Confirm the Plan

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

1. *Votes Necessary for a Class to Accept the Plan*

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

2. *Treatment of Nonaccepting Classes*

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner prescribed by 11 U.S.C. § 1129(b). A plan that binds nonaccepting classes is commonly referred to as a “cram down” plan. The Code allows the Plan to bind nonaccepting classes of claims if it meets all the requirements for consensual confirmation except the voting requirements of 11 U.S.C. § 1129(a)(8), does not “discriminate unfairly” and is “fair and equitable” toward each impaired class that has not voted to accept the Plan.

You should consult your own attorney if a “cramdown” confirmation will affect your claim, as the variations on this general rule are numerous and complex.

C. **Liquidation Analysis**

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a Chapter 7 liquidation

This estimated distribution in a hypothetical Chapter 7 was determined by analyzing the liquidation value of the Debtor’s property. The Debtor’s real property is undersecured and has no equity. The Debtor’s personal property is also undersecured and has no equity. After deducting estimated Chapter 11 administrative expenses, other administrative expenses and repairs to the Real Property, as well as anticipated Chapter 7 administrative expenses, it was calculated that unsecured creditors would receive a total of \$0.00 if this case were converted to a Chapter 7 liquidation. A more detailed liquidation analysis is set forth in the attached Exhibit D.

Accordingly, creditors are receiving more by virtue of the Plan, then they would if the Debtor’s case was a Chapter 7 proceeding.

D. **Feasibility**

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan.

1. *Ability to Initially Fund Plan*

The Plan Proponent believes that the Debtor will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date.

2. *Ability to Make Future Plan Payments and Operate Without Further Reorganization*

The Plan Proponent believes that it will have enough cash over the life of the Plan to make the required Plan payments.

You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to These Projections.

V. EFFECT OF CONFIRMATION OF PLAN

A. DISCHARGE OF DEBTOR

Discharge. On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in 11 U.S.C. § 1141(d)(1)(A), except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in 11 U.S.C. § 1141(d)(6)(A) if a timely complaint was filed in accordance with Fed. R. Bank. P. 4007(c), or (iii) of a kind specified in 11 U.S.C. § 1141(d)(6)(B). After the effective date of the Plan your claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

B. Modification of Plan

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

C. Final Decree

Once the estate has been fully administered, as provided in Fed. R. Bankr. P. 3022, the Plan Proponent, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

VI. OTHER PLAN PROVISIONS

A. **Reservation of Rights Under 11 U.S.C. § 1129(b).** The Debtor expressly reserves the right, pursuant to 11 U.S.C. § 1129(b), to request the Court to confirm the Plan if all of the applicable requirements of 11 U.S.C. § 1129(b) have been met, other than those of 11 U.S.C. § 1129(a)(8).

B. **Disbursing Agent.** All distributions hereunder shall be made by the Debtor, or such other individual or entity designated by the Debtor at the Confirmation Hearing, as Disbursing Agent, on or after the Effective Date or as otherwise provided herein. A Disbursing Agent shall not be required to give any bond, surety or other security for the performance of his/her/its duties unless otherwise ordered by the Bankruptcy Court, and, in the event that a Disbursing Agent is so ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Debtor.

C. **Post-Petition Interest on Claims.** Except as required by applicable bankruptcy law, post-petition interest will not accrue on or after the Effective Date on account of any Claim, unless otherwise specifically set forth in the Plan.

D. **Default of Plan Payment(s).** The Plan provides for a ten (10) day notice period before the Debtor can be held in default of any payment due under the Plan. Please carefully read ¶ 4.02 of the Plan for more information regarding the consequences of the Debtor's default of any Plan payment(s).


E. Delivery of Distributions and Undeliverable Distributions. Subject to Fed. R. Bankr. P. 9010, all distributions to any holder of an Allowed Claim shall be made at the address of such holder as set forth on the Schedules filed with the Bankruptcy Court, or on the books and records of the Debtor or its agents, or in a letter of transmittal, unless the Debtor has been notified in writing of a change of address, including, without limitation, by the filing of a Proof of Claim by such holder that contains an address for such holder different from the address reflected on such Schedules for such holder. In the event that any distribution to any holder is returned as undeliverable, no further distributions to such holder shall be made unless and until the Debtor is notified of such holder's then-current address, at which time all missed distributions shall be made to such holder, without interest. All demands for undeliverable distributions shall be made on or before ninety (90) days after the date such undeliverable distribution was initially made. Thereafter, the amount represented by such undeliverable distribution shall be donated by the Debtor to the Bankruptcy Bar Foundation of the Southern District of Florida, Inc., a legal non-profit organization that funds the pro bono activities of the Bankruptcy Bar Association for the Southern District of Florida. At such time, any Claim in respect of such undeliverable distribution shall be discharged and forever barred from assertion against the Debtor and its property.

F. Time Bar to Cash Payments. Checks issued by the Debtor in respect of Allowed Claims shall be null and void if not negotiated within one hundred and eighty (180) days after the date of issuance thereof. Requests for re-issuance of any check shall be made to the Debtor by the holder of the Allowed Claim to whom such check originally was issued. Any Claim in respect of such a voided check shall be made on or before thirty (30) days after the expiration of the one hundred and eighty (180) day period following the date of issuance of such check. Thereafter, the amount represented by such voided check shall be donated by the Debtor to the Bankruptcy Bar Foundation of the Southern District of Florida, Inc., a legal non-profit organization that funds the pro bono activities of the Bankruptcy Bar Association for the Southern District of Florida. At such time, any Claim in respect of such voided check shall be discharged and forever barred.

The Debtor believes that Confirmation of the Plan is in the best interests of the creditors and the Estate because confirmation of the Plan will enable Claimholders to receive higher distributions under the Plan than they would in the event the case were converted to Chapter 7. Therefore, the Debtor urges all holders of impaired claims to cast a ballot voting in favor of the Plan on or before _____.

Dated: October 18, 2018

Respectfully submitted,

By: 
 Lonnie Kevin Hinds, as Managing
 Member of K.M. Villas LLC. (the Plan
 Proponent)

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By: /s/ Zach B. Shelomith
 ZACH B. SHELOMITH
 Florida Bar No. 0122548

EXHIBITS

Exhibit A – Copy of Proposed Plan of Reorganization

Exhibit B – Identity and Value of Material Assets of Debtor

Exhibit C – Five Year Cash Flow Projections

Exhibit D – Liquidation Analysis

EXHIBIT “A”

Copy of Proposed Plan of Reorganization

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF FLORIDA

Miami Division

www.flsb.uscourts.gov

In re:

Case No. 15-14807-BKC-RAM

K.M. VILLAS LLC.,

Chapter 11

Debtor.

SECOND AMENDED PLAN OF REORGANIZATION OF K.M. VILLAS LLC.

Submitted on October 18, 2018 by:

ZACH B. SHELOMITH, ESQ.

zbs@lsaslaw.com

Florida Bar No. 0122548

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SOMODEVILLA, PLLC

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Exhibit "A"

ARTICLE I **SUMMARY**

This Second Amended Plan of Reorganization (the "Plan") under Chapter 11 of the Bankruptcy Code (the "Code") proposes to pay creditors of K.M. Villas LLC. (the "Debtor") from cash flow from operations of the Debtor's business, as well as infusions of capital from the Debtor's principal, Lonnie Kevin Hinds.

This Plan provides for 3 classes of secured claims, 1 class of general unsecured and undersecured claims, 2 classes of priority unsecured claims and 1 class of equity security holders. General unsecured creditors holding allowed claims will receive a distribution, which the proponent of this Plan has valued at approximately 0.8047 cents on the dollar. This Plan also provides for the payment of administrative claims in full on the Effective Date of this Plan, or upon such other terms as agreed to between the Debtor and the administrative claimant(s).

All creditors and equity security holders should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claim. A Second Amended Disclosure Statement (the "Disclosure Statement") that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

ARTICLE II **CLASSIFICATION OF CLAIMS AND INTERESTS**

- | | | |
|------|-----------------|---|
| 2.01 | <u>Class 1.</u> | The secured claim of the Los Angeles County Tax Collector (unimpaired) |
| 2.02 | <u>Class 2.</u> | Any and all other allowed claims entitled to priority under 11 U.S.C. § 507 (except administrative expense claims under 11 U.S.C. § 507(a)(2) and priority tax claims under 11 U.S.C. § 507(a)(8)) (unimpaired) |
| 2.03 | <u>Class 3.</u> | The secured claim of HSBC Bank, N.A. (impaired) |
| 2.04 | <u>Class 4.</u> | Allowed General Unsecured and General Undersecured Claims (impaired) |
| 2.05 | <u>Class 5.</u> | The secured claim of Jonathan Cole (unimpaired) |
| 2.06 | <u>Class 6.</u> | The priority unsecured claims of Real Property Tenants who are owed security deposits (unimpaired). |
| 2.07 | <u>Class 7.</u> | Equity Security Holders of the Debtor (impaired) |

Exhibit "A"

**ARTICLE III
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,
U.S. TRUSTEE FEES AND PRIORITY TAX CLAIMS**

3.01 Unclassified Claims. Under 11 U.S.C. § 1123(a)(1), administrative expense claims and priority tax claims (other than 11 U.S.C. § 507(a)(8) claims) are not in classes.

3.02 Administrative Expense Claims. Each holder of an allowed administrative expense claim allowed under 11 U.S.C. § 503 will be paid in full on the Effective Date of this Plan, in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor. The Debtor requests that the Court set an administrative claims bar date of fifteen (15) days after the date of confirmation of this Plan, unless an earlier date has been set by the Court.

3.03 Priority Tax Claims. Each holder of a priority tax claim will be paid either in full on the Effective Date of this Plan, or over a term of sixty (60) months, as further set forth below.

3.04 United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the Effective Date of this Plan will be paid on the Effective Date.

The Debtor shall pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6), through the date of confirmation of this Plan, within fourteen (14) business days of entry of Order confirming this Plan. The Reorganized Debtor will file with the Bankruptcy Court post-confirmation Quarterly Operating Reports and pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) for post-confirmation periods within the time period set forth in 28 U.S.C. § 1930(a)(6), based upon all post-confirmation disbursements, until the earlier of the closing of this case by the issuance of a Final Decree by the Bankruptcy Court, or upon the entry of an Order by the Bankruptcy Court dismissing this case or converting this case to another chapter under the United States Bankruptcy Code.

**ARTICLE IV
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN**

4.01 Claims and interests shall be treated as follows under this Plan:

Class	Impairment	Treatment
Class 1 – Secured Claim of the Los Angeles County Tax Collector (unpaid real estate taxes on real property) (Claim # 1) Total claim amount: \$25,860.20 (secured = \$25,860.20; unsecured = \$0.00)	Unimpaired	Class 1, the Secured Claim of the Los Angeles County Tax Collector (unpaid real estate taxes on real property), is unimpaired by this Plan. This claim is secured by the real property located at 930 - 934 N Harper Ave, West Hollywood, CA 90046 (Assessor's ID # 5529-011-032-14-000) (the "Real Property") and is comprised of any and all outstanding real estate taxes through 2015 - 2016. Upon information and belief, this secured claim has been paid in full during the pendency of this bankruptcy proceeding. The claimant shall receive no further payments on account of real estate taxes through 2015 – 2016, and the

Exhibit "A"

		Debtor will be filing an Objection to Claim, based solely on the fact that this claimant has been paid. The Debtor agrees to remain current with any and all real estate taxes owing to the Claimant after the Effective Date.
Class 2 – Other Priority Claims	Unimpaired	Other than set forth herein, no other priority claims have been scheduled by the Debtor and the Debtor does not believe that any other priority claims exist. However, in the event that it is determined by the Court that any additional priority claims do exist, then each holder of a Class 2 Priority Claim will be paid in full, over 60 months from the Effective Date, in 20 equal quarterly payments, which will begin on the first day of the month following the Effective Date of this Plan, and continue on the first day of every quarter thereafter.
Class 3 – Secured Claim of HSBC Bank, N.A. (first deed of trust on real property) (Claim # 2) Total claim amount: \$2,115,335.04 (secured = \$1,400,000.00; unsecured = \$715,335.04)	Impaired	<p>Class 3, the Secured Claim of HSBC Bank USA, N.A., as Trustee for BCAP Trust LLC 2006-AA2, Mortgage Pass-Through Certificates, Series 2006-AA2 (“HSBC Bank”) (first deed of trust on real property), is impaired by this Plan. This claim is secured by the Real Property located at 930 - 934 N Harper Ave, West Hollywood, CA 90046 (the “Property”).</p> <p>The Debtor and HSBC Bank entered into a Mediated Stipulation for Settlement (the “Stipulation”), which is attached hereto as Exhibit “A” and incorporated herein by reference in its entirety. Pursuant to the Stipulation, HSBC Bank shall be entitled to an allowed secured claim in the amount of \$1,400,000.00 and an allowed general unsecured claim in the amount of \$715,335.04.</p> <p>HSBC Bank shall not be entitled to any other claim, of any type, in this bankruptcy proceeding, other than as set forth herein. HSBC Bank’s “Claim” shall be defined as its Secured Claim plus its Unsecured Claim.</p> <p>HSBC Bank’s Secured Claim shall be paid at the rate of 4.25%, over 10 years (120 months), starting on the seventh (7th) day of the month following the entry of a Confirmation Order, and continuing on the seventh (7th) day of the month thereafter, with the payment stream comprised of \$1,100,000.00, with a forty (40) year amortization, with a balloon payment for any and all remaining principal balance of the Secured Claim due at the conclusion of 120 monthly payments. There shall be no prepayment penalty.</p> <p>HSBC Bank has waived any right to an election under 11 U.S.C. § 1111(b). The Debtor shall continue to make adequate protection payments [see ECF No. 71] through the date of the entry of a Confirmation Order. The Debtor shall not receive any credit(s) for any adequate protection payments made during the pendency of this bankruptcy proceeding.</p> <p>Starting on the seventh (7th) day of the month following the entry of a Confirmation Order, and continuing on the seventh (7th) day of the month thereafter, the Debtor shall make post-confirmation escrow payments to HSBC Bank, in an amount sufficient to pay real estate taxes and hazard insurance on the Property. No other escrow (or other) payments shall be required, and there shall be no other additional insurance or</p>

Exhibit "A"

		<p>escrow requirements.</p> <p>Upon any default and expiration of any applicable cure period(s) under the terms of the Note and Deed of Trust, HSBC Bank shall be entitled to the entire amount of its Claim. Upon Confirmation, HSBC Bank shall send the Debtor monthly statements, indicating the correct amount of the Allowed Secured Claim, in the amount of \$1,400,000.00.</p> <p>Unless otherwise modified by the terms of the Stipulation and this Plan, all of the provisions of the underlying Note and Deed of Trust shall apply. ¶ 4.02 below shall not apply to HSBC Bank. The Property shall remain in name of the Debtor and the Debtor shall be the responsible party for payments under the Plan.</p> <p>HSBC Bank will retain its lien on the Property during the time that payments are made. Payments shall be made to the address listed on HSBC Bank's Proof of Claim, or such other address provided by HSBC Bank to the Debtor. The allowed general unsecured claim in the amount of \$715,335.04 shall be classified in Class 4 below. However, the Debtor shall not be obligated to and shall not make any payments to HSBC Bank on account of its Class 4 general unsecured claim.</p>
<p>Class 4 – General Unsecured and Undersecured Claims</p> <p>Total amount of claims in Class 4: \$621,327.11</p> <p>(excluding general unsecured claim of HSBC Bank)</p>	Impaired	<p>Class 4 consists of all allowed general unsecured and undersecured claims. The Class 4 Creditors shall share <i>pro rata</i> in a total distribution in the amount of \$5,000.00, which shall be paid in one lump sum on the Effective Date of this Plan. This payment will be made by Lonnie Kevin Hinds.</p> <p>The specific creditors to be paid under this Plan (as well as the amount to be distributed) are set forth in the attached Exhibit "B". The Class 4 Creditors will be receiving a distribution of approximately 0.8047% of their allowed general unsecured and undersecured claim(s).</p> <p>Upon the payment referenced herein to Class 4 General Undersecured Creditors, as to the Property (specifically the undersecured claims of Countrywide Home Loans, Inc., Atwood Grandberry and Infinity East, LLC), such secured claims/liens against the Property shall be deemed void and shall be extinguished upon entry of the Final Decree in this bankruptcy proceeding.</p> <p>As stated above, although HSBC Bank is entitled to a general unsecured claim in the amount of \$715,335.04, pursuant to the Stipulation, the Debtor shall not make any payments to HSBC Bank on account of its Class 4 general unsecured claim.</p>
<p>Class 5 – Secured Claim of Jonathan Cole (lien on vehicle)</p> <p>Total secured claim amount: \$3,100.00</p>	Unimpaired	<p>Class 5, the Secured Claim of Jonathan Cole, is unimpaired by this Plan. This claim was secured by a 1998 Ford F 150 (VIN # 1FTZF0728WKB93119). This secured claim has been paid in full during the pendency of this bankruptcy proceeding. The claimant shall receive no further payments and shall issue a satisfaction of his security interest, if not already completed.</p>
Class 6 – Priority	Unimpaired	Class 6 consists of all allowed priority unsecured claims of

Exhibit "A"

<p>Unsecured Claims of Real Property Tenants</p> <p>Total priority unsecured claims: \$5,200.00</p>		<p>Real Property Tenants who are owed security deposits. Upon the expiration of the unexpired leases described herein, the Debtor may become obligated to repay its tenants their security deposits, pursuant to applicable law. The security deposits are: (a) Unit 930 (\$900.00); (b) Unit 930 ½ (\$600.00); and (c) Unit 932 (\$3,700.00). Upon such time that the Debtor becomes obligated to pay its tenants these security deposits, such security deposits will be repaid in full. The Debtor shall set aside a reserve for Class 6 Creditors, so that these amounts can be paid on a timely basis upon such expiration of the leases described above.</p>
<p>Class 7 - Equity Security Holders of the Debtor</p>	<p>Impaired</p>	<p>Class 7 consists of all allowed equity interests in the Debtor, which includes membership interest(s) in the Debtor, belonging to Lonnie Kevin Hinds (1/3 interest), Marcelo Meirelles (1/3 interest) and Jodie Rasure (1/3 interest). The Debtor is canceling any and all stock and/or membership interests in the Debtor, and reissuing such stock and/or membership interest(s) as follows: Lonnie Kevin Hinds (1/3 interest), Marcelo Meirelles (1/3 interest) and Jodie Rasure (1/3 interest), in the Reorganized Debtor.</p> <p>Lonnie Kevin Hinds, on behalf of himself, as well as on behalf of Marcelo Meirelles and Jodie Rasure, shall, in exchange, provide the following new value: (a) a new value payment in the amount of \$5,000.00, to pay the Class 4 General Unsecured and Undersecured Creditors referenced above; (b) providing any and all capital infusions that are necessary to meet cash flow needs; (c) providing any and all capital infusions that are necessary to complete necessary repairs of the Property; and (d) other good and valuable consideration. Other than receiving a new Equity Interest in the Reorganized Debtor, the Equity Security Holders of the Debtor shall not be entitled to receive any distribution under this Plan on account of such Equity Interest(s).</p>

4.02 Default of Plan Payment(s). Unless otherwise specifically set forth above, in the event of any default by the Debtor of any payment required by ¶ 4.01 above, the Claimant shall provide the Debtor with notice of such default, by electronic mail to the Debtor's counsel, Zach B. Shelomith, Esq. (at zbs@lsaslaw.com) (the "Default Notice"). The Debtor shall be afforded ten (10) days from the date of receipt by the Debtor's counsel of such Default Notice to cure such default. The Claimant shall not take any further action(s) against the Debtor, including without limitation, proceeding against the Debtor in a court of competent jurisdiction, seeking *in rem* remedies against any of the subject properties described above or alleging a "material" default of this Plan by the Debtor, unless the cure period referenced herein has expired.

ARTICLE V

ALLOWANCE AND DISALLOWANCE OF CLAIMS

5.01 Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

Exhibit "A"

5.02 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed [by a final non-appealable order].

5.03 Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Fed. R. Bankr. P. 9019.

ARTICLE VI

PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.01 Assumption of Executory Contracts and Unexpired Leases. The Debtor assumes the following executory contracts and/or unexpired leases effective upon the Effective Date of this Plan:

Name of Lessee	Address	Monthly Payment	Date Lease Expires
John Finnigan	930 N Harper Ave, West Hollywood, CA 90046	\$995.00	Month to Month
Richard Dent	930 ½ N Harper Ave, West Hollywood, CA 90046	\$695.00	Month to Month
Stuart T. Marks	932 N Harper Ave, West Hollywood, CA 90046	\$3,700.00	Month to Month

6.02 Rejection of Executory Contracts and Unexpired Leases. The Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed above, or before the date of the order confirming this Plan, upon the Effective Date of this Plan. A proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than thirty (30) days after the date of the order confirming this Plan.

ARTICLE VII

MEANS FOR IMPLEMENTATION OF THE PLAN

The Plan will be funded primarily from cash flow from the operation of the Debtor's real estate business, specifically, the rental income as referenced above. The Debtor will be able to generate sufficient net income on a monthly basis to pay all of the obligations set forth in this Plan. Furthermore, the Plan will also be partially funded through infusions of capital from the Debtor's principal, Lonnie Kevin Hinds, as more specifically set forth above.

The Debtor shall, and believes it can, generate sufficient income to the amount necessary to enable it to make all payments due under the Plan. Attached to the Disclosure Statement is a 5 year cash flow projection, demonstrating that the plan payments are feasible.

The Debtor, as reorganized, will retain and will be re-vested in all property of the Estate, excepting property which is to be sold or otherwise disposed of as provided herein, executory contracts which are rejected pursuant to this Plan and property transferred to Creditors of the Debtor pursuant to the expressed terms hereof. The retained property shall be used by the Debtor in the ordinary course of its business. (Further details concerning the nature and scope of the Debtor's financial affairs may be found in the Disclosure Statement which accompanies this Plan).

Exhibit "A"

ARTICLE VIII
GENERAL PROVISIONS

8.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in 11 U.S.C. §§ 101 and 102 shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions:

(a) *Allowed Secured Claim* - shall mean an Allowed Claim for which a Claimant asserts, or upon objection is determined by a Final Order to hold, a valid, perfected and enforceable lien, security interest or other interest or encumbrance in property in which the Debtor has an interest not subject to avoidance or subordination under the Bankruptcy Code or applicable non-bankruptcy law, or an Allowed Claim for which a Claimant asserts a setoff under 11 U.S.C. § 553, but in any event only to the extent of the value, determined in accordance with 11 U.S.C. § 506(a), of the Claimant's interest in the Debtor's interest in the property or to the extent of the amount subject to such setoff as the case may be.

(b) *Allowed Undersecured Claim* - shall mean the amount of a prepetition secured Claim that exceeds the value of the collateral securing that Claim and is therefore unsecured.

(c) *Allowed Unsecured Claim* - shall mean an Allowed Claim which arose or which is deemed to have arisen prior to the filing of the Petition commencing these Proceedings and as to which the Claimant has not asserted, or as to whom it is determined by Final Order does not hold, a valid, perfected and enforceable lien, security interest or other interest in or encumbrance against property of the Debtor or a right of setoff to secure the payment of such Claim, but excluding unsecured Claims previously paid in the Proceedings pursuant to agreements approved by the Bankruptcy Court, if any.

Amount of Allowed Unsecured Claims. The Debtor's scheduled undersecured and unsecured dischargeable claims are set forth in its Schedules D and F [ECF No. 1]. Attached hereto as Exhibit "B" is a list of all general unsecured claims to be paid under this Plan, including the proposed distribution and proposed first dividend. The aggregate amount of claims included in Class 4, which will receive payment, is \$621,327.11.

Holders of allowed general unsecured claims will receive a distribution of 0.8047%. This distribution is higher than what holders of allowed general unsecured claims would receive in a hypothetical Chapter 7, in which case the Debtor estimates that such claimants would receive a distribution of 0.00%.

Liquidation analysis. This estimated distribution in a hypothetical Chapter 7 was determined by analyzing the liquidation value of the Debtor's property. The Debtor's real property is undersecured and has no equity. The Debtor's personal property is also undersecured and has no equity. After deducting estimated Chapter 11 administrative expenses, as well as anticipated Chapter 7 administrative expenses, it was calculated that unsecured creditors would receive a total of \$0.00 if this case were converted to a Chapter 7 liquidation. A more detailed liquidation analysis is set forth in the Disclosure Statement that accompanies this Plan.

Exhibit "A"

Accordingly, creditors are receiving more by virtue of this Plan, then they would if the Debtor's case was a Chapter 7 proceeding.

(d) *Causes of Action* - shall be used in its broadest sense and shall include all causes of action of the Debtor and all causes of action which a Trustee would have if the proceedings were converted on the confirmation date to a proceeding under Chapter 7 of the Code and a Trustee were appointed. Causes of action shall include all rights or causes of action, whether legal or equitable, whether they arise under the Code or under other federal or state laws or under judicial decisions, whether or not they are the subject of presently pending litigation and whether they arise before or after the confirmation date, as well as rights belonging to the Debtor pursuant to 11 U.S.C. §§ 506, 510, 544, 545, 547, 548, 549 or 550.

(e) *Claim* - shall mean any right to payment against the Debtor or right to an equitable remedy against the Debtor for breach of performance if such breach gives rise to a right to payment, whether or not such right to payment or right to an equitable remedy is reduced to judgment, or whether liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, secured or unsecured.

(f) *Petition Date* – shall mean March 16, 2015.

8.02 Effective Date of Plan. The Effective Date of this Plan is the fifteenth (15th) business day following the date of the entry of the order of confirmation. However, if a stay of the confirmation order is in effect on that date, the Effective Date will be the first business day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

8.03 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

8.04 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

8.05 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

8.06 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Florida govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

ARTICLE IX **DISCHARGE**

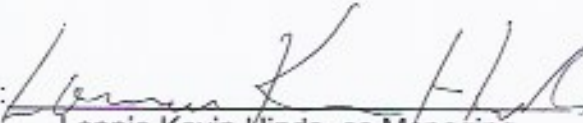
On the confirmation date of this Plan, the Debtor will be discharged from any debt that arose before confirmation of this Plan, subject to the occurrence of the effective date, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor will not be discharged of any debt: (i) imposed by this Plan; (ii) of a kind specified in § 1141(d)(6)(A) if

Exhibit "A"

a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure; or (iii) of a kind specified in § 1141(d)(6)(B).

Dated: October 18, 2018

Respectfully submitted,

By: 
Lonnie Kevin Hinds, as Managing
Member of K.M. Villas LLC. (the Plan
Proponent)

LEIDERMAN SHELOMITH ALEXANDER +
SOMODEVILLA, PLLC
Attorneys for the Debtor
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Ft. Lauderdale, Florida 33312
Telephone: (954) 920-5355
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By: 
ZACH B. SHELOMITH
Florida Bar No. 0122548
zbs@lsaslaw.com

Exhibit "A"

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
Miami Division
www.flsb.uscourts.gov

In re: Case No. 15-14807-BKC-RAM
K.M. VILLAS LLC., Chapter 11
Debtor.

MEDIATED STIPULATION FOR SETTLEMENT

K.M. Villas LLC. (the "Debtor") and HSBC Bank USA, N.A., as Trustee for BCAP Trust LLC 2006-AA2, Mortgage Pass-Through Certificates, Series 2006-AA2 ("HSBC Bank") stipulate to the following:

1. HSBC Bank shall be entitled to an allowed secured claim (the "Secured Claim") in the amount of \$1,400,000.00, as to the real property located at 930 - 934 N Harper Ave, West Hollywood, CA 90046 (the "Property"), and an allowed general unsecured claim (the "Unsecured Claim") in the amount of \$715,335.04. HSBC Bank shall not be entitled to any other claim, of any type, in this bankruptcy proceeding, other than as set forth herein. HSBC Bank's "Claim" shall be defined as its Secured Claim plus its Unsecured Claim.

2. HSBC Bank's Secured Claim shall be paid at the rate of 4.25%, over 10 years (120 months), starting on the seventh (7th) day of the month following the entry of a Confirmation Order, and continuing on the seventh (7th) day of the month thereafter, with the payment stream comprised of \$1,100,000.00, with a forty (40) year amortization, with a balloon payment for any and all remaining principal balance of the Secured Claim due at the conclusion of 120 monthly payments.

3. There shall be no prepayment penalty.

4. By entering into this Settlement Stipulation, HSBC Bank agrees to waive any right to an election under 11 U.S.C. § 1111(b).

5. The Debtor shall file a Motion to Approve Settlement, a Renewed Motion to Value and a Second Amended Plan of Reorganization and Second Amended Disclosure Statement within fourteen (14) days from the date of this Settlement Stipulation.

6. The Debtor shall continue to make adequate protection payments from the date of this Settlement Stipulation through the date of the entry of a Confirmation Order. The Debtor shall not receive any credit(s) for any adequate protection payments made during the pendency of this bankruptcy proceeding.

7. The Debtor shall not be obligated to and shall not make any payments to HSBC Bank on account of its Unsecured Claim.

8. Starting on the seventh (7th) day of the month following the entry of a Confirmation Order, and continuing on the seventh (7th) day of the month thereafter, the Debtor shall make post-confirmation escrow payments to HSBC Bank, in an amount sufficient to pay real estate taxes and hazard insurance on the Property. No other escrow (or other) payments shall be required, and there shall be no other additional insurance or escrow requirements.

9. Upon any default and expiration of any applicable cure period(s) under the terms of the Note and Deed of Trust, HSBC Bank shall be entitled to the entire amount of its Claim.

10. Upon Confirmation, HSBC Bank shall send the Debtor monthly statements, indicating the correct amount of the Allowed Secured Claim, in the amount of \$1,400,000.00.

11. As long as the Motion to Value contains these terms, HSBC Bank agrees to same.

12. As long as the Second Amended Plan contains these terms, HSBC Bank agrees to vote to accept such Second Amended Plan.

13. There shall be no additional requirements in the Second Amended Plan other than as set forth herein.

14. Unless otherwise modified by the terms of this Settlement Stipulation and the Second Amended Plan, all of the provisions of the Note and Deed of Trust shall apply.

15. The Property shall remain in name of the Debtor and the Debtor shall be the responsible party for payments under the Plan.

16. This Settlement Stipulation is subject to Bankruptcy Court approval and is contingent upon confirmation of a Chapter 11 Plan containing these terms.

Signed: <u>[Signature]</u> Print Name: <u>Kevin Hinds</u> Title: <u>Managing Member of Debtor</u> Date: <u>10-4-18</u>	Signed: <u>[Signature]</u> T:11P Print Name: <u>Counsel for the Debtor</u> Print Name: <u>Zach Shelomith</u> Title: <u></u> Date: <u>10/4/18</u>
Signed: <u>[Signature]</u> Print Name: <u>Kirk W. Trappie</u> Title: <u>Sec. Asst. Sec. of Litigation Support</u> <u>Nationstar on behalf of HSBC as Trustee</u> Date: <u>10/4/18</u>	Signed: <u>[Signature]</u> Print Name: <u>Andrea Hartley</u> Title: <u>Counsel for HSBC as Trustee</u> Date: <u>10/4/18</u>
Signed: <u>[Signature]</u> Print Name: <u>PAUL L. ORSHAN</u> Title: <u>Mediator</u> Date: <u>10-4-18</u>	[Empty]

K.M. Villas LLC. - List of General Unsecured Creditors to be Paid Pursuant to Plan				
Class	Claim #	Name of Creditor	Amount of Claim	Proposed Distribution
4	2	HSBC Bank, N.A.	\$715,335.04	\$0.00
4	SCH	Countrywide Home Loans, Inc.	\$239,700.00	\$1,928.94
4	SCH	Atwood Grandberry	\$72,000.00	\$579.40
4	SCH	Infinity East, LLC	\$300,000.00	\$2,414.19
4	SCH	City of West Hollywood	\$6,804.00	\$54.75
4	3	Department of Water and Power, City of Los Angeles	\$2,823.11	\$22.72
Total Undisputed Unsecured Claims			\$1,336,662.15	\$5,000.00
Distribution Percentage			0.8047%	
K.M. Villas LLC. - List of Secured Creditors to be Paid Pursuant to Plan				
Class	Claim #	Name of Creditor	Amount of Claim	Proposed Disposition
1	1	Los Angeles County Tax Collector	\$0.00	Class 1 Secured Creditor - Paid in Full During Pendency of Case (Debtor will Object to Claim)
3	2	HSBC Bank, N.A.	\$1,400,000.00	Class 3 Secured Creditor - First Deed of Trust for 930 - 934 N Harper Ave, West Hollywood, CA 90046
5	SCH	Jonathan Cole	\$3,100.00	Secured creditor treated in Class 8 - Security Interest in Vehicle
N/A	4	Internal Revenue Service	\$0.00	Amended Claim # 4-4 filed in the amount of \$0.00

EXHIBIT “B”

Identity and Value of Material Assets of the Debtor

B6A (Official Form 6A) (12/07)

In re K.M. Villas LLC. Case No. _____
 Debtor

SCHEDULE A - REAL PROPERTY

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim." If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

Description and Location of Property	Nature of Debtor's Interest in Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption	Amount of Secured Claim
Real Property located at 930 - 934 N Harper Ave, West Hollywood, CA 90046	Fee Simple	-	1,300,000.00	2,754,279.23

Sub-Total > **1,300,000.00** (Total of this page)
 Total > **1,300,000.00**
 (Report also on Summary of Schedules)

0 continuation sheets attached to the Schedule of Real Property

Exhibit "B"

In re K.M. Villas LLC.

Case No. _____

Debtor

SCHEDULE B - PERSONAL PROPERTY

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "x" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petition is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property." If the property is being held for a minor child, simply state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
1. Cash on hand	X			
2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.		Wells Fargo Bank, N.A. Simple Business Checking Acct Acct # 7079	-	21.59
3. Security deposits with public utilities, telephone companies, landlords, and others.	X			
4. Household goods and furnishings, including audio, video, and computer equipment.	X			
5. Books, pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles.	X			
6. Wearing apparel.	X			
7. Furs and jewelry.	X			
8. Firearms and sports, photographic, and other hobby equipment.	X			
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.	X			
10. Annuities. Itemize and name each issuer.	X			

Sub-Total > **21.59**
(Total of this page)

2 continuation sheets attached to the Schedule of Personal Property

Exhibit "B"

In re K.M. Villas LLC.

Case No. _____

Debtor

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
11. Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s). 11 U.S.C. § 521(c).)	X			
12. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.	X			
13. Stock and interests in incorporated and unincorporated businesses. Itemize.	X			
14. Interests in partnerships or joint ventures. Itemize.	X			
15. Government and corporate bonds and other negotiable and nonnegotiable instruments.	X			
16. Accounts receivable.	X			
17. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	X			
18. Other liquidated debts owed to debtor including tax refunds. Give particulars.	X			
19. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A - Real Property.	X			
20. Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	X			
21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.	X			

Sub-Total > **0.00**
(Total of this page)

Sheet 1 of 2 continuation sheets attached to the Schedule of Personal Property

Exhibit "B"

In re K.M. Villas LLC.

Case No. _____

Debtor

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
22. Patents, copyrights, and other intellectual property. Give particulars.	X			
23. Licenses, franchises, and other general intangibles. Give particulars.	X			
24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. § 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes.	X			
25. Automobiles, trucks, trailers, and other vehicles and accessories.		1998 Ford F 150 VIN # 1FTZF0728WKB93119	-	2,000.00
26. Boats, motors, and accessories.	X			
27. Aircraft and accessories.	X			
28. Office equipment, furnishings, and supplies.	X			
29. Machinery, fixtures, equipment, and supplies used in business.	X			
30. Inventory.	X			
31. Animals.	X			
32. Crops - growing or harvested. Give particulars.	X			
33. Farming equipment and implements.	X			
34. Farm supplies, chemicals, and feed.	X			
35. Other personal property of any kind not already listed. Itemize.	X			

Sub-Total >	2,000.00
(Total of this page)	
Total >	2,021.59

(Report also on Summary of Schedules)

Sheet 2 of 2 continuation sheets attached to the Schedule of Personal Property

Exhibit "B"

EXHIBIT “C”

Five Year Cash Flow Projections

KM VILLAS LLC

60 MONTH PROJECTION OF INCOME AND EXPENSES

BKC CASE #

REPORTING PERIOD			1	2	3	4	5	6	7	8	9	10
RESIDENTIAL												
BEGINNING CASH			\$ 43,415.72	\$ 1,497.90	\$ 4,230.08	\$ 6,962.26	\$ 3,044.44	\$ 2,296.62	\$ 1,548.80	\$ 5,150.98	\$ 4,403.16	\$ 3,655.34
INCOME		UNIT A	\$ 3,700.00	\$ 3,700.00	\$ 3,700.00	\$ 3,700.00	\$ 3,700.00	\$ 3,700.00	\$ 3,700.00	\$ 3,700.00	\$ 3,700.00	\$ 3,700.00
		UNIT B				\$ -	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00
		UNIT C	\$ 950.00	\$ 950.00	\$ 950.00	\$ 950.00	\$ 950.00	\$ 950.00	\$ 950.00	\$ 950.00	\$ 950.00	\$ 950.00
		UNIT D	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
TOTAL RENT			\$ 5,250.00	\$ 5,250.00	\$ 5,250.00	\$ 5,250.00	\$ 8,850.00	\$ 8,850.00	\$ 8,850.00	\$ 8,850.00	\$ 8,850.00	\$ 8,850.00
EXPENSES												
MAJOR REPAIRS/VACANCY ALLOWANCE			\$ 1,312.50	\$ 1,312.50	\$ 1,312.50	\$ 1,312.50	\$ 2,212.50	\$ 2,212.50	\$ 2,212.50	\$ 2,212.50	\$ 2,212.50	\$ 2,212.50
TAXES PAYABLE ESCROWED	3% inc p/y		\$ 1,343.00	\$ 1,343.00	\$ 1,343.00	\$ 1,343.00	\$ 1,343.00	\$ 1,343.00	\$ 1,343.00	\$ 1,343.00	\$ 1,343.00	\$ 1,343.00
INSURANCE ESCROWED			\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00	\$ 180.00
REPAIRS/MAINT	5% of rent		\$ 262.50	\$ 262.50	\$ 262.50	\$ 262.50	\$ 442.50	\$ 442.50	\$ 442.50	\$ 442.50	\$ 442.50	\$ 442.50
UTILITIES	WATER		\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
TOTAL DIRECT EXPENSES			\$ 3,248.00	\$ 3,248.00	\$ 3,248.00	\$ 3,248.00	\$ 4,328.00	\$ 4,328.00	\$ 4,328.00	\$ 4,328.00	\$ 4,328.00	\$ 4,328.00
CASH INFUSIONS FROM DEBTORS PRINCIPAL			\$ 6,000.00	\$ 6,000.00	\$ 6,000.00				\$ 5,000.00			
CLASS 3			\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82
CLAIM 4			\$ 5,000.00									
CLAIM 5 Reserves			\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
ADMINISTRATIVE CLAIMS			\$ 39,000.00									
TRUSTEE PAYMENTS			\$ 650.00			\$ 650.00			\$ 650.00			
TOTAL CLAIMS			\$ 49,919.82	\$ 5,269.82	\$ 5,269.82	\$ 5,919.82	\$ 5,269.82	\$ 5,269.82	\$ 5,919.82	\$ 5,269.82	\$ 5,269.82	\$ 5,269.82
ENDING CASH			\$ 1,497.90	\$ 4,230.08	\$ 6,962.26	\$ 3,044.44	\$ 2,296.62	\$ 1,548.80	\$ 5,150.98	\$ 4,403.16	\$ 3,655.34	\$ 2,907.52

KM VILLAS LLC

60 MONTH PROJECTION OF INCOME AND EXPENSES

BKC CASE #

11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
\$ 2,907.52	\$ 2,459.70	\$ 2,211.88	\$ 2,024.12	\$ 1,836.36	\$ 1,648.60	\$ 1,460.84	\$ 1,348.68	\$ 1,236.52	\$ 1,124.36	\$ 1,012.20	\$ 900.04	\$ 787.88	\$ 675.72	\$ 563.56	\$ 513.26
\$ 3,700.00	\$ 3,700.00	\$ 3,811.00	\$ 3,811.00	\$ 3,811.00	\$ 3,811.00	\$ 3,811.00	\$ 3,811.00	\$ 3,811.00	\$ 3,811.00	\$ 3,811.00	\$ 3,811.00	\$ 3,811.00	\$ 3,811.00	\$ 3,925.33	\$ 3,925.33
\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 3,600.00	\$ 3,708.00	\$ 3,708.00	\$ 3,708.00	\$ 3,708.00	\$ 3,708.00	\$ 3,708.00	\$ 3,708.00	\$ 3,708.00	\$ 3,708.00	\$ 3,708.00
\$ 950.00	\$ 950.00	\$ 978.50	\$ 978.50	\$ 978.50	\$ 978.50	\$ 978.50	\$ 978.50	\$ 978.50	\$ 978.50	\$ 978.50	\$ 978.50	\$ 978.50	\$ 978.50	\$ 978.50	\$ 1,007.86
\$ 600.00	\$ 600.00	\$ 618.00	\$ 618.00	\$ 618.00	\$ 618.00	\$ 618.00	\$ 618.00	\$ 618.00	\$ 618.00	\$ 618.00	\$ 618.00	\$ 618.00	\$ 618.00	\$ 618.00	\$ 636.54
\$ 8,850.00	\$ 8,850.00	\$ 9,007.50	\$ 9,007.50	\$ 9,007.50	\$ 9,007.50	\$ 9,115.50	\$ 9,115.50	\$ 9,115.50	\$ 9,115.50	\$ 9,115.50	\$ 9,115.50	\$ 9,115.50	\$ 9,115.50	\$ 9,115.50	\$ 9,277.73
\$ 2,212.50	\$ 2,212.50	\$ 2,251.88	\$ 2,251.88	\$ 2,251.88	\$ 2,251.88	\$ 2,278.88	\$ 2,278.88	\$ 2,278.88	\$ 2,278.88	\$ 2,278.88	\$ 2,278.88	\$ 2,278.88	\$ 2,278.88	\$ 2,278.88	\$ 2,319.43
\$ 1,343.00	\$ 1,343.00	\$ 1,383.29	\$ 1,383.29	\$ 1,383.29	\$ 1,383.29	\$ 1,383.29	\$ 1,383.29	\$ 1,383.29	\$ 1,383.29	\$ 1,383.29	\$ 1,383.29	\$ 1,383.29	\$ 1,383.29	\$ 1,383.29	\$ 1,424.79
\$ 180.00	\$ 180.00	\$ 185.40	\$ 185.40	\$ 185.40	\$ 185.40	\$ 185.40	\$ 185.40	\$ 185.40	\$ 185.40	\$ 185.40	\$ 185.40	\$ 185.40	\$ 185.40	\$ 185.40	\$ 190.96
\$ 442.50	\$ 442.50	\$ 450.38	\$ 450.38	\$ 450.38	\$ 450.38	\$ 455.78	\$ 455.78	\$ 455.78	\$ 455.78	\$ 455.78	\$ 455.78	\$ 455.78	\$ 455.78	\$ 455.78	\$ 463.89
\$ 150.00	\$ 150.00	\$ 154.50	\$ 154.50	\$ 154.50	\$ 154.50	\$ 154.50	\$ 154.50	\$ 154.50	\$ 154.50	\$ 154.50	\$ 154.50	\$ 154.50	\$ 154.50	\$ 154.50	\$ 159.14
\$ 4,328.00	\$ 4,328.00	\$ 4,425.44	\$ 4,425.44	\$ 4,425.44	\$ 4,425.44	\$ 4,457.84	\$ 4,457.84	\$ 4,457.84	\$ 4,457.84	\$ 4,457.84	\$ 4,457.84	\$ 4,457.84	\$ 4,457.84	\$ 4,457.84	\$ 4,558.20
\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82
\$ 200.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,969.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82
\$ 2,459.70	\$ 2,211.88	\$ 2,024.12	\$ 1,836.36	\$ 1,648.60	\$ 1,460.84	\$ 1,348.68	\$ 1,236.52	\$ 1,124.36	\$ 1,012.20	\$ 900.04	\$ 787.88	\$ 675.72	\$ 563.56	\$ 513.26	\$ 462.96

KIM VILLAS LLC

60 MONTH PROJECTION OF INCOME AND EXPENSES

BKC CASE #

27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42
\$ 462.96	\$ 412.67	\$ 362.37	\$ 389.94	\$ 417.51	\$ 445.08	\$ 472.65	\$ 500.22	\$ 527.79	\$ 555.36	\$ 582.93	\$ 674.21	\$ 765.50	\$ 856.79	\$ 948.08	\$ 1,119.57
\$ 3,925.33	\$ 3,925.33	\$ 3,925.33	\$ 3,925.33	\$ 3,925.33	\$ 3,925.33	\$ 3,925.33	\$ 3,925.33	\$ 3,925.33	\$ 3,925.33	\$ 4,043.09	\$ 4,043.09	\$ 4,043.09	\$ 4,043.09	\$ 4,043.09	\$ 4,043.09
\$ 3,708.00	\$ 3,708.00	\$ 3,819.24	\$ 3,819.24	\$ 3,819.24	\$ 3,819.24	\$ 3,819.24	\$ 3,819.24	\$ 3,819.24	\$ 3,819.24	\$ 3,819.24	\$ 3,819.24	\$ 3,819.24	\$ 3,819.24	\$ 3,819.24	\$ 3,933.82
\$ 1,007.86	\$ 1,007.86	\$ 1,007.86	\$ 1,007.86	\$ 1,007.86	\$ 1,007.86	\$ 1,007.86	\$ 1,007.86	\$ 1,007.86	\$ 1,007.86	\$ 1,038.09	\$ 1,038.09	\$ 1,038.09	\$ 1,038.09	\$ 1,038.09	\$ 1,038.09
\$ 636.54	\$ 636.54	\$ 636.54	\$ 636.54	\$ 636.54	\$ 636.54	\$ 636.54	\$ 636.54	\$ 636.54	\$ 636.54	\$ 655.64	\$ 655.64	\$ 655.64	\$ 655.64	\$ 655.64	\$ 655.64
\$ 9,277.73	\$ 9,277.73	\$ 9,388.97	\$ 9,388.97	\$ 9,388.97	\$ 9,388.97	\$ 9,388.97	\$ 9,388.97	\$ 9,388.97	\$ 9,388.97	\$ 9,556.06	\$ 9,556.06	\$ 9,556.06	\$ 9,556.06	\$ 9,556.06	\$ 9,670.63
\$ 2,319.43	\$ 2,319.43	\$ 2,347.24	\$ 2,347.24	\$ 2,347.24	\$ 2,347.24	\$ 2,347.24	\$ 2,347.24	\$ 2,347.24	\$ 2,347.24	\$ 2,389.01	\$ 2,389.01	\$ 2,389.01	\$ 2,389.01	\$ 2,389.01	\$ 2,417.66
\$ 1,424.79	\$ 1,424.79	\$ 1,424.79	\$ 1,424.79	\$ 1,424.79	\$ 1,424.79	\$ 1,424.79	\$ 1,424.79	\$ 1,424.79	\$ 1,424.79	\$ 1,467.53	\$ 1,467.53	\$ 1,467.53	\$ 1,467.53	\$ 1,467.53	\$ 1,467.53
\$ 190.96	\$ 190.96	\$ 190.96	\$ 190.96	\$ 190.96	\$ 190.96	\$ 190.96	\$ 190.96	\$ 190.96	\$ 190.96	\$ 196.69	\$ 196.69	\$ 196.69	\$ 196.69	\$ 196.69	\$ 196.69
\$ 463.89	\$ 463.89	\$ 469.45	\$ 469.45	\$ 469.45	\$ 469.45	\$ 469.45	\$ 469.45	\$ 469.45	\$ 469.45	\$ 477.80	\$ 477.80	\$ 477.80	\$ 477.80	\$ 477.80	\$ 483.53
\$ 159.14	\$ 159.14	\$ 159.14	\$ 159.14	\$ 159.14	\$ 159.14	\$ 159.14	\$ 159.14	\$ 159.14	\$ 159.14	\$ 163.91	\$ 163.91	\$ 163.91	\$ 163.91	\$ 163.91	\$ 163.91
\$ 4,558.20	\$ 4,558.20	\$ 4,591.58	\$ 4,591.58	\$ 4,591.58	\$ 4,591.58	\$ 4,591.58	\$ 4,591.58	\$ 4,591.58	\$ 4,591.58	\$ 4,694.95	\$ 4,694.95	\$ 4,694.95	\$ 4,694.95	\$ 4,694.95	\$ 4,729.32
\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82
\$ 412.67	\$ 362.37	\$ 389.94	\$ 417.51	\$ 445.08	\$ 472.65	\$ 500.22	\$ 527.79	\$ 555.36	\$ 582.93	\$ 674.21	\$ 765.50	\$ 856.79	\$ 948.08	\$ 1,119.57	\$ 1,291.06

KM VILLAS LLC

60 MONTH PROJECTION OF INCOME AND EXPENSES

BKC CASE #

43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58
\$ 1,291.06	\$ 1,462.55	\$ 1,634.04	\$ 1,805.53	\$ 1,977.02	\$ 2,148.52	\$ 2,320.01	\$ 2,557.13	\$ 2,794.25	\$ 3,031.37	\$ 3,268.49	\$ 3,588.22	\$ 3,907.95	\$ 4,227.68	\$ 4,547.41	\$ 4,867.14
\$ 4,043.09	\$ 4,043.09	\$ 4,043.09	\$ 4,043.09	\$ 4,043.09	\$ 4,043.09	\$ 4,164.38	\$ 4,164.38	\$ 4,164.38	\$ 4,164.38	\$ 4,164.38	\$ 4,164.38	\$ 4,164.38	\$ 4,164.38	\$ 4,164.38	\$ 4,164.38
\$ 3,933.82	\$ 3,933.82	\$ 3,933.82	\$ 3,933.82	\$ 3,933.82	\$ 3,933.82	\$ 3,933.82	\$ 3,933.82	\$ 3,933.82	\$ 3,933.82	\$ 4,051.83	\$ 4,051.83	\$ 4,051.83	\$ 4,051.83	\$ 4,051.83	\$ 4,051.83
\$ 1,038.09	\$ 1,038.09	\$ 1,038.09	\$ 1,038.09	\$ 1,038.09	\$ 1,038.09	\$ 1,069.23	\$ 1,069.23	\$ 1,069.23	\$ 1,069.23	\$ 1,069.23	\$ 1,069.23	\$ 1,069.23	\$ 1,069.23	\$ 1,069.23	\$ 1,069.23
\$ 655.64	\$ 655.64	\$ 655.64	\$ 655.64	\$ 655.64	\$ 655.64	\$ 675.31	\$ 675.31	\$ 675.31	\$ 675.31	\$ 675.31	\$ 675.31	\$ 675.31	\$ 675.31	\$ 675.31	\$ 675.31
\$ 9,670.63	\$ 9,670.63	\$ 9,670.63	\$ 9,670.63	\$ 9,670.63	\$ 9,670.63	\$ 9,842.74	\$ 9,842.74	\$ 9,842.74	\$ 9,842.74	\$ 9,960.75	\$ 9,960.75	\$ 9,960.75	\$ 9,960.75	\$ 9,960.75	\$ 9,960.75
\$ 2,417.66	\$ 2,417.66	\$ 2,417.66	\$ 2,417.66	\$ 2,417.66	\$ 2,417.66	\$ 2,460.68	\$ 2,460.68	\$ 2,460.68	\$ 2,460.68	\$ 2,490.19	\$ 2,490.19	\$ 2,490.19	\$ 2,490.19	\$ 2,490.19	\$ 2,490.19
\$ 1,467.53	\$ 1,467.53	\$ 1,467.53	\$ 1,467.53	\$ 1,467.53	\$ 1,467.53	\$ 1,511.56	\$ 1,511.56	\$ 1,511.56	\$ 1,511.56	\$ 1,511.56	\$ 1,511.56	\$ 1,511.56	\$ 1,511.56	\$ 1,511.56	\$ 1,511.56
\$ 196.69	\$ 196.69	\$ 196.69	\$ 196.69	\$ 196.69	\$ 196.69	\$ 202.59	\$ 202.59	\$ 202.59	\$ 202.59	\$ 202.59	\$ 202.59	\$ 202.59	\$ 202.59	\$ 202.59	\$ 202.59
\$ 483.53	\$ 483.53	\$ 483.53	\$ 483.53	\$ 483.53	\$ 483.53	\$ 492.14	\$ 492.14	\$ 492.14	\$ 492.14	\$ 498.04	\$ 498.04	\$ 498.04	\$ 498.04	\$ 498.04	\$ 498.04
\$ 163.91	\$ 163.91	\$ 163.91	\$ 163.91	\$ 163.91	\$ 163.91	\$ 168.83	\$ 168.83	\$ 168.83	\$ 168.83	\$ 168.83	\$ 168.83	\$ 168.83	\$ 168.83	\$ 168.83	\$ 168.83
\$ 4,729.32	\$ 4,729.32	\$ 4,729.32	\$ 4,729.32	\$ 4,729.32	\$ 4,729.32	\$ 4,835.80	\$ 4,835.80	\$ 4,835.80	\$ 4,835.80	\$ 4,871.20	\$ 4,871.20	\$ 4,871.20	\$ 4,871.20	\$ 4,871.20	\$ 4,871.20
\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82	\$ 4,769.82
\$ 1,462.55	\$ 1,634.04	\$ 1,805.53	\$ 1,977.02	\$ 2,148.52	\$ 2,320.01	\$ 2,557.13	\$ 2,794.25	\$ 3,031.37	\$ 3,268.49	\$ 3,588.22	\$ 3,907.95	\$ 4,227.68	\$ 4,547.41	\$ 4,867.14	\$ 5,186.88

KIM VILLAS LLC

60 MONTH PROJECTION OF INCOME AND EXPENSES

BKC CASE #

59	60	
\$ 5,186.88	\$ 5,506.61	Totals
\$ 4,164.38	\$ 4,164.38	\$ 235,725.63
\$ 4,051.83	\$ 4,051.83	\$ 213,147.34
\$ 1,069.23	\$ 1,069.23	\$ 60,524.15
\$ 675.31	\$ 675.31	\$ 38,225.78
\$ 9,960.75	\$ 9,960.75	\$ 547,622.90
\$ 2,490.19	\$ 2,490.19	\$ 136,905.72
\$ 1,511.56	\$ 1,511.56	\$ 85,562.03
\$ 202.59	\$ 202.59	\$ 11,467.73
\$ 498.04	\$ 498.04	\$ 27,381.14
\$ 168.83	\$ 168.83	\$ 9,556.44
\$ 4,871.20	\$ 4,871.20	\$ 270,873.08
		\$ 23,000.00
\$ 4,769.82	\$ 4,769.82	\$ 286,189.20
		\$ 5,000.00
\$ -	\$ -	\$ 5,200.00
		\$ 39,000.00
		\$ 1,950.00
\$ 4,769.82	\$ 4,769.82	\$ 337,339.20
\$ 5,506.61	\$ 5,826.34	\$ 5,826.34

DINNALL FYNE & COMPANY INC.
ACCOUNTING AND TAX SERVICES

1515 N. University Drive
Ste. 114
Coral Springs, FL 33071
954-340-5696(Phone)
afyne@dinnallfyne.com

October 18, 2018

For the benefit of:
KM Villas LLC
Miami, Florida 33328

Re: Assumptions for Attached 60 Month Projections –Case # 15-14807-BKC-RAM

Dear Mr. Hinds:

Please find attached the cash flow forecast of KM Villas LLC over the sixty months beginning upon the confirmation of it's Bankruptcy Plan.

The line items are as follows:

INCOME SOURCES

Earnings from Real Estate-Residential Rental Property

The rental income is the current amount being charged for each unit. Per my discussions with Mr. Hinds, he does not increase the rent on an annual basis but based upon the length of the previous lease and current market conditions. In the projections, each property had a different lease schedule and the rents were adjusted five percent when the current lease expires. This was different for each property. Unit B needs major repairs before it can be re rented at the current market rate. These repairs are scheduled for the first three months following confirmation.

The expenses for each property are projections based upon current historical information as well as expected increases. The only expenses paid by the Landlord are the real estate taxes which are projected to increase 3% annually, insurance and repairs which are projected at 5% of the rent earned. The insurance and taxes will be escrowed into the monthly payment. There is a small water bill that is the responsibility of the Landlord. The amounts used were historical figures.

The debt service figures are derived from the Plan of reorganization.

I have budgeted a Vacancy Adjustment combined with any major repairs which is calculated at one month's rent per every thirteen months for each property and our estimate of what needs to be done to get the one unit rentable again. This is to account for when properties turn over which inevitably happens and the realization of no earnings for months during vacancies. These figures are from Mr. Hinds and reflect his historical vacancy rate.

EXPENSES

All Expenses are based upon historical amounts except for the Major Repairs which are an estimate that Mr. Hinds feel will be enough to make Unit B rentable again.

Administrative Fees

The amount used is a projected amount of fees for Legal Services (\$30,000) and Accounting Services (\$9,000) for the case and five-year period following the acceptance of the plan. Additional fees for annual tax returns and for legal fees to close the case are reflected in the projection.

Creditor Payments

All per the plan

Respectfully Submitted,

/s/ Alan Fyne

Alan Fyne

Cc: Zach B. Shelomith, Esq.

EXHIBIT “D”

Liquidation Analysis

Exhibit D - Liquidation Analysis			
Debtor's Estimated Liquidation Value of Assets			
Assets:	Value		
Real Property	\$1,400,000.00		
Bank Accounts	\$43,415.72		
Vehicle	\$2,000.00		
Total Assets at Liquidation Value	\$1,445,415.72		
Less:			
Secured creditors' recoveries - real property	\$1,400,000.00		
Est. Chapter 7 admin. expenses	\$5,000.00		
Est. Chapter 11 admin. expenses	\$39,000.00		
Ordinary Course Expenses	\$23,000.00		
(1) Total Non-Exempt Assets:	\$45,415.72		
(2) Balance for unsecured claims:	\$0.00		
(3) Total unsecured claims:	\$1,336,662.15		
Percentage of Claims Which Unsecured Creditors Would			
Receive or Retain in a Chapter 7 Liquidation:			0.0000%
Percentage of Claims Which Unsecured Creditors Would			
Receive or Retain under the Plan:			0.8047%